

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 89/GT/2013**

Subject: Approval of generation tariff of Nimoo Bazgo HE Project for the period from 01.04.2013 to 31.03.2014 and relaxation for operational and/or technical norms of operation clause-4 of part-7(Misc) of CERC (Indian Electricity Grid Code).

Date of hearing: 25.6.2013

Coram: Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member

Petitioner: NHPC Limited,

Respondents: Power Development Department, Govt of J&K

Parties present: Shri R Raina, NHPC  
Shri Piyush Kumar, NHPC  
Shri S.K. Meena, NHPC

**RECORD OF PROCEEDINGS**

This petition has been filed by the petitioner NHPC for approval of generation tariff of Nimoo Bazgo HE Project (hereinafter called "the generating station") for the period from 01.04.2013 to 31.03.2014 in terms of Regulation 6(1) of 2009 Tariff Regulations and relaxation for operational and/or technical norms of operation clause-4 of part-7(Misc) of CERC (Indian Electricity Grid Code).

2. During the hearing, the representative of the petitioner, NHPC submitted as under:
- a) This project was vested to the petitioner by the govt. of India for developing the energy deprived area and to reduce large scale consumption of diesel due to extreme weather condition including lack of oxygen. currently the Leh region is supplied with power from diesel generators and micro HE Units and the present cost of generation from DG set is ₹ 25 per unit (Approx).
  - b) The full share of the generating station is allocated to the home state of J&k till connection with regional grid and the scheduling is the responsibility of SLDC. Only 2 out of 6 sub stations have been commissioned till date and since the 66 kV power evacuation network is not fully commissioned, the project is not connected to the state grid. In view of this the relevant technical/operational conditions as per IEGC regulations shall not be applicable and the project is being operated in isolated mode.

- c) The total capacity of sub stations commissioned at 0.9 pf is 17.00 MW and the maximum load provided by the respondent is 12.30 MW only. Fluctuation in connected load causes frequent tripping of units thus affecting the performance of unit and consequential increase in O&M expenses. In view of the technical/ operational constrains, the NAPAF of the generating station may be relaxed as prayed for.
- d) Though all the 3 units are ready for commercial operation, the same could not be declared under commercial operation in terms of Regulation 3(12)(b) of the 2009 Tariff Regulations as sufficient load is not available to demonstrate peaking capability even though sufficient water is available.
- e) The entire annual fixed charges through normative capacity charges and energy charges as per actual performance of the generating station may be allowed to be recovered.
- f) The order of the Commission dated 31.12.2012 in IA No. 15 of 2012 in respect of Chutak power station allowing relaxations may be considered in this instant case.
- g) As regard vetting of capital cost by designated independent agency, M/S Tata Consulting Engineering Ltd. has been appointed as a designated agency and report on the vetting of capital cost for the generating station would be submitted as and when the same is finalized.
- h) Considering the special situation as stated above which is beyond the control of the petitioner, the generating station may be allowed to operate on reduced load and in isolated mode with modified plant availability factor and designed energy till full load is available in the network and is connected to the regional/state grid.
- i) The submissions of the petitioner and the prayer for relaxation made in the petition may be considered at the time of approval of tariff of generating station.

3. None appeared on behalf of the respondent.

4. On a specific query by the Commission as to the time limit within which the report on vetting of capital cost by the designated agency would be submitted, the representative of the petitioner submitted that the same would be submitted by September 2013. He also prayed that the Commission may consider granting provisional tariff for the generating station pending submission of said report and the revised cost estimate of the generating station.

5. The Commission directed the petitioner to take steps for filing the above said documents prior to the determination of tariff of the generating station. The Commission observed that it would take a view on the prayer of the petitioner for grant of provisional tariff for generating station. Subject to this the order in the petition was reserved.

By order of the Commission

Sd/-  
(T. Rout)  
Joint Chief (Law)