

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 264/MP/2024

Coram:

Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member

Date of Order: 20th March, 2025

In the matter of

Petition under Regulation 44(6) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, for recoupment of under-recovered energy charges due to a shortfall in energy generation for reasons beyond the control of generating station during FY 2021-22 in respect of Chutak Power Station.

And

In the matter of

NHPC Limited,
(A Govt. of India Enterprise)
NHPC Office Complex, Sector- 33,
Faridabad (Haryana) - 121 003

.....Petitioner

Vs

1. The Principal Secretary,
Power Development Department,.
New Secretariat, Jammu, UT of J&K

.....Respondent

Parties Present:

Shri Rajiv Shankar Divedi, Advocate, NHPC
Shri S.K. Meena, NHPC



ORDER

The Petitioner, NHPC Ltd. (hereinafter referred to as NHPC) has filed this petition seeking the following relief:

- a) Hon'ble Commission may kindly allow recovery of energy charges amounting to Rs 1303.24 Lakh against the shortfall in generation of 32.96 MU, which is beyond control of generating station, in FY 2021-22 as per regulation 44(6) of CERC Tariff Regulations, 2019.*
- b) Hon'ble Commission is requested to allow recovery of shortfall in energy charges amounting along with interest.*
- c) To allow recovery of shortfall in energy charges along with interest as mentioned in prayer 1 to 2 in six equal monthly installments.*
- d) To allow issuance of supplementary bill for recovery of balance shortfall in energy charges directly from beneficiaries after determination of final tariff by Hon'ble Commission.*
- e) Pass such other and further order / orders as are deemed fit and proper in the facts and circumstances of the case.*

Submission of the Petitioner

2. NHPC Limited, hereinafter called 'NHPC', is a Government of India Company within the meaning of the Companies Act, 1956. Further, it is a 'Generating Company' as defined under Section 2(28) of the Electricity Act, 2003.
3. The Chutak Power Station (hereinafter called 'Chutak power station') (3 x 11 = 44 MW) located in the UT of Ladakh is under commercial operation w.e.f. 29.11.2012.
4. The power generated from this Power Station is being supplied to the Power Development Department of J&K.
5. The approved annual design energy (DE) of Chutak Power Station is 212.93 MU and after accounting for actual auxiliary consumption (i.e. 2.95%), 1% towards LADF, and 12% as free power to home state, the saleable design energy works out to 179.78 MU.



6. CERC (Terms and Conditions of Tariff) Regulations, 2019 provides for recovery of shortfall in energy charges for reasons beyond the control of the generating station during the tariff period 2019-24. As such, the present application {under regulation-44(6) of CERC (Terms and Conditions of Tariff) Regulations, 2019} is for recovery of shortfall in energy charges due to a shortfall in energy generation, which is reproduced below:

*“44(6) In case the **saleable scheduled energy** (ex-bus) of a hydro generating station during a year is **less than the saleable design energy** (ex-bus) for reasons **beyond the control of the generating station**, the treatment shall be as per clause (7) of this Regulation, on an application filed by the generating company.”*

Further, the methodology for recovery of shortfall in energy charge is given by CERC in regulation 44(7) of CERC (Terms and Conditions of Tariff) Regulations, 2019, which is reproduced below:

*“44.(7) **Shortfall in energy charges** in comparison to fifty percent of the annual fixed cost shall be allowed to be **recovered in six equal monthly installments**:*

Provided that in case actual generation from a hydro generating station is less than the design energy for a continuous period of four years on account of hydrology factor, the generating station shall approach the Central Electricity Authority with relevant hydrology data for revision of design energy of the station.”

7. Hence, as per Regulation 44(7) of CERC Tariff Regulations, 2019, the shortfall in energy charge for FY 2021-22 needs to be recovered in six (6) equal monthly installments after the issue of the order by CERC in this matter.

- I. The petitioner had filed tariff petition No.283/GT/2020 for truing up of AFC for 2014-19 and for determination of tariff for the period 2019-24 based on projected capital expenditure. In this petition order has been issued by CERC on 23.02.2022. Accordingly, billing is being done with AFC approved by CERC vide order dated 23.02.2022 in petition



No.283/GT/2020. The Petitioner has submitted that its claim in the present petition for recovery of energy charges is based on interim tariff allowed by the Commission for FY 2019-24 vide order dated 23.02.2022, which is subject to change on outcome after truing-up. The present submission for recovery of shortfall in energy charge for 2021-22 based on AFC allowed vide order dated 23.02.2022 is detailed as under:

		Schedule energy * (Ex-bus) (MU)	Free energy * (MU)	Net energy billed (MU)	Annual Fixed Charges (Rs Lakh)	Energy charges to be recovered (Rs Lakh)	Energy charges actually recovered ** (Rs Lakh)	Under-recovery of energy charges (Rs Lakh)
		1	2	3=1-2	4	5=50% of 4	6	7=6-5
2021-22		165.46	21.51	143.95	15558.46	7779.23	6362.51	1416.72

* Schedule Energy & Free Energy are based on the Energy Account issued by SLDC.

** Energy charges as per bill of the respective year based on provisional AFC (Refer **Annex VI**).

8. The Petitioner has further submitted that once the recovery for energy charges is allowed by the Commission, the shortfall in energy charges will be recovered in six (6) equal monthly installments as per Regulation 44(7) of CERC Tariff Regulations, 2019. However, subsequent to the issuance of the final tariff order for the tariff period 2019-24, the Petitioner will raise a supplementary bill for recovery of the shortfall on the basis of the revised energy charge.

Submission of the Petitioner in compliance with ROP of hearing dated 26.11.2024 in petition No.264/MP/2024

9. The subject matter was heard by CERC on 26.11.2024, and ROP was issued on 29.11.2024. In order to comply with the directions contained in the said ROP, the point-wise reply is submitted by Petitioner as under.

ROP Para 3. (ii)(a): No supporting document furnished for less/fewer inflows.

Moreover, the inflow data is required to be certified by the Central Water



Commission (CWC).

Compliance to Para 3.(ii)(a):

CWC vide letter dated 23.04.2024 with respect to certification of inflow data of Chamera-II & Chamera-III has informed as under:

“Please refer to NHPC Limited letter dated 27.03.2024 on the subject vide which the average daily discharge data at Chamera-II and Chamera-III Power station during April 2021-March 2022 has been forwarded for examination and certification for CERC. In this regard, it is stated that the matter may please be routed through concerned division of CEA and nodal unit of CWC.

However, the same have been examined and it is stated that in general the yield series of water resource projects/HEPs are estimated using hydro-meteorological data of concerned catchment area as far as possible with a presumption that historical series repeats in the future.

*Further **the consistency of inflow series of project is checked using relevant hydro-meteorological data for longer period such as say 20 years or more**”.*

- a. The same response was received from CWC in the case of certification of inflow data for Parbati-III. As such, inflow data for 20 years or more after COD is not applicable. From the above response of CWC regarding the certification of inflow data of 2021-22, it is evident that it is not certifying the inflow data of one year. Therefore, the Commission is requested to consider the inflow data as submitted by the Petitioner.
- b. Energy shortfall of (-) 0.30 MUs as claimed by the Petitioner due to unit outage is in order and has been rightly placed by the Petitioner under the head of “Energy



shortfall within the control of the Petitioner.” Accordingly, we accept the same.

Accordingly, in consideration of the above findings, the energy shortfall table is summarised under

A. Shortfall due to reasons beyond the control of the Petitioner	
Energy Shortfall Due to Less Inflow From Design Inflow On Some Days	-37.18 MU
Energy Generated Due to Excess Inflow From Design Inflow On Some Days	7.55 MU
Energy Loss Due to Silt Flushing	-1.32 MU
Energy Loss Due to High Silt	-0.85 MU
Energy Loss Due to High Trash	-0.43 MU
Energy Loss Due to Transmission Constraints	-0.73 MU
Total Energy Shortfall Due To Reasons Beyond Control (A)	-32.96 MU
B. Shortfall due to reasons within the control of the Petitioner	
Unit Outages	-0.30 MU
Other Constraints (Partial Load/ Ramping Up/Down During Peaking/ High Inflow/TRT Level, etc.)	-2.56 MU
Difference Between Saleable Ex Bus And Saleable Schedule	0.00 MU
Total Energy Shortfall Due to Reasons Within Control (B)	-2.86 MU
Summary	
Total Energy Shortfall Due to Reasons Beyond Control (A)	-32.96 MU
Total Energy Shortfall Due to Reasons Within Control (B)	-2.86 MU
Total Energy Shortfall (A)+(B)	-35.83 MU

10. Accordingly, the Commission is of the view that out of a total shortfall of (-) 35.83 MU, the Petitioner needs to be compensated for a shortfall of (-) 32.96 MU, which was beyond the control of the Petitioner.

11. Further, out of the actual total energy charge shortfall of Rs. 1416.72 lakh and total energy shortfall of (-) 35.83 MU, the Petitioner has claimed 1303.24 lakh and (-) 32.96 MU, respectively. Accordingly, the energy charge allowed to be recovered in the FY 2021-22 due to a shortfall in energy generation from Design Energy during 2021-22 has been calculated in the subsequent paragraphs.



12. A total energy charge shortfall of ₹1416.72 lakh has been reported by the Petitioner based on energy billed as per Regional Energy Accounts. The same has been verified from the amount billed to the beneficiaries and the amount allowable as Energy Charges, which is one-half of the AFC allowed for the year 2021-22 by the Commission vide order dated 23.02.2022 in petition No. No.283/GT/2020. Based on the above table, the energy charges recoverable by the Petitioner out of a total shortfall of ₹. 1303.24 lakh has been worked out as under:

Total shortfall in generation during FY 2021-22	A	35.83 MU
Total under-recovery of energy charges during FY 2021-22	B	Rs 1416.72 Lakh
The shortfall in generation is due to reasons beyond the control	C	32.96 MU
The shortfall in energy charges to be recovered in 6 installments	$D=C*B/A$	Rs 1303.24 Lakh

13. Accordingly, in terms of Regulation 44(7) of the 2019 Tariff Regulations, we allow the energy charge shortfall of Rs.1303.24 lakh for FY 2021-22. The same shall be recovered in six equal monthly interest free instalments by raising supplementary bills to the beneficiaries as per Regulation 44(7) of CERC (Terms and Conditions of Tariff) Regulation 2019. Further, the difference in energy charge shortfall to be recovered for FY 2021-22, which may arise after the true up of tariff for the period 2019-24, shall be recovered directly by the generating station from the beneficiaries through supplementary bills after true-up.

14. Petition No. 264/MP/2024 is disposed of in terms of the above.

Sd/
(Harish Dudani)
Member

Sd/
(Ramesh Babu V.)
Member

Sd/
(Jishnu Barua)
Chairperson

