

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 184/GT/2014

Coram:

**Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order: 15.2.2017

In the matter of

Approval of generation tariff of Rampur Hydroelectric Project (412 MW) for the period from the actual date of commercial operation of Unit-I till 31.3.2019

And In the matter of

SJVN Limited
Himfed Building,
New Shimla-171009

.....Petitioner

Vs

1. Power Development Department
Government of J&K,
New Secretariat, Jammu – 180 001
2. Haryana Power Purchase Centre,
Shakti Bhawan, Sector 6,
Panchkula – 134 109
3. Punjab State Power Corporation Ltd
The Mall, Secretariat Complex,
Patiala – 147 001
4. Uttar Pradesh Power Corporation Ltd
Shakti Bhawan, 14, Ashok Road,
Lucknow – 226 001
5. BSES Rajdhani Power Ltd
BSES Bhawan, Nehru Place,
New Delhi – 110 019
6. BSES Yamuna Power Ltd
BSES Bhawan, Nehru Place,
New Delhi – 110 019
7. Tata Power Delhi Distribution Ltd
33 KV Sub-station, Hudson Lane, Kingsway Camp,



New Delhi – 110 009

8. Rajasthan Rajya Vidyut Prasaran Nigam Ltd
Vidyut Bhawan, Janpath,
Jaipur – 302 205

9. Jaipur Vidyut Vitran Nigam Ltd
Vidyut Bhawan, Janpath,
Jaipur – 302 205

10. Jodhpur Vidyut Vitran Nigam Ltd
New Power House, Industrial Area,
Jodhpur – 342 003

11. Ajmer Vidyut Vitran Nigam Ltd
Old Power House, Hatthi Bhatta,
Jaipur Road, Ajmer – 305 001

12. Utrakhand Power Corporation Ltd
Urja Bhawan, Kanwali Road,
Dehradun – 248 001

13. Engineering Department,
Union Territory of Chandigarh, Sector 9D,
Chandigarh – 160 009

...Respondents

Parties present:

Shri Raghbir Singh, SJVNL
Shri S. Maraswamy, SJVNL
Shri Hitesh Kumar Sharma, SJVNL
Shri Ramesh Kapoor, SJVNL
Shri Rajeev Agarwal, SJVNL
Shri Sumit Sharma, SJVNL
Shri P. Senthil

ORDER

This petition has been filed by the petitioner, SJVNL for approval of generation tariff of Rampur Hydroelectric Project (412 MW) ('the generating station') for the period from the actual date of commercial operation of Unit-I to 31.3.2019, in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 ('the 2014 Tariff Regulations').

2. The generating station is located on the river Satluj in the State of Himachal Pradesh and developed as a tail race extension of upstream project (Nathpa Jhakri) and is to be run in tandem with it. The project was sanctioned by Ministry of Power, Government of India on 25.1.2007 at an



estimated cost of ₹2047.05 crore, including Interest During Construction (IDC) and Financing Charges (FC) of ₹260.41 crore and ₹1.46 crore respectively, at March, 2006 Price Level with a completion schedule of 60 months.

3. The petitioner had filed Petition No.244/GT/2013 during July, 2013 for approval of tariff of the generating station from the anticipated date of commercial operation (COD) of the six units of the generating station till 31.3.2014. Subsequently, the petitioner vide affidavit dated 2.4.2014 submitted that two units of the generating station were expected to be declared under commercial operation in April, 2014, two units in May, 2014 and the remaining two units in June, 2014. Considering the fact that none of the units of the generating station was declared under commercial operation during the period 2009-14, the Commission by order dated 6.5.2014 disposed of the said petition with liberty to the petitioner to approach the Commission with a fresh petition for approval of tariff for the units / generating station which are declared under commercial operation during 2014-19, in accordance with the provisions of the 2014 Tariff Regulations, taking into account the revised capital expenditure on account rescheduling of the units of the generating station.

4. Pursuant to the liberty granted by the Commission as above, the petitioner vide affidavit dated 19.7.2014 has filed the present petition and submitted that three units of the generating station had been declared under commercial operation on 13.5.2014 and the remaining three units were expected to be declared under commercial operation during June, 2014. Thereafter, by affidavit dated 15.9.2014 the petitioner had submitted the actual / anticipated COD of the units of the generating station as under:

Unit-I	13.5.2014 (actual)
Unit-II	13.5.2014 (actual)
Unit-III	8.8.2014 (actual)
Unit-IV	18.6.2014 (actual)
Unit-V	13.5.2014 (actual)
Unit-VI	7.11.2014 (anticipated)



5. During the hearing on 28.10.2014, the petitioner submitted that the Revised Cost Estimate (RCE-I) has been approved by the Central Electricity Authority (CEA) and that the Standing Committee of the Ministry of Power, Government of India had directed the petitioner to revise the RCE, based on the completion cost of the project. The petitioner also submitted that the vetting of the capital cost of the project by the Designated Independent Agency (DIA) has been assigned to M/s Aquagreen Engineering Management Pvt. Ltd on 20.12.2013 and the report is still under process and will be submitted considering the completion cost after declaration of COD of Unit-VI. Subsequently, the petitioner by letter dated 16.12.2014 informed that Unit-VI of the generating station has achieved commercial operation on 16.12.2014. However, considering the submissions of the parties during the hearing on 28.10.2014, the Commission vide order dated 27.1.2015 granted interim tariff based on 85% of the actual capital expenditure of ₹365835.44 lakh as per audited balance sheet as on 30.9.2014. Accordingly, the capital cost of ₹310960.12 lakh (85% of the capital cost of ₹365835.44 lakh) on *pro rata* basis, considering the various dates of commercial operation (actual / anticipated) of the units was worked out as under:

(₹ in lakh)	
Capital cost on COD of 3 units (On COD of Unit Nos. I, II and V (13.5.2014))	155480.06
Capital cost for 4 units (On COD of Unit-IV (18.6.2014))	207306.75
Capital cost for 5 units (On COD of Unit-III (8.8.2014))	259133.43
Capital cost for Unit-VI & generating station	310960.12

6. Based on the above, interim tariff granted vide order dated 27.1.2015 for the period from 13.5.2014 to 31.3.2016 considering the actual COD of Units I to VI is as under:

(₹ in lakh)				
13.5.2014 to 17.6.2014	18.6.2014 to 7.8.2014	8.8.2014 to 15.12.2014	16.12.2014 to 31.3.2015	2015-16
(3 Units)	(4 Units)	(5 Units)	(All 6 Units)	(All 6 Units)
2521.65	4864.08	15462.84	15089.99	52076.42

7. The interim tariff granted as above was subject to submission of approved RCE-I of the Central Government, the DIA report on vetting of capital cost and adjustment after determination of final tariff of the generating station for 2014-19. It was also observed in the said order that the



submissions of the parties as regards Time and Cost overrun on account of the delay in the commissioning of the project would be looked into in detail along with the DIA report and the approved RCE-I, after hearing all the parties on merits, at the time of determination of final tariff of the generating station. Also, the NAPAF of 82% for the period 2014-16 (subject to review after two years) and the Design Energy of 1878.08 MUs (as approved by CEA) was considered in the said order.

8. Thereafter, the interim tariff granted vide order dated 27.1.2015 was extended vide Commission's order dated 30.3.2016 till 31.8.2016 or till determination of final tariff for 2014-19 whichever was earlier. Subsequently, the Commission after hearing the matter on 20.5.2016 directed the petitioner to submit additional information and reserved its orders in the petition.

9. As stated, the present petition has been filed by the petitioner for determination of annual fixed charges based on the capital cost as on COD of the units and the actual additional capital incurred for the period from 13.5.2014 to 31.3.2019 in terms of Regulation 14(2) of the 2014 Tariff Regulations. The petitioner has also submitted that the completion cost has been worked out as ₹4233.21 crore and the same has been submitted to the Ministry of Power, GOI for approval. As regards the approval of RCE, the petitioner vide affidavits dated 1.12.2015 and 11.12.2015 has clarified that the Standing Committee on 12.10.2015 has recommended the RCE for as ₹4233.21 crore and that the approval of RCE by MOP, GOI is in process. The petitioner vide affidavit dated 4.3.2016 has stated that the DIA in its report on appraisal of capital cost has recommended the capital cost of ₹3996 crore and the same has been furnished on 10.2.2016 with copy to the beneficiaries.

10. The petitioner vide affidavit dated 22.6.2016 has stated that the capital cost works out to ₹4097.67 crore as per audited annual accounts for the year 2014-15 (as on 31.3.2015) which includes the capital cost (cash basis) of ₹3917.24 crore as per Form-I of the petition including undischarged liabilities of ₹287.73 crore and excluding notional interest of ₹107.31 crore. Accordingly, it has submitted that the completion cost (as per Form-I) is ₹4340.52 crore as on



31.3.2019. The petitioner by affidavit dated 29.8.2016 has enclosed the statement indicating the additional capitalization as on COD of the units and the reconciliation of tariff forms with balance sheet.

11. The respondents, UPPCL and the Govt. of HP have filed replies in the matter and the petitioner has filed its rejoinders to the same. These respondents have raised issues regarding the Time and Cost overrun, Design Energy and NAPAF of the generating station.

12. We have examined the matter. As observed by the Commission in the order dated 27.1.2015, the issues relating to Time and Cost overrun shall be considered along with the DIA report and the approved RCE-I at the time of determination of final tariff of the generating station. The petitioner has submitted that RCE-I has been recommended by the Standing Committee and the same is pending for approval of the Central Government. In view of this and considering the fact there will be revision in the capital cost of the generating station after approval of RCE by the Central Government, we find no reason to keep this petition pending. Similar issue was considered by the Commission in respect of determination of tariff of Sewa-II HEP of the petitioner for the period 2010-14 and 2014-19 in Petition No. 251/GT/2014 and the Commission vide order dated 27.1.2017 disposed of the said petition as under:

“10..... we are inclined to dispose of this petition, with liberty to the petitioner to approach the Commission with fresh tariff petition in respect of the generating station after approval of RCE by the Central Government. We direct accordingly. We also direct that the annual fixed charges determined by order dated 6.9.2010 in Petition No.57/2010 shall however continue to be in operation till the tariff of the generating station for the period 2009-14 and 2014-19 is determined based on the approved RCE. The filling fees deposited by the petitioner shall be adjusted against the fresh petition to be filed for the period 2014-19 in terms of the liberty granted above.”

13. In line with the above decision, we dispose of this petition, with liberty to the petitioner to approach the Commission with fresh petition for determination of tariff for the period 2014-19 in respect of the generating station after approval of RCE by the Central Government. We direct accordingly. We also direct that the interim tariff granted by order dated 27.1.2015 shall continue to be in force till the tariff of the generating station for 2014-19 is determined based on the DIA



report and the approved RCE. The filling fees deposited by the petitioner shall be adjusted against the fresh petition to be filed for determination of tariff for the period 2014-19 in terms of the liberty granted above.

14. Petition No. 184/GT/2014 is disposed of in terms of the above.

Sd/-
(Dr. M.K.Iyer)
Member

Sd/-
(A.S Bakshi)
Member

