

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 248/GT/2012**

Subject: Approval of generation tariff for Omkareshwar Hydroelectric Project (8 x 65 MW) for the period from 1.4.2009 to 31.3.2014.

Date of Hearing: 27.11.2012

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

Petitioner: NHDC Ltd.

Respondents: MPPMCL and NVDD

Parties present: Shri Anurag Seth, NHDC  
Shri Ashish Jain, NHDC  
Shri A.Gupta, MPPMCL  
Shri M.L.Agrawal, NVDD

**RECORD OF PROCEEDINGS**

The petitioner, NHDC Ltd. has filed the present petition for approval of generation tariff for Omkareshwar Hydroelectric Project (8 x 65 MW) (hereinafter "the generating station") for the period from 1.4.2009 to 31.3.2014, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 ("the 2009 Tariff Regulations").

2. During the hearing the representative of the petitioner mainly submitted as under:
  - (a) The Commission by its order dated 16.1.2012 and 14.3.2012 in Petition No. 265/2010 had admitted the capital cost of ₹2161.39 crore as on 31.3.2009, including un-discharged liabilities and after deduction of irrigation component and R&R subvention. The tariff claimed in the petition is based on this admitted capital cost and the projected additional capital expenditure during the period 2009-14.
  - (b) The Commission had admitted the date of commercial operation of the generating station as 15.11.2007 and the cut-off date as 31.3.2009 in its

order dated 16.1.2012. However, the project COD and the cut-off date claimed by the petitioner are 1.4.2009 and 31.3.2012 respectively.

- (c) The additional capital expenditure originally claimed under Regulation 9(1)(ii) and 9(1)(iii) towards deferred works and capital spares have been revised and claimed under Regulation 9(2)(iv) of the 2009 Tariff Regulations, and the same may be allowed by the Commission in exercise of its 'Power to relax' in terms of Regulation 44 of the 2009 Tariff Regulations.
- (d) The projected additional capital expenditure of ₹713.489 crore claimed during the period 2009-14 mainly includes the provision of ₹470.98 crore towards net present value of forest land used for non-forest purpose under "Change in law" and provision for ₹110 crore for Arbitration award in main turnkey contract and both these liabilities shall remain undischarged by March, 2014.
- (e) The balance R&R works are being undertaken by the Govt. of Madhya Pradesh in line with the orders of the Court in order to achieve FRL and the capital expenditure for balance R&R works is projected to be ₹77.16 crore to be phased out during the respective years of the tariff period.
- (f) Other issues, as raised in the petition may be considered for determination of tariff of the generating station for 2009-14.

3. The representative of the respondent No.1, Madhya Pradesh Power Management Company Ltd (MPPMCL) submitted as under:

- (a) Since the tariff petition has been filed after a lapse of three years, no projected additional capital expenditure shall be allowed without audited figures. The petitioner may be directed to file revised tariff petition based on the actual and audited figures for additional capital expenditure to the power component for the years 2009-10, 2010-11 and 2011-12.
- (b) Copy of the Commission's letter dated 4.5.2012 addressed to the petitioner as regards additional capitalization claim may be provided to the respondent, for enable it to submit its response to the additional capitalization claims of the petitioner. However, objections to the category-wise claims of the petitioner have been submitted.
- (c) The Commission may consider the preliminary objections filed by this respondent and also grant 15 days time to file detailed reply in this case.

4. The representative of the respondent No.2, Narmada Valley Development Department (NVDD) filed submissions vide affidavit dated 22.11.2012 and prayed that the said submissions may be considered by the Commission.

5. The representative of the petitioner submitted that the preliminary reply filed by the respondent No.1 has not yet been received and prayed that it may be granted time to file its rejoinder. The Commission directed the respondent to serve copy of the preliminary reply to the petitioner.

6. The Commission after hearing the parties granted time to the respondent No.1 to file detailed reply in the matter before 15.12.2012, with advance copy to the petitioner, who shall file its rejoinder, within 27.12.2012.

7. Matter shall be listed for final hearing on 8.1.2013.

By order of the Commission

Sd/-  
(T. Rout)  
Joint Chief (Law)