

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

Petition No.36/2003

In the matter of

Approval of two part tariff for Kopili Hydro Electric Project (4x50 MW) and Khandong Hydro Electric Project (2x25 MW) for the period from 1.4.2001 to 31.3.2004

North Eastern Electric Power Corporation Ltd.

.....Petitioner

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Department of Power, Govt. of Tripura, Agartala
4. Power & Electricity Department, Govt. of Mizoram, Aizwal
5. Electricity Department, Govt. of Manipur, Imphal
6. Deptt. of Power, Govt. of Arunachal Pradesh, Itanagar
7. Department of Power, Govt. of Nagaland, Kohima
8. North Eastern Regional Electricity Board, Shillong
9. North Eastern Regional Load Despatch Centre

.....Respondents

The following were present

1. Shri Malcolm. D. Roy, ED (Comml), NEEPCO
2. Shri Pankaj Kumar Singh, Advocate, NEEPCO
3. Shri M.D. Roy, NEEPCO
4. Shri Akhtar Hussain, NEEPCO
5. Shri V. Venkanna, NEEPCO
6. Shri M.K. Adhikary, EE (Comm.), ASEB
7. Shri H.H. Sharma, ASEB

**ORDER
(DATE OF HEARING : 22.10.2003)**

We heard Shri Malcolm D. Roy, Executive Director on behalf of the petitioner and Shri M.K. Adhikary, EE (Comml) on behalf of Respondent No.1. None was present on behalf of other respondents.

2. The representative of the petitioner submitted that as per the Commission's order dated 16.9.2003, the necessary details had been submitted on affidavit. He clarified that in case of Khandong HEP, the project was financed wholly through equity provided by Government of India and it did not involve any loan.

3. In view of this, the tariff could be worked out by notionally allocating the capital cost into loan and equity between Kopili HEP and Khandong HEP on pro-rata either on the basis of capacity of the two generating stations or in the ratio of their cost. We had directed to place their views on these proposals on record through proper affidavit. We had also directed the representative of the petitioner to submit the details of additional capitalisation undertaken after its commissioning during July, 1997, with proper justification for Kopili HEP.

4. It was explained by the representative of the petitioner that benefit of increase in generation at Kopili HEP could be achieved on account of raising height of Umrong Reservoir by 7.6 meters, as part of augmentation and modernisation of Kopili HEP. The representative of the petitioner was directed to file an affidavit with all the necessary details.

5. The petitioner has submitted copies of the sanction letters of loan and equity. As per these sanction letters the drawal of equity and loan works out as under:

(Rs. in lakh)

GOI sanction letter	Equity	Loan	Rate of Interest	Morotarium Period	Repayment period
09.06.93	410				
25.07.94		500			
10.08.93	500				
24.08.93	200				
30.03.94		890	17%	6 Yrs	15 Yrs
12.10.94		950			
22.11.94		550	16%	6	10
15.02.95		1000	16%	6	10
10.01.96	265				
24.07.97	1200				
20.07.95		881	16%	6	15
08.09.95		754	16%	6	15
15.11.95	600				
16.08.96		975	16%	6	15
07.11.96	625				
31.03.98		2348	16%	6	15
Total	3800	8848			

6. The above details of drawal of loan and equity do not tally with the drawal of loan and equity figures shown in the summary. Further, these figures do not tally with drawal of loan and equity figures shown in the letter of rescheduling. The discrepancies need to be clarified by the petitioner.

7. In the reconciliation of gross block submitted by the petitioner, cumulative depreciation of Kopili HEP and Khandong HEP has not been mentioned separately. The petitioner has submitted the cumulative depreciation of Kopili HEP and Khandong HEP IInd Stage extension. Therefore, it appears that the cumulative depreciation of Kopili HEP submitted by the petitioner contains combined cumulative depreciation of Kopili HEP and Khandong HEP. The petitioner is directed to furnish details of cumulative depreciation separately for Kopili HEP and Khandong HEP. In addition, the petitioner shall also file copies of annual reports for the years 2000-2001, 2001-2002 and 2002-2003.

8. The affidavit in support of the clarifications on the above issues was to be filed by the petitioner within two weeks of the date of hearing, which is still not filed. We once again direct the petitioner to file an appropriate affidavit latest by 20.11.2003 with copy to the respondents with proper explanation, as directed orally at the hearing.

9. Let the petition be listed for hearing on 16.12.2003

**Sd/-
(K.N. SINHA)
MEMBER**

**Sd/-
(ASHOK BASU)
CHAIRMAN**

New Delhi dated the 13th November, 2003