

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 195/GT/2013**

Subject: Approval of generation tariff for Tehri Hydroelectric Project, Stage-I (4 x 250 MW) for the period from 1.4.2009 to 31.3.2014.

Date of Hearing: 27.2.2014

Coram: Shri Gireesh B. Pradhan, Chairperson  
Shri M. Deena Dayalan, Member  
Shri A.K.Singhal, Member

Petitioner: THDC (I) Ltd.

Respondent: PSPCL and 11 others

Parties present: Shri M.G.Ramachandran, Advocate, THDC  
Ms. Anushree Bardhan, Advocate, THDC  
Shri H. Chakraborty, THDC  
Shri M.K.Tyagi, THDC  
Shri R.B.Sharma, Advocate, BRPL  
Shri Parinay D. Shah, Advocate, TPDDL

**RECORD OF PROCEEDINGS**

The petition has been filed by the petitioner, THDC for approval of generation tariff of Tehri Hydroelectric Project, Stage-I (4 x 250 MW) ('the generating station') for the period from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations').

2. The learned counsel for the petitioner submitted as under:

(a) In support of the petition for approval of tariff for the period 2009-14 formats specified under the provisions of the 2009 Tariff Regulations have been filed based on the financial and details as available as on 31.3.2009;

(b) Additional submissions/clarification as sought for by the Commission has been filed and copy of the same has been served on the respondents. Rejoinder to the replies filed by respondents has also been submitted;

(c) Tariff of the generating station may be determined based on the submissions made in the petition.

3. The learned counsel for the respondent, BRPL submitted as under:

(a) The petitioner shall be directed to justify the increase in the claim for projected additional capital expenditure from ₹146.79 crore to ₹322.08 crore considering the fact that major expenditure has been claimed for assets which have become necessary for

the successful and efficient operation of the generating station under Regulations 9(2)(iv) of the 2009 Tariff Regulations.

(b) Irrigation component is required to be excluded from the expenditure claimed by the petitioner under R&R. Moreover, expenditure towards procurement of minor assets may not be allowed by the Commission.

(c) The normative debt equity ratio of 70:30 may be considered during this tariff period instead of the debt equity ratio adopted during the previous tariff period.

(d) The petitioner's prayer for considering NAPAF of 76.26% and 76.55% corresponding to reservoir level of 820m and 825m respectively may not be permitted as the NAPAF of 77% for the generating station is based on the provisions of the 2009 Tariff Regulations.

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

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

(a) The issue of segregation of expenditure towards irrigation and power component has been settled since 20% of the expenditure has been booked to Irrigation component while 80% expenditure has been booked to power component.

(b) The asset-wise justification for incurring additional capital expenditure has been furnished in the petition and the Commission may allow the same after prudence check.

(c) The debt equity ratio of 70:30 as suggested by the respondent may be considered. Also, the admitted additional capital expenditure may be treated as debt as per earlier orders of the Commission as the same would be beneficial to the respondents.

(d) The petitioner is not able to fill the reservoir to DEL 830m due to R&R issues and statutory directions from Governmental authorities. In view of this, the petitioner has submitted the calculations for modified NAPAFs and Design Energy, corresponding to the permitted level of reservoir filling.

(e) The submissions made by the petitioner may be considered for determination of tariff.

(f) Time to file rejoinder to the reply filed by respondent BRPL may be permitted.

5. The Commission after hearing the parties, directed the petitioner to file additional information on affidavit, on the following

(i) Basis for considering the employee cost as 44% of the total O&M cost for giving effect to wage hike in the computation of the admissible O&M expenditure for the period 2009-14.

(ii) Actual O&M expenses for the year 2008-09 with details as per 'Form 15-B' under the 2009 Tariff Regulations. Also, any provision included in the employee cost towards Wage revision of CISF employees and Corporate centre shall be clearly indicated with details.

(iii) Certificate to the effect that the additional capital expenditure claimed represents the expenditure towards power component only after deducting the irrigation component shall be submitted.

(iv) The details of un-discharged liabilities/ advances as on 31.3.2009, subsequent additions, discharge by payments/ reversals of the same, if any. Also, changes to the relevant Forms in the petition, on account of the details furnished [particularly Form- 9, 9A and 9B] shall be made and resubmitted for consideration.

6. The information as required above shall be submitted by the petitioner, on or before 17.3.2014 with advance copy to the respondents, who shall file their reply by 24.3.2014, with copy to the petitioner. Rejoinder by petitioner, on or before 28.3.2014.

7. Subject to the above, order in the petition was reserved.

By order of the Commission

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