

BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

SHILLONG

CASE 22/2018

In the matter of Petition for approval of capital cost, AFC, & Tariff for MYT control period FY 2018-19 to FY 2020-21 of 2x20 MW New Umtru HEP (NUHEP) of MePGCL.

AND

Meghalaya Power Generation Corporation Limited (the Petitioner)

Coram

W M S Pariat IAS (Retd)

Chairman

(Date of Order: 14.12.2018)

MePGCL has filed petition for Approval of Final Capital Cost of 2 X 20=40 MW New Umtru HEP and also for approval of determination of Generation tariff for the 2nd MYT Control period FY 2018-19 to FY 2020-21.

Regulation 52.1, 52.3 and 52.7 of MSERC MYT Regulations 2014 specifies that

Regulation 52.1- *The actual expenditure on the date of commercial operation in the case of new investment shall be subject to prudence check by the Commission*

Regulation 52.3- *In case of any abnormal delay in execution of the project causing cost and time overruns attributable due to the failure of the utility, the Commission may not approve the full capitalization of interest and overhead expenses.*

Regulation 52.7- *Verifying the capital cost for hydroelectric projects by an independent agency or expert and in such case, the capital cost as vetted by such agency or expert may*

be considered by Commission after prudence check while determining the tariff for hydro generating station.

MSERC in its orders dated 06.11.2017 had approved a provisional tariff for 2 X 20= 40MW. New Umtru HEP for 9 months Period from 01.07.2017 to 31.03.2018. (Anticipated COD projected as on 01.07.2017 by the Licensee) pending filing of statutory sanctions, obtained from CWC, CEA, Forest & Environmental clearances etc , which the licensee needs to furnished to the Commission.

The Licensee shall also file cost estimates, report of independent agency or expert and project completion report duly audited by the Statutory Auditors, indicating the date of commencement and completion with the justification for time and cost overrun, etc to the Commission.

The Schedule of Date Wise loan drawn with rate of interest duly certified by the statutory auditors shall also be filed. The Licensee needs to submit the certification of Government of Meghalaya for the abnormal delay in executing of the project.

Commission shall take action to issue final tariff while approving Capital Cost on receipt of these information.

Sd/-
(WMS Pariat, IAS (Retd))
Chairman
Meghalaya State Electricity Regulatory Commission