

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 51/GT/2021

Coram:

**Shri Jishnu Barua, Chairperson
Shri I.S Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 8th August, 2023

In the matter of:

Petition for approval of tariff of Kameng Hydroelectric Power Plant (KaHEP) (600 MW) for the period from actual COD of Units-1 & 2 and projected COD of Units-3 & 4) till 31.3.2024.

And

In the matter of:

North Eastern Electric Power Corporation Limited,
Brookland Compound, Lower New Colony,
Shilong – 793 003, Meghalaya

.... Petitioner

Vs

1. Assam Power Distribution Company Limited,
Bijulee Bhawan, Paltan Bazar, Guwahati – 781001.

2. Department of Power,
Government of Arunachal Pradesh
Bidyut Bhawan, Itanagar - 794111

3. Meghalaya Power Distribution Corporation Limited,
Short Round Road, Lumjingshai, Shillong – 793001

4. Department of Power,
Government of Nagaland
Electricity House, Kohima – 797001

5. Uttar Pradesh Power Corporation Limited,
14th Floor, Shakti Bhawan Extn.,
14-Ashok Marg, Lucknow – 226001



6. Chhattisgarh State Power Distribution Company Limited,
o/o Chief Engineer (RA&PM), 4th Floor
Vidyut Sewa Bhawan, Dangania (CSEB), Raipur – 492013

7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6, Panchkula, Haryana-134108

8. North Eastern Regional Power Committee,
NERPC Complex, Dong Parmaw, Lapalang,
Shillong-793006, Meghalaya

9. North Eastern Regional Load Despatch Centre,
Dongtieh, Lower Nongrah, Lapalang,
Shillong -793006, Meghalaya.

... Respondents

Parties present:

Ms. Poorva Saigal, Advocate, NEEPCO
Ms. Pallavi Saigal, Advocate, NEEPCO
Shri. Subham Arya, Advocate, NEEPCO
Shri. Ripunjay Bhuyan, NEEPCO
Shri. Susanta Deka, NEEPCO
Ms. Elizabeth Pyrbot, NEEPCO

ORDER

This Petition has been filed by the Petitioner, NEEPCO, for approval of the tariff of Kameng Hydroelectric Power Plant (KaHEP), with the following prayers:

- (i) *Approve the Project capital cost of Rs.8153.06 crore as on anticipated station COD along-with generating unit-wise capital costs for determination of tariff (generating unit-wise as well as generating station as whole) for the 600 MW Kameng Hydro Electric Plant based on its COD (actual for U#1 & 2 and projected for U#3 & 4).*
- (ii) *Approve the normative IDC&FC of Rs.2744.01 crore in terms of Regulation 19(2)(b) of the Tariff Regulations, 2019 which is included in the Project Capital Cost indicated above.*
- (iii) *Allow the Petitioner to file revised petition on actual expenditure in the event of revised financial package, if any. approve the AFC for Kameng (600 MW) Hydro Electric Plant (KaHEP) for the tariff period from COD to 31.03.2024 as per claim along with the petition for sale of power generated from the plant.*
- (iv) *Allow recovery of filing fees of this petition from the beneficiaries.*
- (v) *Allow recovery of publication expenses from the beneficiaries incurred.*
- (vi) *Allow recovery from the beneficiaries any such tax, cess etc. levied on NEEPCO in relation to generation and supply/distribution of electricity.*



(vii) Allow true up the gross up rate of return on equity at the end of every financial year in compliance to regulation 31(3) of the CERC Tariff Regulations 2019.

(viii) Allow modification/change in operational norms based on actual performance experienced by the generating station.

(ix) Allow additions/alterations/changes/modifications to the petition at a future date.

(x) Condone any inadvertent omissions/errors/differences/shortcomings.

(xi) Pass such order/orders as deemed fit and proper in the facts and circumstance of the case.

2. The Kameng Hydroelectric Project (600 MW) is located in the West Kameng District of the State of Arunachal Pradesh. The project is a run-of-the-river scheme, with pondage, envisaging utilization of the waters of the Bichom and Tenga Rivers (both tributaries of the Kameng River) for generation of power. The detailed investigations for the project were sanctioned by the Government of India in 1968. The Central Water Commission (CWC) prepared the DPR for the project in 1982, based on the investigation of the erstwhile Central Water & Power Commission (CW&PC). The Government of India in 1985, decided to execute the project in the Central Sector through the Petitioner. Accordingly, the project parameters were studied by the Petitioner for review, and a fresh proposal considering the views of CEA/CWC and technical developments that had taken place during that time was submitted to CEA in September 1989.

3. The project was accorded Government of India approval for execution by the Petitioner at an estimated cost of Rs.2496.90 crore, which included IDC & FC of Rs.249.09 crore at March, 2004 Price Level (PL) and with a commissioning schedule of 5 years, from the date of Government sanction (i.e. by 31.12.2009). The sanction was conveyed by the Ministry of Power, GOI on 2.12.2004.



4. The Petitioner, in the petition, has submitted that the project was scheduled for commissioning in March 2018, but due to leakages observed in the Penstocks during the pre-commissioning stage, the commissioning activities of Units-I & II were temporarily suspended to facilitate the repair work of Penstocks I & II. The rectification of Penstock-I was completed in October, 2019. The Petitioner has also submitted that the first two units of the project have been commissioned and have been in commercial operation since 17.6.2020 and 1.7.2020 respectively. It has been added that the commissioning activities of the third and fourth units were in progress and the units were expected to be put into commercial operation during February 2021.

5. Accordingly, the Petitioner, in anticipation of declaring the station COD by 20.2.2021, had filed the present petition for determination of tariff of the project based on the capital expenditure projected to be incurred up to the anticipated COD (i.e. 20.2.2021), for the period from COD of the units, till 31.3.2024 as per the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

6. Thereafter, Units-III and IV of the project were declared under commercial operation on 22.1.2021 and 12.2.2021, respectively. Accordingly, the Petitioner filed an affidavit on 31.7.2021, revising the tariff filing forms, after serving copies on the Respondents.

Hearing dated 16.2.2023

7. During the hearing of the Petition on 16.2.2023, the learned counsel for the Petitioner submitted that it had filed a revised Petition, keeping in view that all the



four units of the generating station, had achieved commercial operation. Accordingly, the Commission adjourned the matter, after directing the Petitioner to file certain additional information and for the parties to complete their pleadings.

Hearing dated 14.7.2023

8. During the hearing on 14.7.2023, the learned counsel for the Petitioner, submitted that the Revised Cost Estimate (RCE), based on the completion cost of the project, is under preparation for submission to the appropriate authorities for vetting and approval. She, accordingly prayed, that the Petitioner may be granted liberty to amend the petition, after approval of the final RCE by the competent authority.

9. On a specific query by the Commission with regard to the completion cost of the project, the learned counsel for the Petitioner submitted that the final RCE is Rs 8208.09 crore, as on 12.2.2021 with a hard cost of Rs. 5460.65 crore, plus IDC & FC amounting to Rs.2747.44 crore. On a further query, as to the basis on which tariff is being recovered from the Respondent beneficiaries till date, the learned counsel for the Petitioner submitted that based on the decision in the 35th CC meeting of NERPC on 21.3.2018, a provisional tariff of Rs. 4/kWh is being recovered from the beneficiaries, subject to the final determination of tariff for the generating station by the Commission.

10. The submissions have been considered. Admittedly, in the present case, the final RCE based on the COD of the units has yet to be submitted by the Petitioner to the Central Government for vetting and approval. Keeping in view that there will be a revision in the capital cost of the generating station after approval of RCE by the Central Government, we find no reason to keep this petition pending. Hence, we



are inclined to dispose of this petition, with liberty to the Petitioner to approach the Commission with a fresh tariff petition, in respect of the generating station after approval of RCE by the Central Government. We direct accordingly.

11. We also direct that the provisional tariff of Rs 4/kWh, being recovered by the Petitioner based on the decision in the 35th CC meeting of NERPC dated 21.3.2018, shall continue to be in operation till the tariff of the generating station is determined based on the approved RCE. The filing fees deposited by the Petitioner shall be adjusted against the fresh petition to be filed in terms of the liberty granted above.

12. Petition No. 51/GT/2021 is disposed of in terms of the above.

Sd/-
(Pravas Kumar Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member

Sd/-
(Jishnu Barua)
Chairperson

