

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram :**

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

**Petition No. 3/2000**

**In the matter of**

Approval of generation tariff for Rangit Hydroelectric Project of NHPC for the period from 15.2.2000 to 31.3.2001.

**Petition No. 63/2001**

**And in the matter of**

Tariff for Rangit Hydroelectric Project for the period from 1.4.2001 to 31.3.2004.

**And in the matter of**

National Hydroelectric Power Corporation Ltd.

**.... Petitioner**

*Versus*

1. West Bengal State Electricity Board
2. Bihar State Electricity Board
3. Damodar Valley Corporation
4. Grid Corporation of Orissa
5. Dept. of Power, Govt. of Sikkim
6. Jharkhand Electricity Board, Ranchi

**... Respondents**

**The following were present :**

1. Shri Rajeev Hustu, CE, NHPC
2. Shri Prashant Kaul, CE (E), NHPC
3. Er. P. Kumar, DM(E), NHPC
4. Shri S.K. Meena, E(E), NHPC
5. Shri Ved Parkash, NHPC
6. Shri R.S. Batra, NHPC
7. Shri Sachin Datta, HPC
8. Shri B. Datta, NHPC
9. Shri S.K. Agarwal, NHPC
10. Shri Rakesh Sood, NHPC

11. Dr. S.C. Bhattacharyya, WBSEB
12. Shri P.C. Saha, WBSEB
13. Shri D.K. Kapoor, KERPL

**ORDER**

(Date of Hearing: 21.10.2003)

When this petition was last heard on 1.7.2003, it was submitted on behalf of the petitioner that the matter of approval for the completion cost of Rs.492.26 Crore, including IDC of Rs.112.46 Crore was under consideration with CCEA. We had directed the petitioner to place on record the CCEA approval. An affidavit has been filed on behalf of the petitioner whereby a copy of Government of India letter dated 24.9.2003, conveying its sanction for revised cost estimates of Rs.492.26 Crore, which corresponds to the completion cost of the project has been filed. The affidavit has been taken on record.

2. By invoking powers under Clause (n) of Section 73 of the Electricity Act, 2003, we had requested CEA to render its advise on the cost escalation and the variance analysis of cost submitted by the petitioner, by 30.9.2003. At the hearing, our attention has been drawn to CEA's letter No. 504/8/203-HPA-I/ dated 20.10.2003. It has been stated that the completion cost and variance analysis furnished by the petitioner are under examination in CEA and its recommendations/observations would be sent to the Commission by first week of November 2003. In view of the request received from CEA, these petitions will be re-notified for hearing.

3. Earlier in its order dated 5.2.2003, the Commission had directed the petitioner to furnish details of capital cost with asset-wise break-up, as on the date of commercial operation of the units and the additional expenditure incurred after the date of commercial operation during the year 1999-2000 and 2000-01 separately. The affidavit has been filed on behalf of the petitioner. On examination of the details contained in the affidavit, the following observations are made:

(a) Details of the following bonds have not been furnished:

- (a) A Series
- (b) B Series
- (c) C Series
- (d) D & E Series
- (e) G Series
- (f) L-I Series

(b) The petitioner has furnished combined loan allocation details of loans although these consist of various packages carrying different rate of interest. The details of the following loans separately for each package, with rate of interest have not been furnished:

S.No.	Loan	Interest Rate as per Loan Allocation Details
1.	I-Series Bond	10.5% Tax free, 14%, 15.5% and 17%
2.	L-II Series Bond	10.5% Tax free & 16%

- (c) It is noticed from the loan allocation details that ICICI and OBC loans carry the floating rates of interest. However, the applicable basic rate of interest on different dates of these loans have not been furnished.
- (d) The amount and date of repayment of instalments of each of the loans for the years 1999-2000, 2000-2001, 2001-2002, 2002-2003, and 2003-2004 have not been submitted.
- (e) The date from which moratorium is effective and the date of start of repayment of instalment are not indicated.
- (f) The supporting documents for Bonds A, B and L-I series and the Government of India loans as per Form 10 have not been furnished.
- (g) There is an unexplained difference in the rate of interest in the loan allocation details furnished and IDC calculations as shown below.

S.No.	Loan	As per Loan allocation details	As per IDC calculations
1.	I Series Bond	10.5% Tax free, 14%, 15.5% & 17%	12.82%
2.	L-II Series Bond	10.5% Tax free & 16%	13.5%
3.	UTI Loan	16.5%	16.4%

- (h) There is difference in the amount of the loan in the loan allocation details and IDC calculations, which has not been explained:

S.No.	Loan	As per Loan allocation details	As per IDC calculations
1.	K-I Series Bond	4.74	14.55
2.	UTI Loan	0.55	1.10

- (i) It is noted that the petitioner has considered the equity of Rs.189.28 Crore in Petition No. 63/2001 while the supporting equity documents refer to a total amount of Rs.181.94 Crore.
- (j) In station-wise balance sheets of Rangit HEP, the equity allocated specifically by Government of India is not mentioned. The statement of allocation of equity duly reconciled with balance sheet figures as on 31.3.2001 needs to be submitted.
- (k) The amounts of loan as on 31.3.2000 as per Annual Report 1999-2000 and as calculated based on the loan allocation details differ as shown below:

(Rs. in Crore)				
Sl. No.	Loan	As per annual report 1999-2000 (A)	As worked out from the loan allocation details (B)	Difference (C)=(A)-(B)
1.	I Series	295.10	301.76	(-)6.66
2.	UTI Loan	150.00	100.00	50.00

- (l) There is difference in the date of repayment/redemption as given in the Annual Report and as calculated from the loan allocation details for various bonds as shown below:

S.No	Loan	As per Annual Report 1999-2000	As worked out from the loan allocation
1.	I Series	2000-01	2001-02
2.	K-1 Series	2000-01	2001-02
3.	K-3 Series	2001-02	2003-04

4. Shri S.K. Agarwal, GM appearing on behalf of the petitioner undertook to file the above deficit information/clarifications shall be filed within one month's time. Time as prayed for is allowed. The petitioner shall file the requisite

information by 20.11.2003 with advance copy to the respondents. We make it clear that in case the information/clarifications are not furnished within the time allowed, the tariff will be determined by considering the lowest rate of interest and making other appropriate presumptions for the purpose of the calculation of the liabilities etc. The petitioner is also directed to file copy of the PPA.

5. List these petitions for hearing on 27<sup>th</sup> November, 2003.

**Sd/-  
(K.N. Sinha)  
Member**

**Sd/-  
(Ashok Basu)  
Chairman**

New Delhi dated the 29<sup>th</sup> October, 2003