

Ref: Docket No. 23/GT/2011

Date: 31.10.2011

To

Executive Director (Commercial),
NHPC Office Complex, Sector-33,
Faridabad,
Haryana-121003.

Subject: Docket No: 23/GT/2011-Approval of generation tariff of Chutak HE Project (4 x 11= 44 MW) for the period from 01.09.2011 to 31.03.2014.

Sir,

With reference to your petition on the subject mentioned above, I am directed to inform you that information on the following is required to be filed on affidavit, with advance copy to the respondents/ beneficiaries, on or before 16.11.2011:

- (i) Proper justification as regards the cost of the project of Rs. 21 crores/ MW (approx).
- (ii) The capital cost of the project as approved at December 2005 PL was Rs. 621.26 crores (Rs. 14.11crs/MW). The justification for going ahead with this project with such a high cost along with the comparison of the capital cost with other NHPC project to be submitted.
- (iii) There is anticipated time over run of six month in achieving the Commercial date of Operation of the station as against the Commercial date of Operation of 23.02.11 as per sanctioned by GOI approval in Aug - 06. Proper justifications as regards the time overrun and explain as to why the time overrun is not attributable to NHPC.
- (iv) On comparison of the cost approved vis-à-vis the actual, the increase in cost in different packages is as under:

		Approved by CEA	Anticipated	Diff	% increase
1	Infrastructure works	92.87	25.88	-66.99	-72
2	Major civil work	347.49	383.68	+36.19	10
3	Hydro Mechanical equipments	17.92	33.55	+15.63	86
4	Plant equipments	84.43	250.73	+166.30	197

5	Taxes and duties	32.66	75.19	+42.54	131
6	Construction and pre-commissioning expenses	6.64	23.59	+16.94	256
7	Over heads	35.57	92.35	+56.78	160
	Capital Cost without IDC, FC, FEPV)	617.57	884.67	+267.39	
9	IDC, FC, FERV & Hedging cost	3.69	29.17	+25.48	675
	Total capital cost (incl. IDC, FC,....)	621.26	914.14	+292.87	47

It is observed that there is wide variation in the cost of different packages. Hence, explanation as to the increase in cost with elaborate justification be submitted in respect of the following packages:

- (a) Hydro Mechanical equipments
- (b) Plant equipments
- (c) Construction and pre-commissioning expenses
- (d) Over heads
- (e) Taxes and duties

- (v) The details of increase in IDC & FC due to time over run.
- (vi) Tentative date of commissioning of the project to be submitted.
- (vii) Recommendation of empanelled agency for vetting of the capital cost.
- (viii) Editable Soft Copy of the petition and calculations.

2. Further action in this matter will be taken as per Regulation 87 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 on receipt of the above information/ clarification.

Your's sincerely

Sd/-
(Ritu Randeva)
Asstt. Chief (Legal)

