

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 3/GT/2013

Subject: Approval of generation tariff of Chutak Hydro Electric Project (4x11 MW) for the period from 1.9.2011 to 31.3.2014.

Date of Hearing: 7.2.2013

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

Petitioner: NHPC Ltd.

Respondents: Govt. of J&K, Power Development Deptt. Srinagar

Parties present: Shri S. K Meena, NHPC
Ms Gayatri Devi, NHPC
Shri R. Raina, 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

The petitioner, NHPC Limited has filed this petition for approval of tariff of Chutak Hydro Electric Project (4x11 MW) (herein after the generating station) for the period from 1.9.2011 to 31.3.2014

2. The representative of the petitioner submitted as under:

- (a) Due to non-availability of the load, the date of commercial operation (COD) of the project could not be achieved on the anticipated date of commercial operation of 1.9.2011. As a consequence of this the project could not be commissioned within six months of the filing of the instant petition. However, the relief sought for in the Interlocutory application IA No.15/2012 has been considered and disposed of by the Commission on 31.12.2012.
- (b) Three units of the generating station are ready for commercial operation. However, these units could not be declared under commercial operation in line with the regulation 3 (12) (b) of the 2009 tariff regulations as reception load was not available to demonstrate peaking capability of individual units even though sufficient water was available.

(c) The respondent has provided the load of 11 MW and three units of the project were commissioned on 29.11.2012 under intimation to the Commission *vide* letter dated 7.12.2012 and through an affidavit dated 10.12.2012. The fourth and last unit has been commissioned on 1.2.2013 and the same was intimated *vide* letter dated 29.1.2013.

(d) The petitioner is currently supplying power to the respondent and the same cannot be billed in the absence of the annual fixed charges. The total infirm power generated from the project is around 10.6 million units with effect from May, 2012 for the first three units and around 0.1074 million units for the last unit since 28.1.2013. Therefore, it is prayed that the annual fixed charges for the generating station may be allowed from 29.11.2012 till 31.3.2014, based on the capital cost claimed in the petition.

(e) It is prayed that during the pendency of the petition provisional tariff may be allowed considering the percentage of the annual fixed charges claimed in the petition in terms of Regulation 5 (4) of the 2009 tariff regulations, for raising the monthly bills on the respondent. Also reimbursement of filing fees and publication and any other taxes, duties, cess etc. may be allowed. The provision of the Regulation 3 (12) (b) of the 2009 Tariff Regulations may be relaxed, so that the generating station can be declared under commercial operation without demonstrating peaking capability of the generating station as a whole, though peaking capability of individual units have been demonstrated and achieved.

2. On a specific query from the Commission as regards the increase, if any, in the capital cost, the representative of the petitioner submitted that the Revised Cost Estimate (RCE) has been submitted to the Ministry of power on 19.11.2010 for approval. Further, as regards the query of the Commission on cost overrun the representative for the petitioner clarified that the cost overrun was mainly on account of IDC and financing charges.

3. The prayer of the learned counsel for the request of adjournment of the hearing was rejected by the Commission. However, time was granted to the respondent to file reply in the matter by 21.2.2013 with advance copy to the petitioner, who may file rejoinder, if any, by 28.2.2013.

4. Accordingly, the Commission reserved its order in the petition.

By order of the Commission

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