

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 633/MP/2020

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 31st July, 2025

In the matter of

Petition under Sections 62 and 79(1) of the Electricity Act, 2003 read with related provisions of Chapter 5 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Regulation 27(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for approval of proposal for Renovation & Modernization for life extension beyond the normal useful life in respect of Khandong Power Station (50 MW) of North Eastern Electric Power Corporation Limited, Shillong.

And

In the matter of:

North Eastern Electric Power Corporation Limited,
Brookland Compound, Lower New Colony,
Shillong - 793003, Meghalaya

... Petitioner

Vs

1. Assam Power Distribution Company Ltd,
Bijulee Bhawan, Paltanbazar
Guwahati 781 001- Assam.
2. Meghalaya Power Distribution Corporation Ltd,
Lumjinshai, Short Round Road
Shillong -799001, Meghalaya.
3. Tripura State Electricity Corporation Ltd,
Bidyut Bhavan, North Banamalipur,
Agartala -799 001, Tripura.
4. Power & Electricity Department,
Government of Mizoram, New Secretariat Complex,
Kawlphetha, Aizwal- 796001
5. Manipur State Power Distribution Company Limited,
3rd Floor, New Directorate Building, Near 2nd M.R Gate,
Imphal- Dimapur Road, Imphal- 795001, Manipur.



6. Department of Power,
Bidyut Bhawan, Government of Arunachal Pradesh,
Itanagar-791111, Arunachal Pradesh.
7. Department of Power,
Government of Nagaland, Electricity House,
A G Colony, Kohima- 797001, Nagaland.
8. North Eastern Regional Power Committee,
NERPC Complex, Dong Parmaw, Lapalang,
Shillong-793006, Meghalaya.
9. North Eastern Regional Load Despatch Centre
Dongtiah, Lower Nongrah, Lapalang,
Shillong -793006, Meghalaya.

.....Respondents

Parties Present:

Shri Ripunjoy Bhuyan, NEEPCO

ORDER

The Petitioner, North Eastern Electric Power Corporation Limited, has filed the present petition seeking the following relief(s):

(a) Approve the Detailed Project Report on Renovation & Modernization for Life Extension of the 2x23 MW Khandong Power Station with an estimated project cost of Rs. 248.11 crore; and

(b) Allow recovery of the approved O&M expenses and interest on loan during the period of complete/partial shutdown for R&M activities so that these expenditures are not required to be capitalized with the R&M cost.

Submissions of the Petitioner

2. In support of the above prayers, the Petitioner has submitted the following:

(a) The Khandong Power Station will be completing its useful life on 3.5.2024. Due to a long operation of 36 years, the operating efficiency of the machines has deteriorated. Generating units have got de-rated, and the condition of their auxiliaries, instruments, protective relays & control equipment has deteriorated to such an extent that the combined output of the power plants has fallen below the nameplate capacity with all units running. The units are now operating at 100% gate opening to achieve 67-68 MW against the rated Installed Capacity of 75 MW at FRL i.e. 725.00M. The units with 100% gate opening are not able to respond to grid codes like Primary Response, RGMO, AGC (Automatic Generation Control), etc.



(b) The Power Station is fast approaching completion of its useful life, and it is proposed to bring back its reliability by way of acid-resistant underwater parts in consideration of the lower pH of reservoir water, which is presently in the range of 3.36 to 5.44. Moreover, the adverse condition of the equipment is leading to frequent breakdowns, resulting in a relatively low plant load factor. Thus, a need is established to suitably refurbish & modernize the units to obtain the desired output along with life extension of machine & plant and adoption of modern technologies for better control and monitoring.

(c) The following problems are being faced at the power station, causing frequent outages of the generating units, which in turn is leading to substantial wastage of available water power potential:

- (i) Excessive wear & tear and erosion/damages of underwater parts due to both ageing and acidic reservoir water.
- (ii) Deterioration of the underwater parts is a major factor for the inefficient operation of the power plant.
- (iii) Inefficient/old design / obsolete valves, MIV, turbines and generators.
- (iv) Inefficient Governors of obsolete technology.
- (v) Unreliable functioning of Hydro-Mechanical equipment.
- (vi) Increased head loss after addition of third Unit.
- (vii) Inefficient utilization of water.
- (viii) Adoption of modern control (DCS) and Open Platform Communication (OPC).
- (ix) Non-availability of spare parts of outdated systems and equipment.
- (x) Implementation of AGC

(d) CEA guidelines on the “Best Practices & Bench Marking for Hydro” under Chapter 7, Renovation, and Modernisation & Up-rating of hydro power plants stipulate that by undertaking timely RM&U & Life extension program, the generating plant can be made to operate for an extended period of 20-25 years with improved reliability and availability.

(e) The Petitioner has prepared a Detailed Project Report (DPR) on Renovation & Modernization for life extension of the Khandong Power Station based on RLA & LE studies for some Electro-mechanical (E&M) and Hydro-Mechanical systems carried out by M/s. CPRI.

Hearing dated 27.4.2021

3. The Petition was heard on ‘admission’ on 27.4.2021, and the Commission, after considering the submissions of the parties, admitted the petition and directed issue of notice to the Respondents. The Commission, after directing the Petitioner to file certain additional information, permitted the parties to complete their pleadings in the matter. In response to the above directions, the Petitioner has filed additional information, vide affidavit dated 19.5.2021, after serving a copy on the Respondents. None of the Respondents has filed



their reply in the matter.

Hearing dated 2.7.2025

4. During the hearing of the Petition on 2.7.2025, the representative of the Petitioner made oral submissions in support of the reliefs sought in the petition. However, on a specific query of the Commission with regard to the status of approval of the DPR by the CEA, the representative of the Petitioner clarified that the DPR submitted to CEA for approval on 4.8.2020, is under active consideration by the CEA, and approval is expected shortly. On an observation of the Commission that no purpose would be served to keep the matter pending, considering the fact that the DPR approval by CEA is awaited and that the anticipated COD of the Units (post-R&M) would fall during the period 2024-29, thereby requiring revision of the petition in terms of the 2024 Tariff Regulations, the representative of the Petitioner sought permission to withdraw the present petition, with liberty to the Petitioner to approach the Commission on this subject, after approval of the DPR. He also prayed for adjustment of the filing fees paid for the present Petition, against the Petition to be filed on the subject, in future.

5. In view of the above submissions, the Petitioner is permitted to 'withdraw' the present Petition with the liberty to approach the Commission in the future, with a fresh petition, along with all relevant supporting documents. The filing fees paid in the present Petition will be adjusted against the Petition to be filed in the future, as stated above.

6. Accordingly, Petition No. 633/MP/2020 is disposed of as 'withdrawn'.

Sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

