

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

**Shri Gireesh. B. Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member**

Date of Order: 6th February, 2017

Petition No. 194/GT/2015

In the matter of

Revision of tariff of Chamera-III Hydroelectric Project (231 MW) after truing-up of the capital expenditure incurred for the period 2012-14-Truing up of tariff determined by order dated 24.3.2015 in Petition No. 23/GT/2013

And

Petition No. 249/GT/2014

In the matter of

Approval of tariff of Chamera-III Hydroelectric Project (231 MW) for the period from 1.4.2014 to 31.3.2019

And in the matter of

NHPC Ltd
NHPC Office Complex,
Sector-33, Faridabad,
Haryana-121003

...Petitioner

Vs

1. Punjab State Power Corporation Ltd
The Mall, Near Kali Badi Mandir,
Patiala – 147 001
2. Haryana Power Utility,
UHBVNL, Shakti Bhawan, Sector 6,
Panchkula – 134 109
3. Uttar Pradesh Power Corporation Ltd
Shakti Bhawan,
14, Ashok Marg,
Lucknow – 226 001
4. Engineering Department,
Union Territory of Chandigarh,
1st Floor, UT Secretariat, Sector 9D,
Chandigarh – 160 009
5. North Delhi Power Ltd
33 KV Sub-station, Hudson Lane, Kingsway Camp,
Delhi – 110 009
6. BSES Yamuna Power Ltd
Shakti Kiran Building, Karkardooma,
New Delhi – 110 032



7. BSES Rajdhani Power Ltd
BSES Bhawan, Nehru Place,
New Delhi – 110 019

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

9. Jaipur Vidyut Vitran Nigam Ltd
Vidyut Bhawan, Janpath
Jaipur – 302 005

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

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

12. Uttarakhand Power Corporation Ltd,
Urja Bhawan, Kanwali Road,
Dehradun – 248001

13. Power Development Department,
New Secretariat,
Jammu.

14. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House
Shimla – 171 004

...Respondents

Parties present:

For Petitioner: Shri Piyush Kumar, NHPC
Shri Naresh Bansal, NHPC
Shri A.K. Pandey, NHPC
Shri Jitendra Kumar Jha, NHPC

For Respondents: Shri R.B. Sharma, Advocate, BRPL
Shri Abhay Pratap Singh, Advocate, NDPL
Ms. Ranjana Roy Gawai, Advocate, NDPL
Ms. Arunima Gautam, NDPL

ORDER

Petition No.194/GT/2015 has been filed by the petitioner, NHPC Ltd, for revision of annual fixed charges of Chamera-III Hydroelectric Project (3x 77 MW) ('the generating station') for the period 2012-14 in terms of Regulation 6 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations') and Petition No.



249/GT/2014 has been filed by the petitioner for determination of tariff of the generating station for the period 2014-19 in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 ('the 2014 Tariff Regulations').

Background

2. The generating station located in Chamba District of State of Himachal Pradesh was designed as a run of the river scheme with pondage designed to operate as peaking plant to generate 1108 MUs in a 90% dependable year. The generating station comprises of 3 (three) Units of 77 MW each, with annual design energy of 1108.17 MUs. Ministry of Power (MoP), GOI has allocated power amongst the beneficiaries vide Notification dated 27.3.2012. The respondent, Himachal Pradesh has been allocated a share of 16.356% which includes 13% free power, out of which 12% free power is for the Home State and the additional 1% is for Local Area Development Fund (LADF). The home state is to provide matching 1% from its 12% free power towards LADF corpus.

3. The administrative approval and expenditure sanction for the project was accorded by the Ministry of Power, GOI vide letter dated 1.9.2005 at an estimated cost of ₹ 140563 lakh, including IDC & FC of ₹ 11966 lakh, based on February, 2005 Price Level. As per the administrative approval, the generating station was scheduled to be commissioned within 5 years from the date of its issue, that is, by 31.8.2010. However, the generating station has been declared under commercial operation on 4.7.2012 (COD of Unit I) with dates of commercial operation of individual units given below:

Unit-II	30.6.2012
Unit-III	30.6.2012
Unit-I	4.7.2012

4. Petition No. 26/GT/2013 was filed by the petitioner for determination of annual fixed charges for the generating station for the period from the anticipated date of commercial operation (1.7.2012) till 31.3.2014 in terms of the 2009 Tariff Regulations. The petitioner has claimed tariff based on capital expenditure of ₹ 201772.38 lakh as on 1.7.2012 which includes normative IDC of ₹ 8461 lakh till 31.3.2012 and ₹ 517 lakh for 1.4.2012 to 30.6.2012 but excludes un-discharged liabilities of ₹ 4904.97 lakh on the date of commercial operation. The expenditure claimed as on 1.7.2012



comprised of the expenditure incurred upto 31.3.2012 as per audited balance sheet and anticipated capital expenditure from 1.4.2012 to 30.6.2012. The petitioner had further claimed projected additional capital expenditure of ₹ 8310.62 lakh for the period 4.7.2012 to 31.3.2013, inclusive of amount of ₹ 4904.97 lakh on account of discharge of un-discharged liabilities and ₹ 3138.50 lakh for the year 2013-14. Thus, the tariff claimed by the petitioner was based on capital cost of ₹ 213221.50 lakh. The petitioner had also engaged M/s Aquagreen Engineering Management Pvt. Ltd., the Designated Independent Agency (DIA) for vetting of capital cost of the generating station and had submitted to the Commission a copy of the appraisal report of DIA, after serving copy of the same on the beneficiary respondents. The petitioner also submitted that it had resubmitted the proposal for approval of the RCE by the MOP, GOI vide letter dated 5.5.2014 indicating the completion cost of ₹ 204944 lakh. Accordingly, the Commission, after considering the submissions of the parties and prudence check of the DIA report, worked out and allowed the capital cost as on 31.3.2014 by order dated 24.3.2015 as under:

	<i>(₹ in lakh)</i>
Capital cost for the purpose of tariff as on 30.6.2012 (2 Units) (a)	128351.09
Capital cost for the purpose of tariff as on 4.7.2012 (3 Units/ Station) (b)	192526.64
Allowed Projected additional capital expenditure for the period from 4.7.2012 to 31.3.2013 (c)	8310.62
Opening capital cost as on 1.4.2013 (d) = (b) + (c)	200837.26
Allowed Projected additional capital expenditure for the period for 2013-14 (e)	3138.50
Closing Capital cost as on 31.3.2014 (f) = (d) + (e)	203975.76

5. Based on the above, the annual fixed charges allowed vide order dated 24.3.2015 is as under:

	<i>(₹ in lakh)</i>		
	30.6.2012 to 3.7.2012	4.7.2012 to 31.3.2013	2013-14
	(2 Units)	(3 Units)	(3 Units)
Depreciation	71.55	7427.72	10295.31
Interest on Loan	70.14	7084.81	12154.45
Return on Equity	73.76	7822.11	11299.34
Interest on Working Capital	6.50	680.18	1013.31
O&M Expenses	27.91	3006.33	4280.72
Total	249.86	26021.15	39043.13



6. It was also observed in the said order that the audited capital cost on the date of commissioning of each unit and the actual treatment of normative IDC as carried out in the books of accounts duly authorized by the auditor shall be considered by the Commission at the time of truing up of tariff of the generating station for the said period in terms of Regulation 6 of the 2009 Tariff Regulations.

7. In Petition No 194/GT/2015, the petitioner has claimed the capital cost of ₹ 1992.47 crore as on 4.7.2012, excluding un-discharged liabilities of ₹ 76.05 crore, out of which liabilities of ₹ 39.33 crore has been discharged during the years 2012-13 and 2013-14. The petitioner has also submitted that balance works and liabilities will be claimed as and when discharged. It has further submitted that the RCE of the generating station based on the completion cost of ₹ 2049.44 crore including IDC & FC of ₹ 241.93 crore has been submitted to MoP, GoI for approval vide letter dated 5.5.2014. In Petition No. 249/GT/2014, the petitioner has claimed capital cost of ₹ 2042.41 crore as on 31.3.2014 with additional capital expenditure for 2014-19 and discharge of liabilities for determination of tariff of the generating station for the period 2014-19.

8. The respondent, UPPCL has submitted that the cost claimed by the petitioner as on 4.7.2012 has not been approved by the MoP, GoI. It has also submitted that its comments on additional capital expenditure, time and cost overrun, O & M may be considered while truing-up the tariff for the period 2012-14. The respondent, BRPL has submitted that the Commission may retain the existing cost and the tariffs so determined shall be treated as provisional tariff till the approval of RCE for this project by the MoP, GoI. The respondent, TPDDL has submitted its objections on the claim of the petitioner and has stated that the petitioner may be directed to file RCE of the project duly approved by the MoP, GoI and for determination of the tariff on provisional basis. Similar submissions have been made by the respondent, discoms of Rajasthan. The petitioner has also filed its rejoinder to the replies of the respondents. As regards the status of approval of RCE, the petitioner vide affidavit dated 13.5.2016 has submitted that the RCE of the generating station stands submitted to the CEA/ CWC through MoP, GoI on 5.5.2014 and the same is under examination.



9. We have examined the matter. As stated by the petitioner, RCE of the generating station is pending for approval by the MoP, GOI. In view of this and considering the fact that 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 petitions 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 filing 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.”

10. In line with the above decision, we are inclined to dispose of these petitions, with liberty to the petitioner to approach the Commission with fresh petition for truing-up of tariff for the period 2012-14 and 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 annual fixed charges determined by order dated 24.3.2015 in Petition No.26/GT/2013 shall continue to be in operation till the tariff of the generating station 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 determination of tariff for the period 2014-19 in terms of the liberty granted above.

11. Petitions No. 194/GT/2015 and 249/GT/2014 are disposed of in terms of the above.

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

Sd/-
(A.S Bakshi)
Member

Sd/-
(A.K.Singhal)
Member

Sd/-
(Gireesh B Pradhan)
Chairperson

