

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

**Petition No.63/2006**

**In the matter of**

Approval of Generation tariff in respect of Tehri Hydroelectric Project Stage-I (4x 250MW) for the period 22.9.2006 to 31.3.2009.

**And in the matter of**

Tehri Hydro Development Corporation Ltd.

**....Petitioner**

Vs

1. Punjab State Electricity Board, Patiala
2. Haryana Power Generation Corporation Ltd, Panchkula
3. Uttar Pradesh Power Corporation Ltd, Lucknow
4. Delhi Transco Ltd, New Delhi
5. BSES Rajdhani Power Ltd, New Delhi
6. BSES Yamuna Power Ltd, New Delhi
7. North Delhi Power Ltd, Delhi
8. Engineering Department, Chandigarh Administration, Chandigarh
9. Uttaranchal Power Corporation Ltd, Dehradun
10. Himachal Pradesh State Electricity Board, Shimla
11. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
12. Jaipur Vidyut Vitaran Ltd, Jaipur
13. Ajmer Vidyut Vitaran Ltd, Ajmer
14. Jodhpur Vidyut Vitaran Ltd, Jodhpur
15. Power Development Department, Govt of J& K, Srinagar...**Respondents**

**The following were present**

1. Shri. M.G.Ramachandran, Advocate, THDC
2. Shri. R.S.T.Sai, Director (F), THDC
3. Shri. Ajay Kumar, AGM (Comml), THDC
4. Shri. Manoj Kumar Tyagi, Manager (Comml), THDC
5. Dr. Kuldip Singh, THDC
6. Shri Jayant Verma, THDC
7. ER. Praveen Kumar, THDC
8. Shri S.K. Meena, Engr (E), THDC
9. Shri R.K. Vishnoi, DGM, THDC
10. Shri T.P.S. Bawa, OSD, PSEB

11. Shri Padamjit Singh, Consultant, PSEB
12. Shri S.K. Soonee, NRLDC
13. Shri S.R. Narasimhan, NRLDC
14. Shri V.K. Malhotra, DTL
15. Shri R.K. Arora, SE/Tariff, HPGCL

**ORDER  
( DATE OF HEARING : 28.12.2006 )**

This petition has been filed for approval of provisional generation tariff in respect of Tehri Hydroelectric Project, Stage-I (4X 250 MW) (hereinafter referred to as "the generating station") for the period from 22.9.2006 to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

2. The petition was initially heard on 26.10.2006. After the hearing, the staff of the Commission examined different aspects of tariff determination in the light of the rival contentions. The staff proposed to confirm the rate of Rs.3.50/kWh for sale of power up to 31.12.2006 on single-part basis, as agreed to at Northern Regional Power Committee meeting held during June 2006. Further, in order to induce the petitioner to provide peaking power, it was proposed by the staff that from 1.1.2007, the agreed composite rate of Rs.3.50/kWh may be split into two parts, with energy charge rate of Rs.2.50/kWh for the scheduled energy sold to the beneficiaries and the differential paid in terms of capacity charge, the rate for which may be Rs.18,000/MW/day payable on the saleable declared capacity for the peaking support. The staff suggested these rates to continue upto 31.3.2007. The staff proposals were circulated on 29.11.2006 to all concerned for their comments thereon. The petition has been heard for a final view on the staff proposals.

3. At the hearing the petitioner has informed that two machines Viz. Machine No.IV & Machine No.III were already put on commercial operation with effect from 22.9.2006 and 9.11.2006 respectively. The remaining two units of the generating station are expected to be commissioned by 15.1.2007 and 31.3.2007. The representatives of the petitioner have informed that they have gone through the proposals of the staff, circulated vide letter dated 29.11.2006. However, they have expressed certain apprehensions regarding the two-part tariff proposed from 1.1.2007 to 31.3.2007 which has been linked with the availability of peaking support to be provided from the generating station. The petitioner's main apprehension had been that in the absence of balancing reservoir at Koteshwar HEP, it may not be possible to provide peaking power from the generating station. We have been informed that since 12.12 2006 the petitioner has operated the generating station with partial peaking, giving three and half hours total of peaking in the morning and evening, and that the studies of the impact of rise in water levels at Devprayag, Rishikesh and Haridwar on account of such peaking operation have been found to be within safe limits.

4. The representatives of NRLDC have informed the Commission that the generating station was being operated as base load station up to 11.12.2006 and has started peaking operations with effect from 12.12.2006 (150 MW during night hours and 380 MW during peak hours).

5. The representatives of PSEB have argued that with the delay in commissioning of the generating station as a whole, there has been spillage of water from the

reservoir, resulting in loss of generation. They have urged that rate of Rs.3.50/kWh already agreed to needs to be reviewed downwards.

6. After detailed deliberations on the staff proposals, which are not being repeated in this order, it was generally agreed by all concerned that from the date of commercial operation of Machine No.IV on 22.9.2006 and upto 31.3.2007 the tariff as proposed by the staff of the Commission and as summarized hereunder would be applicable:

Period	Tariff Rate
22.9.2006 to 31.12.2006	Rs. 3.50 /kWh on single part basis
1.1.2007 to 31.3.2007	(i) Energy charge: @ Rs. 2.50 /kwh on the scheduled energy (ii) Capacity Charge: Rs.18000/MW/day

7. The above tariff is accordingly approved. The tariff approved is as an interim measure, and is in derogation of the Annual Fixed Charges claimed in the petition and accordingly, there shall not be any computation of secondary energy and capacity index for the period upto 31.3.2007.

8. For computation of tariff for the period 1.4.2007 and onwards, certain additional details will be needed and will be called for separately from the petitioner.

**Sd/-  
(A.H.JUNG)  
MEMBER**

**Sd/-  
(BHANU BHUSHAN)  
MEMBER**

**Sd/-  
(ASHOK BASU)  
CHAIRPERSON**

**New Delhi, dated the 28<sup>th</sup> December, 2006**