

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 149/GT/2018**

Subject : Petition for approval of tariff of PARE Hydro Electric Power Plant (2 x 55 MW) for the period from COD to 31.3.2019

Petitioner : NEEPCO

Respondent : Assam Power Distribution Company Ltd & ors.

Date of hearing : **25.7.2019**

Coram : Shri P.K.Pujari, Chairperson  
Dr. M.K. Iyer, Member  
Shri I.S.Jha, Member

Parties present : Shri M.G.Ramachandran, Senior Advocate, NEEPCO  
Ms. Poorva Saigal, Advocate, NEEPCO  
Shri Shubham Arya, Advocate, NEEPCO  
Ms. Debjani Dey, NEEPCO  
Ms. E. Pyrbot, NEEPCO  
Shri K.Goswami, APDCL  
Shri B.M.Saikia, APDCL

**Record of Proceedings**

During the hearing, the representative of the Respondent, APDCL submitted that the reasons for time & cost overrun on all the grounds are attributable to the Petitioner in terms of the CEA letter dated 24.9.2007 in connection with approval of the project cost. He also prayed that the Commission may re-determine the capital cost of the project by reducing the portion of capital cost increase due to time & cost overrun. The representative further submitted that as against the original approved cost ₹573.99 crore with a levellised tariff at ₹2.01/unit, the new levellised tariff based on the completion cost of ₹1640.31 crore would be ₹ 7.10/unit. Based on this, the representative submitted that such high tariff would not be affordable, keeping in view the cash flow position of the Respondent. He accordingly prayed that the Commission may consider some measures to ease the burden on the Respondent. The representative added that it has filed replies in the matter and the same may be considered while determining tariff of the project.

2. In response, the learned Senior counsel for the Petitioner submitted that adequate justification along with documents have been furnished in support of time & cost overrun of the Project and the same was beyond the control of the Petitioner. As regards affordability of the tariff, the learned Senior counsel pointed out that the matter may be brought to notice of the State Government by the Respondent. He therefore submitted that the Commission may determine tariff as prayed for in the Petition.

3. The Commission after hearing the parties directed the Petitioner to file the following additional information, on affidavit, with copy to the Respondents, on or



before **26.8.2019**:

(i) *Reconciliation between the project expenditure as per Form 14A and sources of funds as per Form 14;*

(ii) *Explanation as regards applying the debt equity ratio of 70:30 for calculation of RoE and Interest on normative loan, despite of the DER as per Form 14 being 85:15;*

(iii) *Details pertaining to the notional FERC of ₹16.43 crore, which CEA had referred to the Commission for consideration while determination of tariff;*

(iv) *Clarify whether the additional capital expenditure claimed is within the original scope of work;*

(v) *Furnish the actual additional capital expenditure for the year 2018-19; and*

(vi) *Furnish the data for one year with respect to silt level, number of days silt has affected the plant operation and its impact on PAF.*

4. The Respondents shall file their replies on or before **16.9.2019** with advance copy to the Petitioner, who may file its rejoinder, if any, by **30.9.2019**. Pleadings shall be completed by the parties within the due dates mentioned.

5. Subject to the above, order in the Petition was reserved.

By order of the Commission

Sd/-  
(B.Sreekumar)  
Dy. Chief (Law)

