

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 99/MP/2016

Coram:
Shri Gireesh B.Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S.Bakshi, Member
Dr. M.K.Iyer, Member

Date of order: 2nd May, 2017

In the matter of

Petition under Regulation 15 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for approval of Renovation and Modernization (R& M) of 105 MW Loktak Power Station.

**And
In the matter of**

NHPC Limited
NHPC Office Complex,
Sector-33,
Faridabad-121 003, Haryana

....Petitioner

Vs

1. The Chairman,
Assam State Power Distribution Company Limited
Bijulee Bhawan, Paltan Bazar,
Guwahati-781 001, Assam

2. Chief Engineer (Power)
Department of Power,
Govt. of Arunachal Pradesh,
C-Sector, Itnagar-799 111, Arunachal Pradesh

3. Chief Engineer (Power)
Department of Power,
Govt. of Mizoram,
Aizawal-796 001, Mizoram

4. CMD,
Tripura State Electricity Corporation Ltd.
Vidyut Bhawan, North Banamalipur,
Agartala-799 001, Tripura



5. The Chairman
Meghalaya Energy Corporation Ltd.
LUM Jinshai,
Short round Road,
Shillong-597 001, Meghalaya

6. Chief Engineer (Power)
Electricity Department,
Government of Manipur,
Imphal-795 001 Manipur

7. Chief Engineer (Power)
Electricity Department,
Government of Nagaland,
Kohima-797 001, Nagaland

8. The Secretary
Central Electricity Authority
Sewa Bhawan, R.K.Puram,
New Delhi-110 066

.....Respondents

The following were present:

Ms. Shubhalakshmi Gupta, NHPC
Shri Jagdish Prasad, NHPC
Shri Dhanush C.K., NHPC
Shri Rakesh Kumar, CEA

ORDER

The Petitioner, NHPC Limited, has filed the present petition seeking approval of Renovation and Modernization (R & M) proposal in respect of Loktak Power Station under Regulation 15 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 along with the following prayers:

“(a) In-principle approval for Renovation and Modernization (R & M) and life extension proposal of Loktak Power Station at the total cost of Rs. 260.47 crore may be accorded;

(b) The revised design energy of the power station i.e. 562.73 MUs from 2022.23 onwards may be agreed to as explained in para XIV above;

(c) To consider and allow deduction of accumulated depreciation after completion of all R & M works of the power station of the admitted project cost



while finalizing the final capital cost for the purpose of tariff as explained in Para XV above;

(d) Allow to recover O & M expenses (approved by CERC in Tariff regulations, 2014) from the beneficiaries during R & M activities concurrently with generation explained in Para XVI above;

(e) Pass such other and further order/orders as are deemed fit and proper in the facts and circumstances of the case.”

2. The Petitioner has set up a 105 MW (3x35 MW) Loktak Hydro Power Station (generating station) in the State of Manipur. The generating station had been declared under commercial operation on 1.6.1983. The power generated from the generating station is being supplied to the various beneficiaries in North Eastern Region in terms of the Power Purchase Agreement entered into between the petitioner and the beneficiaries.

3. The tariff of the generating station for the period from 1.4.2014 to 31.3.2019 was approved by the Commission vide order dated 18.9.2015 in Petition No. 228/GT/2014

4. The Petitioner has submitted that since the useful life of the generating station, namely 35 years is being completed on 31.5.2018, the proposal for Renovation and Modernization has been submitted to the Commission for approval as per Regulation 15 (1) of the 2014 Tariff Regulations for the purpose of further life extension of the generating station.

5. The Petitioner has submitted that a Detailed Project Report (DPR) for carrying out R & M of the generating station for its life extension highlighting the proposal as under:



- (i) The focus of R&M proposal is towards activities which are essential for efficient and sustained performance of the generating station and have direct impact on generation and machine availability including State of the art equipments being used in latest power stations.
- (ii) The total work at site would be executed in a phased manner covering four financial years and would be completed by 2022.
- (iii) The expected life extension of 25 years has been considered after completion of R&M works i.e. from financial year 2022-23 onwards.
- (iv) Design energy would be 562.73 MUs against existing design energy of 448 MUs based on the average 10 daily discharge from the power house and from the spillway of the barrage.
- (v) The estimated completion cost of R&M works is Rs. 260.47 crore (including IDC and FC amounting to Rs. 42.24 crore).

6. Notices were issued to the respondents to file their replies. No reply has been filed by the respondents. CEA, vide Record of Proceedings for the hearing dated 9.2.2017 was requested to send its comments and observation after vetting of DPR and capital cost of the generation station.

7. During the course of hearing, the representative of the Petitioner submitted that since R & M proposal is under consideration by CEA, the Petitioner is not in a position



to submit the information regarding cost and revised design energy. The representative of CEA submitted that all design issues regarding civil and hydro mechanical works have been cleared by CWC. The representative of CEA further submitted that cost estimation is yet to be finalized by CWC for civil works. The representative of CEA submitted that CEA vide its letter dated 13.4.2017 has requested the Petitioner to submit information regarding E&M works and cost estimation would be finalized after receipt of information in this regard.

8. We have considered the submissions of the Petitioner and CEA. Since petition is pending for last one year, and DPR and capital cost are still to be vetted by CEA, no purpose will be served to keep the petition pending. Accordingly, the Petitioner is granted liberty to approach the Commission after vetting of DPR and capital cost by CEA, in accordance with law.

9. The Petition is disposed of in terms of the above.

Sd/-
(Dr. M.K.Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

