

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

RECORD OF PROCEEDINGS

Petition No. 265/2010

Subject: Approval of final generation tariff for Omkareshwar Hydro Electric Project (8 x 65 MW) for the period from 20.8.2007 to 31.3.2009 and admission of capital cost as on 31.3.2009.

Date of hearing: 15.3.2011

Coram: Dr.Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member

Petitioner: NHDC Ltd.

Respondent: MPPTCL and Narmada Valley Development Department (NVDD)

Parties present: Shri Subhash Sanyal, NHDC
Shri Anurag Seth, NHDC
Shri S.K.Mishra, NHDC
Shri Ashish Jain, NHDC
Shri Rajeev Sachdeva, NHDC
Shri Manoj Dubey, MPPTCL

This petition has been filed by the petitioner, NHDC Ltd, for approval of final generation tariff for Omkareshwar Hydro Electric Project (8 x 65 MW) ((herein after referred to as 'the generating station') for the period from 20.8.2007 to 31.3.2009 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as 'the 2004 regulations') and admission of capital cost as on 31.3.2009.

2. The representative of the petitioner submitted as under:
 - (a) The Commission by its order dated 30.10.2007 in Petition No.56/2007 determined the tariff of the generating station on provisional basis subject to adjustment of final tariff.
 - (b) All the eight units of the generating station were declared under commercial operation by 15.11.2007 and hence in terms of the provisions of the 2004 regulations, the date of commercial operation of the project may be reckoned from 15.11.2007.

- (c) Units I and III are meant for power component and Unit II for irrigation system. Since dam and appurtenant works contributes for power generation as well as irrigation, its cost has been apportioned for power and irrigation depending upon the proportion of water utilization for the two systems.
 - (d) The generating station is presently being operated at restricted reservoir level of EL 189.0 M with machine output as 50 MW against the rated capacity of 65 MW. As such, the present Maximum Available Capacity of generating station is 400 MW and the corresponding annual design energy works out to 896 MW.
 - (e) The matter relating to Rehabilitation and Resettlement (R&R) is sub-judice and the balance R&R works are still in progress as per directions of the Hon'ble High Court of Madhya Pradesh. The expected date of filing of reservoir corresponding to peaking capability of the generating station is dependent on the verdict of the Hon'ble Courts.
2. The representative of the respondent, MPPTCL submitted as under:
- (a) In the absence of the declaration of commercial operation of the generating station by the petitioner, the final tariff petition may not be entertained by the Commission, in the light of Regulation 5(3)(ii) of the 2004 regulations.
 - (b) The present petition may be dismissed and the petitioner be directed to file a fresh tariff petition after declaration of commercial operation of the generating station.
 - (c) The petitioner has failed to accomplish the R&R work and is not in a position to generate full capacity, even after making an R&R expenditure of Rs 179.42 crore.
 - (d) The petitioner's claim for full fixed charges for 520 MW is not justifiable as it could deliver a capacity of 400 MW only.
3. The representative of the respondent No.2, NVDD, Govt. of MP, submitted that the Govt. of India has sanctioned an amount of ₹117 crore towards R&R works of the generating station and any increase in the R&R cost beyond the said amount was to be borne equally between the State Govt. of MP and the petitioner.
4. In response to the above, the representative of the petitioner submitted that the principle in respect of apportionment of cost for Indira Sagar project by the Govt. of India has been adopted in respect of this generating station also.

5. Based on the submission of the petitioner that the date of commercial operation of the generating station should be reckoned from 15.11.2007 instead of 1.4.2009 (as stated in petition), the Commission directed the petitioner to submit the same on affidavit, on or before 5.4.2011.

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

Sd/-
(Dr.N.C.Mahapatra)
Chief Advisor (Law)