

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**
- 4. Shri A.H.Jung, Member**

Petition No. 20/2005

In the matter of

Provisional Approval of Generation Tariff of Dhauliganga HE Project Stage – I for the period 1.4.2005 to 31.3.2006..

And in the matter of

National Hydroelectric Power Corporation Ltd. ... **Petitioner**

Vs

Punjab State Electricity Board and others ... **Respondents**

The following were present:

1. Shri S.D.Tripathi, NHPC
2. Shri Prashant Kaul, NHPC
3. Shri Vijay Ranjan, NHPC
4. Shri P. Kumar, DM (E), NHPC
5. Shri Jayant Kumar, NHPC
6. Shri Ansuman Ray, Engineer, NHPC
7. Shri S.K. Meena, Engineer, NHPC
8. Shri R.S.Batra, NHPC
9. Shri Padamjit Singh, PSEB
10. Shri T.P.S.Bawa, PSEB
11. Shri V.K.Gupta, Consultant, PSEB
12. Shri P.K.Gupta, Jodhpur VVNL
13. Shri S.K. Yadav, JVVNL

**ORDER
(DATE OF HEARING: 18.10.2005)**

The petition has been filed by National Hydroelectric Power Corporation for approval of provisional fixed charges of Rs.185.47 crore, to be billed as capacity charges and primary energy charges for Dhauliganga Hydroelectric Project Stage

I for the period from 1.4.2005 to 31.3.2006, subject to necessary adjustment with retrospective effect that may be required depending upon final approval of tariff by the Commission on the tariff petition to be filed by the petitioner separately. The petitioner has further prayed that it be allowed to bill the beneficiaries for levies, taxes, duties, cess etc. and that filing fee of the petition be allowed to be recovered from the respondents in monthly installments in the tariff. It is further prayed that incentive/disincentive and other parameters may be allowed to be recovered as prescribed in the Commission's notification dated 26.3.2004.

2. It is stated that Dhauliganga HE Project Stage-I, comprising four generating units of 70 MW each was sanctioned to be executed at a cost of Rs.1578.31 crore at August 1999 price level. The petitioner has calculated the total sanctioned cost of Rs.1801.65 crore, considering anticipated escalation and FERV up to 31.3.2005.

3. When the petition was filed, the anticipated date of completion of the generating station was stated to be 1st April 2005 and hence approval of provisional tariff was sought from that date. At the hearing before us, however, Shri S. D. Tripathi, Executive Director (Commercial), of NHPC submitted that out of four generating units of Dhauliganga HEP, one unit had been put on commercial operation from 1.10.2005. He submitted that testing of other three units would be completed by 1.11.2005 and these three units were likely to be declared under commercial operation on 1.11.2005. He also submitted that the

dam of Dhauliganga HEP was already complete and it was possible to provide 70 MW peak power immediately.

4. Some of the respondents have filed replies to the petition. It is, however, not necessary for us to consider the issues raised therein as at present we are at the provisional tariff stage.

5. Shri S. D. Tripathi, NHPC submitted that at 136th meeting of NREB held on 26.2.2005 and meeting of TCC held on 25.5.2005 the provisional rate for billing purpose had been agreed at 183 paise/kWh by the constituents of the NREB.

6. In view of the agreement arrived at NREB forum, we approve provisional tariff of Rs.183 paise/kWh from the date of commercial operation of Dhauliganga HEP Stage I, Unit-I.

7. Based on the single part tariff rate of 183 paise/kWh approved on provisional basis, the Annual Fixed Charge (AFC) has been worked out as under:

(i)	Annual design energy	= 1134.7 MUs
(ii)	Auxiliary consumption +transformation losses @ 1.2%	= 13.6 MUs
(iii)	Energy sent out (ex-bus)	=1121.1 MUs
(iv)	12% free power	=134.5 MUs
(v)	Saleable design energy	=986.6 MUs
(vi)	Total fixed charges	=(183* 986.6)/1000
(vii)	Annual Fixed charges	=Rs. 180.55 crore

8. The primary energy rate for calculation of primary energy charge for the year 2005-06 has been worked out at 73.79 paise/kWh, based on average of 12 months lowest variable charges of the central sector thermal power generating station in Northern Region for the year 2004-05.

9. All the payments made in terms of this order shall be subject to final determination of tariff by the Commission based on a separate petition to be filled by the petitioner after commercial operation of all the four units. The representative of the petitioner submitted that the petition for final approval of tariff may be filed by May 2006.

10. With this order, of Petition No. 20/2005, stands disposed of.

(A.H.JUNG)
MEMBER

(BHANU BHUSHAN)
MEMBER

((K.N. SINHA)
MEMBER

(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 25th October 2005