

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Application No.946/UPCL/RM/K-13 dated 13.08.2010 filed by Uttarakhand Power Corporation Ltd. seeking approval of the Commission for investment on the project covering the construction of new 33 kV double circuit line from 33 kV sub-station Ghansali to Pipaldali Junction point including dismantling of existing single circuit line.

AND

In the Matter of:

Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road,
Dehradun

..... Applicant

Coram

Shri V J Talwar Chairman

Shri Anand Kumar Member

Date of Order: 16th Sept 2010

ORDER

The Petitioner, Uttarakhand Power Corporation Ltd, has submitted a proposal for capital investment vide their application No. 946/UPCL/RM/K-13 dated 13.08.2010 to the Commission for approval under Para 11 of Uttarakhand Distribution and Retail Supply License [License No.2 of 2003].

2. The investment proposal of the Petitioner comprises of construction of new 33 kV double circuit line from 33 kV sub-station Ghansali to Pipaldali junction point including dismantling of existing single circuit line.
3. The total estimated cost of the project works out to Rs. 4.58 Crores. To meet this capital investment, the Petitioner has proposed to mobilise the funds through internal resources,
4. In the 4th Co-ordination Forum meeting held on 23.06.2010, M/s Swasti power brought to the notice of the Commission that as of now its entire generation which is around 22.5 MW is being evacuated over two circuits, partly through UPCL's 33kV system between existing 33kV Ghansali substation and 33kV Chamba substation and partly through 220kV Ghansali - Chamba line charged at 33kV. The Commission also took note of the fact that since the proposed 220/33kV Ghansali substation has been delayed and cannot be completed before the commissioning of proposed Bhilangana-III hydro project by December 2010, this 220kV Ghansali-Chamba line would be directly connected to proposed 220kV Guttu-Ghansali line for evacuation of power from the proposed Bhilangana-III hydro project. Under these circumstances, in order to ensure evacuation of entire generation of M/s Swasti Power through UPCL's 33kV system (without usage of 220kV Ghansali-Chamba line charged at 33kV) it is imperative that single circuit line between UPCL's 33kV Ghansali S/s and Pipaldali junction has to be double circuited enabling flow of entire 22.5 MW of generation of M/s Swasti Power over two 33kV circuits of UPCL namely Ghanslai-Pipaldali-Rajakhet-Jhakhnidhar-Chamba and Ghanslai-Pipaldali-New Tehri-Chamba. The relevant extract of the minutes of the said meeting are reproduced below:

".....Director (Projects) with the help of schematic diagram explained that UPCL proposes to convert S/C 33 kV line between UPCL's 33 kV Ghansali Sub-station and Pipaldali junction point to D/C 33 kV line. Commission expressed concern that UPCL should always plan for setting up system keeping in view the future load growth and generation capacities which the system should be capable of carrying in future and directed UPCL to lay panther conductors between the said section and complete the work by Dec 2010, to which Director (Projects), UPCL agreed."

5. Considering the directions given by the Commission in the said meeting, the petitioner has proposed this expenditure for construction of 33 kV double circuit line between Ghansali and Pipaldali junction including dismantling of existing single circuit line. However, with regard to directions given by the Commission to construct the line on Panther conductors, the licensee has submitted that estimated cost of the line on Panther conductor would be very high about Rs. 8.00 crores and since this line is being constructed as a temporary arrangement for evacuation of power till completion of PTCUL's 220/33kV Ghansali S/s, it may not be able to construct the said line on Panther conductor due to cost constraint when the cost of the work has been proposed to be met through internal resources of the licensee.
6. Since schedule of completion of the work has not been explicitly included in the application, the Commission directs UPCL to complete the work by December 2010 as decided in the coordination forum meeting dated 23.06.2010 and submit the work plan along with schedule of activities in the form of pert chart within 15 days of issuance of this order.
7. Taking a lenient view on the above deviation taken by the licensee and in order to avoid delay in construction of the line, the Commission grants no objection to the petitioner for going ahead with this capital investment subject to the fulfillment of following conditions:
 - a) As decided in the said meeting that if the developer M/s Swasti Power takes power outside the State then the cost of the above work and any other dedicated/intervening system used for such evacuation shall be borne by the developer.
 - b) In case UPCL takes loan assistance for funding the project, it should plan and arrange for least cost financing from Financial Institutions and submit the approvals/terms of Financial Institutions alongwith complete financing plan finalised by it within 3 months. The cost of the loan assistance, if any, to be applied by the licensee should be most competitive and all the loan conditions as may be laid down by the Financial Institutions should be strictly complied with.

- c) The additional cost burden, if any, arising 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 funding the investment beyond the specified limit of equity/internal resources or on any other account shall not be allowed in the Annual Revenue Requirement of the licensee.
- d) After completion of the project the Petitioner shall submit the completed cost of the project.

(Anand Kumar)
Member

(V J Talwar)
Chairman