

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 116/GT/2013**

Subject: Approval of generation tariff of Koteshwar Hydroelectric Power Project (4x100 MW) for the period from 1.4.2011 to 31.3.2014.

Date of Hearing: 27.8.2013

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

Petitioner: THDC Ltd

Respondents: PSPCL & 11 others

Parties Present: Shri M.G.Ramachandran, Advocate, THDC  
Ms.Poorva Saigal, Advocate, THDC  
Shri Ajay K Mathur, THDC  
Shri M.K.Tyagi, THDC  
Shri J.K. Hatwal, THDC  
Shri A.B Goel, THDC  
Shri L.P. Joshi, THDC  
Shri H. Chakraborti, THDC  
Shri R.B.Sharma, Advocate, BRPL  
Shri Padamjit Singh, PSPCL  
Shri T.P.S.Bawa, PSPCL

**RECORD OF PROCEEDINGS**

During the hearing, the learned counsel for the petitioner made submissions in the matter and prayed that the tariff of the generating station may be determined as prayed for. He however submitted that the Revised Cost Estimate (RCE) is pending for approval of the Central Government. .

2. The representative of the respondent, BRPL mainly submitted as under:

(a) The tariff of the generating station may be determined considering the sanctioned capital cost of ₹ 1301.56 crore including IDC. The methodology of limiting tariff to the sanctioned cost has been adopted by the Commission in respect of tariff of other hydro generating stations and the same may be considered in the instant case. The tariff may be trued up after RCE is approved by the Central Government and is submitted to the Commission.

(b) The project has been declared under commercial operation with a delay of about 7 years. Since this issue needs detailed examination, the Commission may await the result of appraisal of PIB and CCEA on time overrun.

(c) The design energy set out in the Techno-Economic Clearance of the CEA may be considered for tariff.

(d) The capital expenditure shown in the auditor certificate has not been indicated in the details in Form-9.

(e) Reply filed in the petition may be considered for determination of tariff.

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

(a) The documents related to declaration of commercial operation of each of the four units of the project like, details of trial run, period of operation of MCR/IR, test results demonstrating the achievement of MCR/IR etc., may be directed to be furnished.

(b) Since the equity contribution of the Govt. of U.P is only 10.56%, the share of U.P to the power of the project may be revised from 25% of 88% to 10.56% of 88%.

(c) Reply filed in the matter may be considered.

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

(a) The Commission may consider the grant of provisional tariff for the generating station based on the revised capital expenditure of ₹ 2546.34 crore, subject to the determination of final tariff based on the approved cost.

(b) Detailed justification as regards time overrun has been submitted and the same may be considered.

(c) The details of the documents as sought for by the respondent, PSPCL has been filed by the petitioner in the rejoinder.

(d) Since the Govt. of U.P and Govt. of India are the only two shareholders of the petitioner corporation and has the proportionate share on the reserves of the corporation. Therefore, funds infused through internal resources have also been shared by Govt. of India and the Govt. of U.P in the ratio of 75:25. Moreover, allocation of share of power from the project is made by the Govt. of India.

(e) Copy of rejoinder filed has been served on the respondents.

7. On a specific query by the Commission whether the tariff of the generating station could be determined based on the Techno-Economic clearance by CEA, considering the fact that the tariff period 2009-14 is to expire, the learned counsel for the respondent, BRPL pointed out that the Commission in respect of hydro generating stations namely, Teesta Stage-V had determined tariff limited to the sanctioned cost in the absence of approved RCE and submitted that the same principle may be adopted in the present case. He also submitted that the respondent has no objection to the grant of tariff based on the sanctioned cost including IDC, subject to truing up based on the approved Revised Cost Estimate as and when submitted by the petitioner.

8. The Commission after hearing the parties reserved its order in the petition.

By order of the Commission

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