

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Interlocutory Application No. 15/2012 in Petition No. 23/GT/2011

Subject: Interlocutory Application under Regulation 44 (Power to relax) of Central Electricity Regulatory Commission (Terms and Conditions of tariff) Regulations, 2009 for recovery of annual fixed charges to the Chutak HE project (4x11MW) and clause-4 of part-7 (miscellaneous) of CERC (Indian Electricity grid code) Regulations, 2010 for relaxation of operational and/or technical norms of operation.

Date of hearing: **6.9.2012**

Coram: Shri S. Jayaraman, Member
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member

Petitioner: NHPC

Respondent: Power Development Department, Government of J&K,
Srinagar

Parties present: Shri R. Raina, NHPC
Shri Amrik Singh, NHPC
Shri S.K.Meena, NHPC
Ms. Gayatri Devi, NHPC
Shri Rajeev Hustu, NHPC
Shri Rajesh Sharma, NHPC
Shri Shashank K Lal, Advocate and standing counsel for
PDD, State of J&K
Shri Vikas Sharma, PDD, State of J&K

RECORD OF PROCEEDINGS

During the hearing the representative for the petitioner submitted as under:

- (a) The respondent and the petitioner has executed Power Purchase Agreement (PPA) on 26.10.2005 which binds them and as per Clause 3.2 of the PPA it is the responsibility of the respondent to make necessary arrangements for evacuation of power from the project.

- (b) The Project for electrification of 27 villages and 1614 No. of connections proposed to be released to rural households in 8 blocks of Kargil district of J&K state under “RGGVY” scheme was approved for financial assistance by the Rural Electrification Corporation Limited under P:RHhE category subject to the terms and conditions provided in the tripartite agreement executed on 9.9.2005 between REC, Govt. of J&K, and the petitioner. The approved project was to be implemented by the State govt. in accordance with the tripartite agreement concluded on 9.9.2005. The Govt. of India has identified the petitioner for execution of RGGVY on agency basis.
- (c) As per the tripartite agreement the parties have agreed that the individual project(s), as proposed by Govt. of J&K and sanctioned by REC, commencing from the financial year 2005-06 shall be deemed to have been covered under this agreement. The Govt. of J&K has sought the assistance of petitioner to provide necessary service for formulation, development and implementation of the project(s) in identified areas on behalf of the State of J&K.
- (d) Some of the obligations which were to be fulfilled by the Govt. of J&K under the tripartite agreement are as under:
- (i) All the information and necessary data with regard to technical aspects (existing electrical infrastructure etc.) and geographical aspects, along with other information regarding level of village and household electrification for the project areas to NHPC to facilitate formulation, development and implementation of project(s);
 - (ii) All the required land to facilitate construction/commissioning of the project;
 - (iii) All the statutory clearances/approvals/compliance required for construction/implementation of the project(s) including Right of Way, Forest clearance etc. shall be obtained/ provided by the Govt. of J&K.
- (e) The petitioner had carried out the survey and had submitted the same to the respondent for sanction of Revised Cost Estimate (RCE). However the sanction of RCE was received during March 2012.
- (f) Moreover, the respondent had committed 10 MW of load to be provided in Kargil substation vide their letter dated 23.7.2011, and at present only 3 MW of load is available through the substation which stands commissioned from November 2011.

- (g) The petitioner has invested around ₹900 crore for the implementation of the project and are not getting any return on such investment for no fault of it.
4. The representative of the petitioner has further prayed that the prayer in the present Interlocutory Application may be allowed.
5. The learned standing counsel for the respondent submitted that the copy of the rejoinder to the present Interlocutory application has not been received by it and prayed that it may be granted time accordingly to file its rejoinder.
6. The representative of the petitioner clarified that the copy of the rejoinder filed by it has been served upon the Principal Secretary of power development at Srinagar on 4.9.2012. However, it undertook to provide a copy of the same to the respondent again.
7. The Commission directed the petitioner to handover the copy of the rejoinder to the respondent if not done earlier and directed the respondent to file its written submissions on the following issues:
- (a) Incomplete transmission/evacuation system of the generating station, and
 - (b) The specific schedule for completion of evacuation under the PPA.
8. The Commission directed the respondent to file its submissions on the above, on or before 24.9.2012, with advance copy to the petitioner. The petitioner may file its response, on or before 3.10.2012.
9. Subject to the above, order in the petition was reserved.

By order of the Commission

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