

BEFORE
UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

Petition No. :

In the matter of:

Uttaranchal Jal Vidyut Nigam Limited having its registered office at "Ujjwal",
Maharani Bagh, GMS Road, Dehradun.

And

In the matter of:

Final tariffs for twelve small hydro power plants of Uttaranchal Jal Vidyut Nigam
Limited under Section 16, Chapter II of Conduct of Business Regulations, 2004 read
with Section 86 of the Electricity Act, 2003.

.....Petitioner

Coram

Divakar Dev Chairman

V.J. Talwar Member

V.K. Khanna Member

Date of Order: 01st December 2006

ORDER

Uttaranchal Jal Vidyut Nigam Limited (hereinafter referred to as "UJVNL" or the "Petitioner") filed 22 tariff applications for its small hydro plants with capacity upto 25 MW on 28.09.2005. Out of these, 12 applications were for plants upto 1 MW capacity and balance 10 applications were for plants having capacity between 1 to 25 MW. These applications did not contain vital information like original capital costs, design energy and funding for these plants. The applications did not also give UJVNL's option on the two approaches available in the Regulations for such determination of tariff of small hydro plants. These applications were therefore

returned indicating the above deficiencies to UJVNL. UJVNL has now filed a petition for determination of tariffs of its twelve small hydro plants given in the Table below under Section 16, Chapter II of Conduct of Business Regulations, 2004 read with Section 86 of the Electricity Act, 2003 as per the Commission's Order on Approach to initial tariff for generating stations with capacity upto 1 MW dated 10.11.2005.

Name of the Station	Capacity
Tharali	400 kW
Kotabagh	200 kW
Barar	750 kW
Gauri	200 kW
Taleshwar	600 kW
Tilwara	200 kW
Harsil	200 kW
Suringad	800 kW
Charandeo	400 kW
Garaon	300 kW
Soneprayag	500 kW
Sapteshwar	300 kW

2. The petitioner has opted for the tariff for these twelve generating stations to be determined on Avoided Cost method outlined in the Commission's order dated 10.11.2005.
3. In the Order dated 10.11.2005, referred to above the Commission had stipulated that for getting tariffs for generating stations, having installed capacities of less than 1 MW each, determined, the generators will have the following options:
 - (i) *"Relaxing the requirements of Uttaranchal Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2004 read with Commission's notification no. F-9(3)RG/UERC/2004/842 dated 03.01.2005, their tariff will be determined as the weighted average cost of power allocated to the State from central generating stations. All other related provisions of these Regulations will continue to be applicable.*
 - (ii) *However, if a generator or any other stakeholder so chooses he will be free to seek determination of his tariff in accordance with the provision of the Uttaranchal Electricity Regulatory Commission (Terms and Conditions for Determination of*

Hydro Generation Tariff) Regulations, 2004 read with Commission's notification no. F-9(3)RG/UERC/2004/842 dated 03.01.2005, without any relaxations."

4. Since UJVNL has opted for the first option which is based on avoided cost principle, there is no need for examining the individual cost components.
5. The present position of allocations made to the State of Uttaranchal from the central generating stations and the purchases made therefrom during the year 2005-06 is given in the Table below along with their corresponding costs.

S.No.	Source	Gross Units Purchased (MU)	Total Cost (Rs. crore)
(1)	(2)	(3)	(4)
1	NHPC		
a	Salal	41.00	3.02
b	Tanakpur	15.10	1.67
c	Chamera-1	82.09	11.51
d	Chamera-2	4.25	1.01
e	Uri	93.50	23.38
f	Dhauliganga	10.24	4.82
	Sub-Total	246.18	45.41
2	NTPC		
a	Anta(L)/Anta(G)	100.26	19.54
b	Auraiya(L)/Auraiya(G)	141.93	31.66
c	Dadri(L)/Dadri(G)	155.44	33.79
d	Unchahar-I	279.82	54.22
e	Unchahar-II	128.29	24.04
f	Dadri Thermal	-	(0.01)
g	Rihand-1 STPS	286.72	51.22
h	Rihand-2 STPS	106.97	16.03
i	Singrauli STPS	747.14	89.89
j	WR	-	(0.01)
	Sub-Total	1,946.57	320.36
3	SJVNL		
a	NJHEP	8.91	2.12
	Sub-Total	8.91	2.12
4	NPCIL		
a	Narora APP	76.01	16.80
	Sub-Total	76.01	16.80
	Total	2,277.67	384.69

Note: Free power allocated to the State has been excluded as it does not affect the weighted average cost of power.

Hence, avoided costs = $384.69 \times 10 / 2277.67 = 1.69$

6. Based on the above allocation, the weighted average cost of power purchased by the licensee from the central generating stations works out to Rs. 1.69/kWh. In accordance with Para 6(i) of Commission's order on "Approach to Initial Tariff for Generating Stations with capacity upto 1 MW" and the UJVNL's option in this regard, the tariff of electricity generated at the Tharali, Kotabagh, Barar, Gauri, Taleshwar, Tilwara, Harsil, Suringad, Charandeo, Garaon, Soneprayag and Sapteshwar hydro generating stations and sold to Uttaranchal Power Corporation Limited (UPCL) is hereby determined as Rs. 1.69/kWh with effect from the date of this Order. For subsequent years, the tariff for these plants will be the weighted average rate of power purchased from the central generating stations as calculated above. Commission's approval on the tariff so worked out will be normally taken by UPCL for each Financial Year along with the ARR.

V.K. Khanna
Member

V.J. Talwar
Member

Divakar Dev
Chairman