

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No.79/2004**

**In the matter of**

Fixation of tariff in respect of sale of power from Kopili Hydro Electric Project Stage-II (1x25 MW) of North-Eastern Electric Power Corporation Limited for the period from 26.7.2004 to 31.3.2009

North Eastern Electric Power Corporation Ltd., Shillong

**.....Petitioner**

**Vs**

1. Assam State Electricity Board, Guwahati
2. Meghalya State Electricity Board, Shillong
3. Department of Power, Govt. of Tripura, Agartala
4. Power & Electricity Department, Govt. of Mizoram, Aizawl
5. Electricity Department, Govt. of Manipur, Imphal
6. Deptt. of Power, Govt. of Arunachal Pradesh, Itanagar
7. Department of Power, Govt. of Nagaland, Kohima

**.....Respondents**

**The following were present**

1. Shri M.S. Jyewa, NEEPCO
2. Shri P.K. Borah, NEEPCO
3. Shri R. Mallik, NEEPCO
4. Shri S.S. Bhattacharya, NEEPCO
5. Shri H.M Sarma, ASEB
6. Shri K. Goswami, ASEB

**ORDER  
(DATE OF HEARING: 25.10.2005)**

The petitioner seeks to determine provisional tariff for sale of power from Kopili Hydroelectric Project Stage-II (1x25 MW) for the period 26.7.2004 to 31.3.2009 based on the terms and conditions contained in the Commission's notification dated 26.3.2004.

2. Kopili Hydroelectric Project comprised of two generating stations, namely, Khandong Hydroelectric Generating Station (2x25 MW) and Kopili Hydroelectric Generating Station (4x50 MW). Kopili Hydroelectric Project Stage-II has been executed keeping in view better utilisation of the existing civil works which include Khandong dam and Umrong Dam and the corresponding reservoirs, feeding water to Khandong Hydroelectric Generating Station and Kopili Hydroelectric Generating Station. Kopili Hydroelectric Project Stage-II utilises spill over/excess water from the existing Khandong reservoir. With the existing FRL of Khandong reservoir at 719 meters, a maximum generation of 72 MW could be possible, against which two machines of 25 MW each were already installed under Khandong Hydroelectric Generating Station. Therefore, there was scope for installation of one additional unit up to a maximum capacity of 22 MW. The petitioner has installed one additional unit of 25 MW capacity under Kopili Hydroelectric Project Stage-II. This unit was declared under commercial operation on 26.7.2004 and accordingly, the petitioner has sought approval for provisional tariff from that date. The provisional annual fixed charge of Rs.848.29 lakh have been claimed in the petition.

3. While explaining the reasons for seeking approval for provisional tariff, the representative of the petitioner explained that an expenditure of Rs.79.38 crore was incurred up to the date of commercial operation, that is, 26.7.2004. He further submitted that certain works were yet to be completed which would involve additional expenditure and consequent revision of tariff. It was also explained that the approval of the Central Government for the completion cost was awaited when the application was made. The representative of the petitioner informed that the Central Government

had approved on 2.8.2005 the revised cost estimates of Rs.95.02 crore, including IDC of Rs.6.58 crore based on the anticipated completion cost. The representative of the petitioner stated that the additional unit of 25 MW capacity was commissioned in order to keep parity with the size of existing units of Stage-I at Khandong Hydroelectric generating station though he agreed that there was scope for installation of one unit of 22 MW only. Keeping in view the provisions of Regulation 45 (xviii) of the Commission's notification dated 26.3.2004, the maximum available capacity for computation of capacity index was sought to be considered as 22 MW.

4. The representative of the petitioner informed that the annual design energy (additional) of 86.3 Mu envisaged for Kopili Hydroelectric Project Stage-II had not yet been approved by CEA as the petitioner was yet to submit the relevant data to the Authority. The petitioner shall take necessary steps for approval of the annual design energy in consultation with the Authority.

5. Meanwhile, we allow the annual fixed charge of Rs.1057 lakh on provisional basis from the date of commercial operation. The provisional annual fixed charge approved is 85% of the annual fixed charge corresponding to Rs.848.29 lakh claimed by the petitioner for 249 days of the year 2004-05. The primary energy rate applicable during the year 2004-05 shall be 40.53 paise/kWh, as per the details furnished by the petitioner in the petition, which shall continue to apply till approval of final tariff. For the present, the maximum capacity of the station shall be reckoned as 25 MW.

6. The petitioner shall file a fresh petition for approval of final tariff based on the audited expenditure up to the date of commercial operation and the annual design energy to be approved by CEA. The amended petition shall be filed latest by 31<sup>st</sup> January 2006. In the meantime, the provisional tariff as approved at para 5 above shall continue to apply.

7. With the above directions, the present petition stands disposed of.

**Sd/-  
(BHANU BHUSHAN)  
MEMBER**

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

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

**New Delhi dated the 9<sup>th</sup> November, 2005**