

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.109/2010

- Subject: Approval of generation tariff for Dhauliganga Hydroelectric Project, Stage-I, for the period from 1.4.2009 to 31.3.2014.
- Date of hearing: 17.8.2010
- Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member
- Petitioner: NHPC Ltd
- Respondent: PSEB, HPPC (DHBVNL &UHBVNL), BSES-BRPL, BSES-BYPL, UPPCL, RRVPNL, NDPL, JVVNL, JoVVNL, UPCL, AVVNL, HPSEB, UT-Chandigarh, PDD-Jammu,
- Parties present: Shri Sachin Datta, Advocate, NHPC
Shri N.K.Chadha, NHPC
Shri Prashant Kaul, NHPC
Shri A.K.Tewari, NHPC
Shri S.K. Meena, NHPC
Shri Ansuman Ray, NHPC
Shri M.M.Mishra, NHPC
Shri K.K.Goel, NHPC
Ms. Reshma Hemrajan, NHPC
Ms. Niti Singh, NHPC
Shri Padamjit Singh, HPPC
Shri T.P.S.Bawa, HPPC

This petition has been filed by the petitioner, NHPC for approval of tariff for Dhauliganga Hydroelectric Project, Stage-I (hereinafter referred to as “the generating station”) for the period from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as ‘the 2009 regulations”).

2. The representative of the petitioner submitted as under:

- (a) The petition has been filed taking into account the capital cost as approved by the Commission in order dated 11.2.2010 in Petition No. 238/2009.

- (b) The petitioner has claimed a projected additional capitalization for the period 2009-14 in terms of Form -9 annexed to the petition.
- (c) The additional information sought for by the Commission, had been filed and copies served on the respondents.
- (d) Instead of the MAT tax rate of 11.33% applicable for the year 2008-09, as per regulations, RoE based on the MAT tax rate of 16.995% for the year 2009-10 has been considered in the petition, in view of the increase in MAT tax rate through the Finance Act, 2009. Moreover, the MAT tax rate would be 19.931% for the year 2010-11. The above said increased MAT tax rate for the years 2009-10 and 2010-11 may be considered by the Commission for determination of tariff for the generating station. Any deferment in the application

3. The representative of the respondent, HPPC submitted as under:

- (a) A detailed reply has been filed and copy served on the petitioner.
- (b) The annual fixed charge in respect of the generating station has abnormally increased from the year 2008-09 to 54% during the year 2009-10.
- (c) The petitioner should be directed to submit the generator and turbine specifications, contract parameters and performance guarantee tests to confirm if the overload capacity was continuous. In case it was continuous, the generating station was required to give 10% MW over and above rated 280 MW during high flow season on continuous basis and peaking at 280 MW plus 28 MW during peak hours of lean season.
- (d) The live storage capacity of dam is sufficient to sustain four hours of generation at 280 MW. Thus, the peaking duration should be mentioned as more than 4 hours in Form-2 at page-10 of the petition.
- (e) Detailed objections to the claim for additional capital expenditure have been submitted in the reply, which may be considered by the Commission.

4. In response, the learned counsel for the petitioner clarified as under:

- (a) Rejoinder to the reply filed by the respondent HPPC has been filed.
- (b) The DPR of the generating station was examined by CEA/CWC and all aspects including overload capacity which was intermittent and not continuous was concurred by the authorities and the installed capacity of the generating station was approved.

(c) FRL would not be constant and change from season to season based on the inflow available in the river. Hence, peaking capability of more than 4 hours was not possible.

5. The Commission directed the petitioner to submit the following information on affidavit, latest by 13.9.2010, with copy to the respondents, as under:

(a) At page 10, para 4(e), the overload capacity was stated to be intermittent. The term 'intermittent' or the time for which capacity can be overloaded by 10% to be specified;

(b) Details of the bid specification with regard to overload capacity of the generating station and the conditions of overload specified by the selected bidder to be submitted.

6. Subject to the above, order in the petition was reserved.

sd/-
T. Rout
Joint Chief (Legal)