**Petition No 1186 of 2017**

**BEFORE**

**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

**PRESENT:**

1. **Hon’ble Sri. Desh Deepak Verma, Chairman**
2. **Hon’ble Sri. S. K. Agarwal, Member**

**IN THE MATTEROF:**In the matter of approval of provisional tariff for the year 2017-18 for the 330 MW HEP under the PPA dated 28.06.2006.

AND

IN THE MATTER OF:

Alaknanda Hydro Power Company Limited (AHPCL)

156-159, Paigah House, SP Road,

Secunderabad – 500003

 Petitioner

AND

UP Power Corporation Limited,

(through its CMD),

7th Floor, Shakti Bhawan,

14 Ashok Marg, Lucknow

Respondent

The following were present:

1. Sri. P. V. Prasana Reddy, CEO, AHPCL
2. Sri. M. Sodakar, DGM, AHPCL
3. Sri. E. Chandan, DGM, AHPCL
4. Sri. DileepTripathi, Senior Liaison Officer, AHPCL
5. Sri. Rajiv Srivastava, Advocate, UPPCL
6. Sri. V. P. Srivastava, CE, UPPCL

Order

(Date of Hearing: 15.05.2017)

1. Alaknanda Hydro Power Company Ltd. (AHPCL) filed this petition for extension of provisional tariff for FY 2017-18, approved by the Commission vide order dated 17.06.2016, which was applicable till 31.03.2017.
2. AHPCL submitted that the Regulations 5(3) and (4) of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014, empowers the Commission to determine / extend provisional tariff subject to adjustment as per the proviso to clause (3) of the Regulations after the final tariff order has been issued.
3. The petitioner submitted that the UPPCL has appointed PFC Consulting for evaluation of project cost, which is still in process.
4. Also, the petitioner submitted that it has filed an appeal before the Hon’ble Appellate Tribunal for Electricity against the provisional tariff order dated 17.06.2016 of the Commission.
5. Further, the petitioner submitted that the Commission has allowed the extension of provisional tariff in petition No. 660 of 2010 in RPSCL Vs. UPPCL case.
6. UPPCL filed counter on 15.05.2017, vide which it has submitted as follows:
7. The petition not to be entertained by the Commission, since the Appeal no. 53 of 2017 challenging Commission’s order dated 29.03.2016 and 17.06.2016 is pending before the Hon’ble APTEL.
8. Petitioner has not complied with the directions given by the Commission while approving the provisional tariff, which has been reminded to them by UPPCL vide its letter dated 24.04.2017. The petitioner through present petition is trying to sidestep the direction of the commission given in order approving provisional tariff.
9. PFC consulting, appointed for evaluation of the capital cost of the petitioner has not been able to make any significant progress due to non-cooperation by the petitioner.
10. RPSCL Vs. UPPCL case is not applicable to present case.
11. The Commission may allow to defer the payment till the Appeal No. 53 of 2017 filed by AHPCL is decided by the Hon’ble APTEL.
12. UPPCL has also filed a letter dated 24,4,2017 written to AHPCL with their reply in which they have mentioned that action of AHPCL was awaited in the matters of elongation of loan repayment period from 11.5 years to 25 years (under 5/25 scheme of RBI), submission of revised tariff structure sacrificing some part of RoE and getting the revised design energy of 1550 MU from 1397 MU due to improved hydrology approved from CEA.
13. At the outset of the hearing, UPPCL reiterated its submission made on 15.05.2017 before the Commission. The Commission inquired from AHPCL about the status of the compliance of the direction of the commission given in provisional tariff order approval.
14. In reply, AHPCL submitted as follows:
15. They have received the clearance of TEC and now they are into final stage of approval of loan restructuring.
16. Hydrological data for 1550 MU has been submitted to CEA from CWC.
17. The Commission observed that the provisional tariff approved by the Commission vide order dated 17.06.2016 was applicable till 31.03.2017. Now, since there is no tariff applicable for payment, the Commission in line with the approach followed by it while approving the provisional tariff, approves the Annual Fixed Charge (AFC) and Energy Charge Rate (ECR) for FY 2017-18 which is subject to true up on determination of final tariff, as follows:

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| --- | --- | --- | --- |
| **Particulars** | **FY 2015-16** | **FY 2016-17** | **FY 2017-18** |
| AFC (Rs. Crore) | 545.89 | 658.58 | 641.93 |
| ECR (Rs. /KwH) | 2.59 | 2.44 | 2.38 |

1. In its order dated 29.03.2016 and 17.6.16, the Commission had given some directions to AHPCL which were in respect of loan restructuring under 5/25 scheme of RBI and approval of revised design energy of 1550 MU from CEA. It seems that sincere efforts were not made in this direction as neither the loan has been restructured under 5/25 scheme of RBI nor the improved design energy has been approved by CEA, in spite of written commitment by AHPCL. It is to reiterate that these directions were given by the Commission so as to avoid the additional burden on consumer due to the increased Capital Cost of the project. The Commission finds that in absence of conscious efforts, things are getting delayed. Hence, to avoid further delay, the Commission decides that if loan restructuring under 5/25 scheme of RBI and design energy approval from CEA is not completed till 30th September, 2017, the above approved provisional tariff for FY 2017-18 shall be reduced to Rs. 2.31/KWH (reducing the RoE by 2%) w.e.f. 1st Oct, 2017.
2. With above, the petition is disposed of.

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| (S. K. Agarwal) | (Desh Deepak Verma) |
|  Member |  Chairman |

Place: Lucknow

Dated: 19.06.2017