

## Before

### UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

#### In the Matter of:

Application No. 739 UPCL/RM/K-11 dated 13.07.2010 filed by Uttarakhand Power Corporation Limited seeking approval of the Commission for the investment on the project covering the construction of 05 Nos. new 33/11 kV substations and their associated lines at Harshil (Uttarkashi), Chopta (Rudraprayag), Rudrapur-Vikasnagar (Dehradun), Sumari Bhardar (Rudraprayag) and Jamnikhal (Tehri).

AND

#### In the Matter of:

Uttarakhand Power Corporation Limited,  
Urja Bhawan, Kanwali Road,  
Dehradun

..... Applicant

#### Coram

Shri V J Talwar                      Chairman

Shri Anand Kumar                  Member

Date of Order:            19<sup>th</sup> August 2010

### ORDER

The Petitioner, UPCL has submitted proposal for capital investment vide their application No. 739 UPCL/RM/K-11 dated 13.07.2010 to the Commission for approval under Para 11 of the Distribution and Retail Supply License [License No. 2 of 2003].

2. The investment proposal of the Petitioner comprises of installation of 05 nos. new 33/11 kV substation and associated line works.

3. Total capital outlay for the schemes covered under the proposal submitted by the petitioner comes out to Rs. 21.50 crores.
4. Scheme wise detail of the proposal is presented in the Table given below:

**Table 1: Scope of Works**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Transformer Capacity MVA</b>	<b>Total Cost (Rs.)</b>
1.	Construction of 33 /11 kV Substation & associated 33 kV line at Harshil (Uttarkashi)	1x3 MVA	33861347
2.	Construction of 11 kV Under Ground Line from Jhala (Harshil) to Gangotridham.	31 Km.	57933168
3.	Construction of 33/11 kV Substation & associated 33 kV line at Chopta (Uttarkashi)	1x3 MVA	37096992
4.	Construction of 33/11 kV Substation & associated 33 kV line at Rudrapur-Vikasnagar (Uttarkashi)	1x3 MVA	28213629
5.	Construction of 33/11 kV Substation & associated 33 kV line at Sumari Bhardar (Dehradun)	1x5 MVA	16988515
6.	Construction of 33/11 kV Substation & associated 33 kV line at Jamnikhal (Tehri)	1x3 MVA	40912796
	<b>Grand Total</b>		<b>215006447</b>
	<b>Say (Rs. in Crores )</b>		<b>21.50</b>

5. To meet this Capital Investment, the Petitioner has stated that the estimated amount shall be funded by Government of Uttarakhand.
6. The objective of the Petitioner for the proposed Capital Investment has been stated to improve the power supply due to remoteness of the areas and to ensure a reliable & high quality supply and to meet future growth of the areas. It is also stated that

Gangotri Dham is not connected with the grid, which has been proposed to be connected from the proposed 33/11 kV substation at Harshil. The need for this investment has been stated to have assessed by the Petitioner, keeping in view the existing load on the system and the anticipated load demand over the future years.

7. It has been stated by the Petitioner that the total estimated cost of this project shall be funded by Government of Uttarakhand. However, no such reference from Government of Uttarakhand has been submitted, showing that the project amount shall be funded by Government of Uttarakhand and in what form i.e. debt, equity or grant. It would be necessary for the petitioner to arrange at least 70 % of the capital cost by way of loans from Government or from Bank/Financial Institutions/Other agencies and balance through internal resources/equity in line with the prevailing tariff regulations.
8. The Petitioner has submitted cost benefit analysis of each of the project under the scheme based on the anticipated load growth in subsequent years after commissioning of the sub-stations and associated lines and has derived payback period for each scheme separately varying from 5 years to 12 years.
9. For the proposed Capital Investment as detailed in Table 1 above, the Petitioner has to ensure (a) that the demand forecast has taken into account 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 additional sale of energy on account of load met by the new sub-station and the quantum of benefits thereon has accordingly been made, (c) that the location and the capacity of the new substation including the associated line has been made after the detailed technical study of the alternative options available and (d) that it has adopted the most optimal options/alternatives.
10. The Commission, however, is also aware of the precarious and overstressed conditions of licensee's existing system, which needs urgent investments. Therefore, the Commission, in order to speed-up the proposals and to take timely action to arrange the finances and mandatory clearances from Forest Department and other agencies in execution of these schemes, had earlier issued 'in-principle' approval for

the investment of the above proposal vide letter No. 745/UERC/Dire(C&L)/10-11 dated 14.07.2010.

11. The Commission, now hereby grants the approval to the Petitioner for going ahead with this capital investment, subject to that licensee shall ensure compliance of all provisions of Indian Electricity Rule, 1956 and the Electricity Act, 2003, relating to protection, security and safety of line and sub-station including certificate of Electrical Inspector before energising the works.
12. The Petitioner shall ensure completion of these works before next "Yatra" season i.e. by 30.04.2011 and submit the monthly progress report of these works by 10th of every month starting from September 2010 for which the licensee shall submit comprehensive action plan alongwith schedule of activities, including PERT chart, within 15 days of this Order.
13. The Petitioner shall also be required to submit the completed cost of each of the works after the completion of the project. Any additional cost on account of time overrun or cost overrun will not be pass through in the ARR of UPCL.

-Sd-

**(Anand Kumar)**  
**Member**

-Sd-

**(V J Talwar)**  
**Chairman**