

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

Petition No. 19/99

Present:

1. Shri S. L. Rao, Chairman,
2. Shri D.P. Sinha, Member
3. Shri G.S. Rajamani, Member
4. Shri A.R. Ramanathan, Member

In the matter of

Provisional approval of generation tariff of Loktak Hydroelectric Project

In the matter of

M/s National Hydroelectric Power Corporation Ltd., (NHPC)  
NHPC Office Complex,  
Sector-33, Faridabad (Haryana)-121003       .....       ...Petitioner

And

Assam State Electricity Board (ASEB) and others       ...Respondents

Following were present:

- |                                 |               |
|---------------------------------|---------------|
| 1. Shri R.K. Sharma, ED, NHPC   | ...Petitioner |
| 2. Shri S.K. Agarwal, CE, NHPC  | -do-          |
| 3. Shri S.D. Tripathi, CE, NHPC | -do-          |
| 4. Shri M.K. Adhikari, EE, ASEB | Respondent    |

**ORDER**

**(Date of hearing 29.2.2000)**

This is a petition filed by National Hydroelectric Power Corporation Ltd., (NHPC) praying that it may be allowed to continue billing the beneficiaries of the Loktak Project at the rate of 57 paise per unit as is being charged currently, subject to necessary adjustments that may be required in the light of tariff approved by the Commission. The respondents in this petition are the Assam State Electricity Board, Meghalaya State Electricity Board, Department of Power, Govt. of Arunachal Pradesh, Electricity Department, Govt. of Manipur, Electricity Department, Govt. of Mizoram, Electricity Department, Govt. of Nagaland and Electricity Deptt., Govt. of Tripura.

2. The facts as they emerged are that NHPC has been operating and maintaining the Loktak Project since its commissioning in 1983. It has been billing the beneficiaries of the Project on monthly basis. Presently the beneficiaries are being charged @ 57 paise per unit. Since the tariff has not been notified by the Competent Authority i.e. the Govt. of India, the beneficiaries are being billed on provisional basis. The beneficiaries have also entered into the Power Purchase Agreement with the petitioner, a copy of which is annexed to the petition. As per the agreement the beneficiaries are to pay charges for energy supplied to them on monthly basis.

3. Shri R.K. Sharma, Executive Director appearing on behalf of NHPC pleaded that in view of the facts stated above, the provisional billing may be allowed by the Commission till a regular tariff is determined and approved for the project. He had clarified that the present tariff is being charged, though not approved, by the Competent Authority on provisional basis in view of the Power Purchase Agreement between the parties. He pleaded for continuation of the existing tariff on provisional basis

till final tariff for the project is approved in accordance with the norms notified by the Commission.

4. Shri M.K. Adhikari, EE representing Assam State Electricity Board submitted that CEA vide its communication dated 4.6.1997 had calculated the tariff of this project from 01.04.1992 to 31.03.1997 only, giving cost of energy as 41.32 paise per KWh for the period from 01.04.1992 to 04.09.1994 and 45.25 paise per KWh for the period from 05.09.1994 to 31.03.1997. He therefore, pleaded that petitioner may be allowed to charge tariff of 45.25 paise per KWh as determined by the CEA. He also pointed out that the tariff calculations furnished by the NHPC contained certain anomalies regarding project cost, etc. He argued that the present tariff cannot be allowed to continue. In response to queries from the Commission, he admitted that ASEB has been making payments at the rate of 57 paise per kWh and also stated that ASEB is making payment @ 69 paise per unit for the energy drawn from another Hydroelectric Project owned by M/s NEEPCO.

5. Shri R.K. Sharma clarified that CEA vide its letter dated 04.06.1997 has worked out the tariff on the basis of sanctioned cost whereas the petitioner had been representing that the cost actually incurred by it as reflected in its audited accounts along with actual O&M cost should be considered for the purpose of calculation of tariff. This was already represented to the Ministry and was under its consideration when CERC came to be established.

6. The Petition is for provisional tariff till terms and conditions are finalised. At this stage the Commission does not intend to enter into detailed calculations. The Commission has noted that the Power Purchase Agreement was operative for a period of five years w.e.f. 01.04.1992. The agreement, however, further lays down that its provisions shall continue to operate till the Agreement is formally renewed, extended or replaced, incase Bulk Power Customer continues to get power from the Loktak Station even after expiry of the Agreement without further renewal or formal extension thereof. Provided, however, that the energy tariff in clause 2 of the schedule shall be revised w.e.f. 01.04.1997 and payable by the Bulk Power Customer as per the revised tariff. On consideration of the facts stated above and the submission of the parties the Commission directed that the petition shall be disposed of with the directions that status-quo as on date of filing of the petition in regard to charging of tariff shall be maintained by the parties on provisional basis till determination of final tariff in accordance with tariff regulations notified by the Commission.

7. The Commission would like to place on record the fact that none of the other respondents have filed their replies to the petition, neither has any one of them has appeared before the Commission despite a notice. The Govt. of Manipur have informed the Commission that it did not receive a copy of the petition. From the records we find that a copy of the petition has been served on all the respondents including the Govt. of Manipur by the petitioner who has also filed an affidavit of service before the Commission. The Commission expresses its strong disapproval of the stand taken by the State Govt. of Manipur.

The copy of the order be sent to the parties.

Sd\-	Sd\-	Sd/-	Sd/-
(A.R. Ramanathan) Member	(G.S.Rajamani) Member	(D.P. Sinha) Member	(S.L.Rao) Chairman

New Delhi,  
Dated 29.02.2000

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