

**Before**

**UTTARANCHAL ELECTRICITY REGULATORY COMMISSION**

**In the Matter of:**

Approval of capital investment under para 11 of Transmission and Bulk Supply Licence and Distribution and Retail Supply Licence.

**In the Matter of:**

Uttaranchal Power Corporation Limited  
Urja Bhawan, Kanwali Road,  
Dehradun

..... Petitioner

**AND**

**In the Matter of:**

Application No. 30/2003 dated 27.11.2003 filed by Uttaranchal Power Corporation Ltd.

**Coram**

**Sh. Divakar Dev                      Chairman**

**Date of Order: 13<sup>th</sup> February 2004**

**ORDER**

The Petitioner, UPCL has submitted proposal for capital investment vide their application No. 30/2003 dated 27.11.2003 to the Commission for approval under para 11 of Transmission and Bulk Supply Licence and Distribution and Retail Supply Licence.

2. The investment proposal of the Petitioner is for improvement and augmentation of EHV Transmission lines and substations in the State and involves the capital investment of Rs. 225.93 Crore as per details given in Table 1.

**Table 1: Statement of Primary Works**

<b>Sr.</b>	<b>Name of projects/ Works</b>	<b>Transmission Circle</b>	<b>Potential</b>	<b>Unit</b>	<b>Project cost (Rs. in lakh)</b>
1	132 KV S/s Ranikhet	Haldwani	15.00	MVA	668.00
2.	132 KV Almora-Ranikhet line	Haldwani	24.00	Km.	359.00
3.	220 KV S/s Dehradun	Dehradun	280.00	MVA	2285.00
4.	LILO of 220 KV Khodri-Rishikesh Line (DC)	Dehradun	0.50	Km.	13.00
5.	LILO of 132 KV Kulhal-Majra Line (DC)	Dehradun	1.00	Km.	18.00
6.	LILO of 132 KV Majra-Purkul line (DC)	Dehradun	1.00	Km.	18.00
7.	132 KV S/s Bhagwanpur 2X40	Hardwar	80.00	MVA	799.00
8.	LILO of 132 KV Roorkee-Saharanpur line (DC)	Hardwar	6.00	Km.	109.00
9.	132 KV S/s Mangalore	Hardwar	80.00	MVA	799.00
10.	LILO of 132 KV Roorkee-Nehator Line 1 <sup>st</sup> Ckt(DC)	Hardwar	9.00	Km.	163.00
11.	132 KV S/s Ramnagar	Haldwani	40.00	MVA	697.00
12.	LILO of 132 KV Kalagarh-Kashipur 2 <sup>nd</sup> Ckt(DC)	Haldwani	26.00	Km.	486.00
13.	400/220/132 KV S/s Kashipur	Haldwani	830.00	MVA	8489.00
14.	LILO of 400 KV Rishikesh-Moradabad line (DC)	Haldwani	60.00	Km.	3929.00
15.	132 KV S/s Jaspur	Haldwani	80.00	MVA	791.00
16.	132 KV LILO of Kalagarh-Kashipur line (DC)	Haldwani	2.00	Km.	37.00
17.	132 KV S/s Rudrapur	Haldwani	80.00	Km.	949.00
18.	132 KV Bajpur -Rudrapur line (SC)	Haldwani	35.00	MVA	372.00
19.	132 KV Sitarganj-Rudrapur line from power Grid S/s	Haldwani	40.00	Km.	425.00
20.	132 KV S/s Sitarganj	Haldwani	80.00	MVA	868.00
21.	132 KV Sitarganj-Kicha Line (SC)	Haldwani	30.00	Km.	319.00
<b>TOTAL</b>					<b>22593.00</b>

3. To meet this Capital Investment, the Petitioner has proposed to mobilise the resources by way of loan assistance of Rs. 176.46 Crore through NABARD under RIDF-IX which will be available to them through the State Government plus the balance amount of Rs. 49.47 Crore to be met by the State Government.
4. The Petitioner has confirmed that the substation works, both new and for augmentation, and the related line works proposed under these EHV projects for assistance under RIDF-IX through NABARD have not been financed or tied up for financial assistance from any other source or lending organization and thus there is no duplicate financing for the proposed works.
5. The objective of the Petitioner for the proposed Capital Investment has been stated to be not only to cut down T&D losses but also to adequately meet the future load demand and to supply uninterrupted quality power at proper voltages to the consumers. The need for this investment has been assessed by the Petitioner keeping in view the existing load on the system and the forecast of load demand over the next 5 years based on the power survey conducted by C.E.A. for the State of Uttaranchal.
6. For the proposed Capital Investment in augmenting and strengthening the EHV Transmission network both substation and line works (as detailed in Table 1 above), the Petitioner needs to ensure (a) that the demand forecast is in accordance with the past trend and the future potential for area-wise load growth based on the plans for development envisaged for these areas of the State, (b) that the assessment with respect to saving of energy and additional sale of energy and the quantum of benefits thereon has accordingly been made, (c) that the location and the capacity of the new substation and the augmentation of the existing one including the connected line works has been made after the detail technical study of the alternative options available and (d) that it has adopted the best technical option.

7. Though the Petitioner has subsequently stated vide their letter no. 747/CMD/UPCL/PS-40/C-4 dated 07.02.2004 that the reasonability of 400/220 kV substations and associated lines has been cleared by CEA, it is observed that the CEA's clearance for these 400/220 substation works in the concerned project investment proposals is only a part of the larger transmission system improvement programme for meeting the power demand in the State of Uttaranchal recommended by CEA. The optimization of returns on these investments may also depend upon the implementation of other relevant transmission works under the larger transmission system improvement programme recommended by CEA. Further, it is also observed that even in respect of these 400/220 kV substations, the capacities and number of power transformer in the concerned project investment proposal have been varied from the recommendations of the C.E.A.
  
8. The Petitioner has communicated in the above mentioned letter dated 07.02.2004 that they are sending the complete proposal to C.E.A for validation which may take some time. It has been requested by the Petitioner that in the meantime the proposal may be approved.
  
9. The Commission has no objection to the Petitioner going ahead with this capital investment, subject to fulfillment of the following conditions:
  - a) To commence the implementation of the proposed 400/220 kV substations and associated transmission lines (Project proposals at Sl. No. 3, 4, 13 & 14 of Table 1). Deviations in the number and capacity of power transformers from the projects originally cleared by CEA, may be got validated from CEA again.
  - b) To commence the implementation of the 132 kV project proposals and the investment thereon (Project proposals at Sl. No. 1, 2, 5 to 12 and 15 to 21 of Table 1) but only after getting the technical study done through

computerized modeling for demand forecast, load flows including determination of best location and capacity of sub-stations and associated lines either through CEA or any other independent technical agency of repute. And on this basis the Petitioner shall ensure that the assessment with respect to saving of energy and additional sale of energy and the quantum of benefits thereon has accordingly been made. In the event of implementation of these proposals without such a technical study, the cost of these projects shall not be admitted in the Annual Revenue Requirement.

- c) All the loan conditions as may be laid down by NABARD in their detailed sanction letter are strictly complied with.
- d) The additional cost burden, if any, arising from out of the cost or time over runs or variation in the scope of implementation of the project and shortfalls in the revenue estimates or on any other account may not be recognized in the Annual Revenue Requirement of the Petitioner.

**(Divakar Dev)**  
**Chairman**