

**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

Petition No. 427/2006

**IN THE MATTER OF:** Change in expenditure under different heads as provided in Form 5B of UPERC (Terms & Conditions of Generation Tariff) Regulations,2004

**AND**

**IN THE MATTER OF:** M/s Alaknanda Hydro Power Company Ltd.  
PAIGAH HOUSE,  
156-159, Sardar Patel Road,  
Secundrabad

:Petitioner

UP Power Corporation Ltd.  
Shakti Bhawan,  
14, Ashok Marg,  
Lucknow

:Respondent

The following were present:

1. Sri. P.V. Prasanna Reddy, Director & CEO, AHPCL
2. G. Madhav Reddy, AHPCL
3. Sri. S.P Pandey, EE (PPA), UPPCL

**ORDER**

(Date of Hearing 27.12.06)

- (1) In this Petition, the Petitioner has filed revised schedule of expenditures in Form-5(B) of UPERC (Terms & Conditions of Generation Tariff) Regulations,2004 without any change in total estimated completion cost of the project, approved by the Commission in order dt.7.6.06. The reason for variation in expenditure under different heads has been attributed to clearances and approvals of the project. The Petitioner has prayed to allow variation in expenditures among different heads.
- (2) The Respondent in its reply has submitted that it has no objection in change of cost under different heads so far as the over all project cost remained the same as approved by the Commission.

- (3) In the hearing, the Petitioner and the Respondent have reiterated the written submissions made by them in the Petition and the Reply respectively.
- (4) The Commission accorded approval to Power Purchase Agreement, drafted as per the Provisions of the Electricity Act, 2003 and UPERC (Terms & Conditions of Generation Tariff) Regulations, 2004, subject to Order dt.7.6.06 read with Order dt.8.5.06. As per regulation-33 of the said Regulations, the actual capital expenditure incurred on completion of the project shall form the basis for determination of tariff, subject to prudence check by the Commission, and accordingly the Commission, vide Order dt.7.6.06, decided that *“the proposed completion cost of Rs.1977.87 Cr. is hereby approved, subject to prudence check by the Commission of the actual expenditure incurred on completion of the project which shall form the basis for determination of completed capital cost and tariff”*.
- (5) It may be noted that the Commission has approved estimated completion cost of the project and on completion of the project, the actual expenditure shall, subject to prudence check, form the basis for determination of tariff as such changes in expenditure under different heads are allowed. However, the Petitioner shall submit proper justification if actual expenditure under different heads varies from that submitted in the Form 5 (B) in this Petition.
- (6) The Petition is disposed of.

(R.D. Gupta)  
Member

(P.N Pathak)  
Member

(Vijoy Kumar)  
Chairman

Lucknow; Dated : 29<sup>th</sup> Dec, 2006