

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 834/MP/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 24th October, 2025

In the matter of:

Petition under Section 62 and 79 (1) of the Electricity Act, 2003 read with related provisions of the Chapter-5 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2003 and Regulation 27 of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2024 for approval of proposal for Renovation & Modernization for life extension beyond the normal useful life in respect of Khandong Power Station of NEEPCO Ltd.

And

In the matter of:

North Eastern Electric Power Corporation Limited
Corporate Office: Brookland Compound
Lower New Colony, Shillong 793 003, Meghalaya

.....Petitioner

Vs

1. Assam Power Distribution Company Ltd
“BijuleeBhawan”, 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,
Government of Arunachal Pradesh, Bidyut Bhawan,
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:

Ms. Poorva Saigal, Advocate, NEEPCO
Ms. Shirin Gupta, Advocate, NEEPCO
Shri Shubham Arya, Advocate, NEEPCO

ORDER

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

- a) *Approve the Renovation & Modernization for Life Extension of the 2x23 MW Khandong Power Station with an estimated project cost of Rs. 354.18 crore; and*
- b) *Life extension of the plant by another 40 years in line with the life extension allowed for Kopili Hydro Power Station.*

Background

2. The Petitioner's Kopili Hydro Electric Plant comprises three power stations, namely **Khandong Power Station (2x25 MW)**, Kopili Power Station (4x50 MW) and Kopili Stage-II Power Station (25 MW). Initially, the Plant was of the capacity of 150 MW, i.e. (2x25MW) in Khandong Power Station and (2x50 MW) in Kopili Power Station. Later on, (2x50 MW) were added to Kopili Power Station, as the KHEP First Stage extension in the year 1997. In addition,

1x25 MW Kopili Stage-II Power station was added to the project with a date of commissioning as 26.7.2004. The project comprises two concrete dams, viz. Khandong Dam and Umrong Dam, and two corresponding reservoirs with two separate water conduit systems and two power houses. The Khandong dam is across the river Kopili, which is a perennial river and the water from this reservoir is diverted through a tunnel with a diameter of 4.5 meter and 2.76 km in length. The tail race discharge from the generating station is diverted to the Umrong reservoir through an open channel. The first unit of the generating station was declared under commercial operation on 7.3.1984, and the second unit on 4.5.1984. The annual design energy of the generating station is 277.61 MUs. The electricity generated from Khandong Power Station (KhPS) is being supplied to the Respondents Nos.1 to 7 mentioned above. The Commission vide its order dated 13.1.2016 in Petition No. 42/GT/2015 had determined the tariff of KhPS, for the period 2014-19 in accordance with the 2014 Tariff Regulations. The capital cost approved as on 31.3.2014, vide order dated 13.1.2016, was Rs. 12438.28 lakh. The KhPS has completed its useful life on 3.5.2024.

3. The Petitioner had earlier filed Petition No. 633/MP/2020 before this Commission, seeking approval of the proposal for R&M for life extension, beyond the normal useful life in respect of KhPS (50 MW), after obtaining consent from the beneficiaries. The Petitioner has submitted that, based on the original DPR, against the R&M and life extension, approval of CEA was obtained on (i) Budget Estimate of EM and Civil Costs of R&M and LE of Khandong, (ii) Revised Installed capacity & Design Energy and (iii) Time Schedule & Phasing of hard cost. After the admission of the said petition by Commission, and after obtaining the in-principle approval of CEA, some enabling activities of R&M and LE were started by the Petitioner, which primarily comprised of (a) Urgent issues which need immediate attention such as Penstock Protection Butterfly Valves/ Emergency DG sets/



EOT Crane etc. and (b) Enabling activities to optimise generation during the R&M and LE such as Tunnel and Gate works. Further, while carrying out the enabling activities, KhPS was completely inundated by a flash flood, causing major damage to all the Electrical and Mechanical equipment, the Valve House, Steel Liner and the Y-Piece and the Power House Building. For cleaning of the debris, dismantling and removal of all damaged equipment took more than 13 months (till May 2023). However, the Commission vide its order dated 31.7.2025 disposed of the said petition, as 'withdrawn', as stated below:

"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'."

Present Petition

4. Accordingly, the Petitioner has filed this petition for approval of R&M for life extension of the project, under Regulation 27 of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2024, in terms of the prayers, as mentioned in para 1 above. The Petitioner has submitted that the inundation had impaired all the ongoing activities of R&M and LE, needing re-assessment of works along with restoration and cleaning activities. Accordingly, it has been submitted that RCE was prepared and submitted to CEA, and subsequently, the CEA approved the re-assessment



cost estimates (EM cost of Rs 188.42 crore and Civil & HSM cost of Rs 89.32 crore. The Petitioner has stated that Unit-I achieved COD on 13.7.2025 and Unit-II on 31.8.2025, and accordingly, the RCE (at completion cost) is to be resubmitted to the CEA for approval. The Petitioner has added that during the 28th TCC & NERPC meeting held on 20th & 21st February 2025, the matter was apprised before the TCC & NERPC, in the presence of representatives of all the beneficiaries, and a provisional tariff of Rs. 3.24/kWh, till the determination of tariff by this Commission, was also approved. The Petitioner, while pointing out that no separate consent was taken from the beneficiaries, has submitted that the beneficiaries were also apprised that the levelized tariff of Rs.3.24/kWh agreed by the beneficiaries, will increase substantially due to the change in the scope of work due to inundation of the Power Station. The Petitioner has submitted that based on revised hydrology data and power optimization studies in respect of the R&M and life extension works, the annual Design Energy has been modified to 217 MUs, and the installed capacity was reduced to 46 MW (2 x 23 MW) vide CEA letter dated 14.9.2021. The Petitioner has also submitted that the life of the generating station is estimated to be extended by 40 years after the completion of R&M works, commensurate with the life extended for 40 years after R&M of the Kopili HPS (200 MW) approved by the Commission. The Petitioner has added that taking into consideration all normative parameters as defined in the 2024 Tariff Regulations, the tariff works out as Rs. 3.97/kWh for the first year, with the levelized tariff of Rs 4.33/kWh.

Hearing dated 1.10.2025

5. During the hearing of the petition on 'admission', the learned counsel for the Petitioner, made detailed oral submissions in support of the prayers in the petition. Referring to Regulation 9(1) of the 2024 Tariff Regulations, which permit the filing of

application for determination of tariff within 90 days from the actual COD of the unit/ project and the grant of provisional tariff, the learned counsel submitted that the Commission may consider the grant of provisional tariff of Rs.3.24/kWh agreed by beneficiaries, subject to the determination of final tariff. On a query by the Commission, as to why the present petition should be kept pending, keeping in view that the Petitioner is required to file a petition for determination of tariff, based on the COD of the Units and the CEA completion cost, the learned counsel for the Petitioner while seeking permission to withdraw the present petition, sought liberty to approach the Commission for filing the tariff petition, in terms of Regulation 9(1) of the 2024 Tariff Regulations, along with its submissions on the approval of R&M for life extension of the project.

6. None appeared on behalf of the Respondents, despite notice.

7. In view of the above submissions, the present Petition is disposed of as 'withdrawn', with liberty to the Petitioner to file the tariff petition for the period from the COD of the units, in terms of Regulation 9(1) of the 2024 Tariff Regulations. Liberty is also granted to the Petitioner to seek the reliefs (as in para 1 above), in the said tariff petition to be filed by the Petitioner. The filing fees paid in respect of this petition shall be adjusted in the tariff petition to be filed in terms of the liberty granted as above.

8. Petition No. 834/MP/2025 is disposed of in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson