

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.S. Bakshi, Member  
Dr. M. K. Iyer, Member**

**Date of Order: 6<sup>th</sup> February, 2017**

**Petition No. 193/GT/2015**

**In the matter of**

Revision of tariff of Teesta Low Dam Hydroelectric Power station-III (132 MW) for the period from 1.4.2013 to 31.3.2014-Truing-up of tariff determined by order dated 22.1.2015 in Petition No. 115/GT/2013

**And**

**Petition No. 248/GT/2014**

**In the matter of**

Determination of tariff of Teesta Low Dam Hydroelectric Power station-III (132 MW) for the period of 2014-19

**And in the matter of**

NHPC Ltd  
NHPC Office Complex,  
Sector-33, Faridabad,  
Haryana-121003

**....Petitioner**

**Vs**

West Bengal State Electricity Distribution Company Ltd,  
Vidyut Bhawan, 8th Floor, Block DJ, Sector II,  
Salt Lake, Kolkata – 700091

**...Respondent**

**Parties present:**

Shri A.K.Pandey, NHPC  
Shri Piyush Kumar, NHPC  
Shri Jitendra Kumar Jha, NHPC  
Shri Naresh Bansal, NHPC

**ORDER**

Petition No.193/GT/2015 has been filed by the petitioner, NHPC Ltd, for revision of annual fixed charges of Teesta Low Dam Hydroelectric Power station –III (4 x 33 MW) (hereinafter referred to as “the generating station”) for the period 2013-14 in terms of Regulation 6 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (‘the 2009 Tariff Regulations’) and Petition No. 248/GT/2014 has been filed by the petitioner for determination



of tariff of the generating station for the period 2014-19 in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (“the 2014 Tariff Regulations”).

### **Background**

2. The generating station is a run-of-the-river type project, with pondage for 3 hours peaking, with provision of 10% overloading on continuous basis. Ministry of Power, Govt. of India, vide letter dated 30.10.2003 had accorded Investment Approval (IA) for setting up of the generating station at the total estimated cost of ₹76892.00 lakh, including IDC of ₹6041.00 lakh, based on December 2002 price level. As per the administrative approval, the generating station was scheduled to be commissioned within 4 years and five months from the date of its IA, that is, by 31.3.2007. All the units of the generating station were commissioned during the month of March, 2013. As such, the delay in commissioning of the generating station is 72 months. The generating station has been declared under commercial operation with the dates of commercial operation of each unit given below:

Unit-1	19.5.2013
Unit-2	1.4.2013
Unit-3	1.4.2013
Unit-4	1.5.2013

3. Petition No. 115/GT/2013 was filed by the petitioner for approval of annual fixed charges of the generating station for the period 1.4.2013 to 31.3.2014 based on the capital cost of ₹192580 lakh as on 1.4.2013 (expected COD of the generating station). However, the Commission after considering the deduction of un-discharged liabilities, the report on capital cost by the Designated Independent Agency (M/s Tata Consulting Engineers) and the capital cost of ₹90386.58 lakh for two units (1.4.2013 to 30.4.2013), ₹135579.87 lakh for three units (1.5.2013 to 18.5.2013) and ₹180773.16 lakh for four units (19.5.2013 to 31.3.2014) by order dated 22.1.2015 determined the annual fixed charges of the generating station as under:



	(₹ in lakh)		
	1.4.2013 to 30.4.2013	1.5.2013 to 18.5.2013	19.5.2013 to 31.3.2014
	(2 Units)	(3 Units)	(4 Units)
Return on Equity	5045.83	7568.74	10255.50
Interest on Loan	5800.61	8269.87	10711.95
Depreciation	4533.27	6799.90	9213.74
Interest on Working Capital	443.48	655.56	880.37
O & M Expenses	1806.19	2710.05	3731.32
<b>Total</b>	<b>17629.37</b>	<b>26004.12</b>	<b>34792.88</b>

4. The Commission in the said order also directed the petitioner to ensure the submission of RCE at the time of truing-up of tariff of the generating station. The relevant portion of the order dated 22.1.2015 is extracted as under:

*“24. The RCE approved by the Govt. of India is not yet available. Pending approval of RCE, we proceed to determine tariff of the generating station based on the appraisal of capital cost vetted by DIA. However, the petitioner is directed to place on record the approval of Board of Directors of the petitioner Company for the RCE within 3 months. The petitioner is also directed to ensure the submission of RCE approved by the MOP, Govt. of India at the time of truing-up of tariff of the generating station in terms of Regulation 6 of the 2009 Tariff Regulations.”*

5. Aggrieved by the said order, the petitioner had filed Review Petition (Petition No 5/RP/2015) on certain issues and the Commission by order dated 18.9.2015 disposed of the same by directing that the error in calculation of interest on loan and O&M Expenses shall be considered on merits at the time of revision of tariff of the generating station based on truing-up exercise in terms of the Regulation 6(1) of the 2009 Tariff Regulations. Against the said orders dated 22.1.2015 and 18.9.2015, the respondent, WBSEDCL has also filed appeals (Appeal Nos. 212/2015 and 282/2015) before the Appellate Tribunal for Electricity (Tribunal) and the same is pending. While so, both the tariff petitions filed by the petitioner were clubbed and heard on 10.3.2016 and the Commission, after directing the petitioner to file certain additional information and completion of pleadings by the parties, reserved its orders.

6. The petitioner in Petition No.193/GT/2015 has submitted that the revised cost of the project as on COD (19.5.2013) is ₹1790.43 crore after adjustment of income from sale of infirm power of ₹ 67.60 lakh. It has also submitted that the un-discharged liability as on COD is ₹130.71 crore out of which ₹25.18 crore was discharged in 2013-14 and the balance will be discharged during the period 2014-19. The petitioner has stated that the audited expenditure (excluding Interest on normative



loan) as on 31.3.2013 is ₹1844.67 crore and ₹1893.24 crore as on 31.3.2014. The petitioner has further submitted that the RCE amounting to ₹1972.99 crore at June 2013 price level (excluding interest on normative loan of ₹87.62 crore) has been submitted to the Ministry of Power, GOI and the same is under consideration. The petitioner vide affidavit dated 24.7.2016 has submitted that the Standing Committee on 8.3.2016 has recommended the RCE of ₹1972.99 crore with a time overrun of 72 months and cost overrun of ₹1204.07 crore. The petition in Petition No. 248/GT/2014 has submitted that it has claimed tariff for the period 2014-19 based on the capital cost of ₹182919.45 lakh as on 31.3.2014.

7. The respondent, WBSCDCL by various affidavits has raised issues on time and cost overrun involved in the activities relating to the execution of the project by the petitioner and has submitted that each of the activities are subjected to scrutiny for their prudence.

8. We have examined the matter. It is noticed that the respondent has filed appeals before the Tribunal challenging the orders dated 22.1.2015 and 18.9.2015 raising issues amongst others, the findings of the Commission on time and cost overrun. Hence, the above orders are subject to final decision of the Tribunal in the said appeals. As stated, the petitioner was directed to submit the approved RCE for consideration at the time of truing up of tariff of the generating station for the period 2013-14 and the same has not been furnished by the petitioner. It has, however, submitted that the RCE has been recommended by the Standing Committee and the same is pending for approval of the Central Government. In view of this and considering the fact there will be revision in the capital cost of the generating station after approval of RCE by the Central Government, we find no reason to keep these petitions pending. Similar issue was considered by the Commission in respect of determination of tariff of Sewa-II HEP of the petitioner for the period 2010-14 and 2014-19 in Petition No. 251/GT/2014 and the Commission vide order dated 27.1.2017 disposed of the said petition as under:

*“10..... we are inclined to dispose of this petition, with liberty to the petitioner to approach the Commission with fresh tariff petition in respect of the generating station after approval of RCE by the Central Government. We direct accordingly. We also direct that the annual fixed charges determined by order dated 6.9.2010 in Petition No.57/2010 shall however continue to be in*



*operation till the tariff of the generating station for the period 2009-14 and 2014-19 is determined based on the approved RCE. The filling fees deposited by the petitioner shall be adjusted against the fresh petition to be filed for the period 2014-19 in terms of the liberty granted above.”*

9. In line with the above decision, we are inclined to dispose of this petition, with liberty to the petitioner to approach the Commission with fresh tariff petition in respect of the generating station after approval of RCE by the Central Government. We direct accordingly. We also direct that the annual fixed charges determined by order dated 22.1.2015 and 18.9.2015 shall however continue to be in operation till the tariff of the generating station for the period 2009-14 and 2014-19 is determined based on the approved RCE. This is however subject to final decision of the Tribunal in the appeals filed by the respondent. The filling fees deposited by the petitioner shall be adjusted against the fresh petition to be filed for the period 2014-19 in terms of the liberty granted above.

10. Petition Nos. 193/GT/2015 and 248/GT/2014 are disposed of in terms of the above.

**Sd/-**  
**(Dr. M.K.Iyer)**  
**Member**

**Sd/-**  
**(A.S Bakshi)**  
**Member**

**Sd/-**  
**(Gireesh B Pradhan)**  
**Chairperson**

