

Before

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Approval of capital investment under clause 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

..... Applicant

AND

In the Matter of:

Application No. 2750/UPCL/UERC/Investment dated 06.04.2004 filed by Uttaranchal Power Corporation Ltd.

Coram

Sh. Divakar Dev Chairman

Date of Order: 4th June 2004

ORDER

The Petitioner, UPCL has submitted a proposal for capital investment vide their letter No. 2750/UPCL/UERC/Investment dated 06.04.2004 to the Commission for approval under clause 11 of Transmission and Bulk Supply Licence and Distribution and Retail Supply Licence.

2. This investment proposal involving capital outlay of Rs. 5518.62 lakh is for electrification of 306 villages and 646 tokes (hamlets) in various districts as per details given below in Table 1:

Table 1: Details of Schemes for Electrification of villages

S. No.	Name of District	Scheme No.	Now Covered for electrification		Total Amount
			Village	Tokes (Hamlets)	
1	Tehri	UPCL/P:VE/SCHEME-03/08	35	0	23264000.00
2	Tehri	UPCL/P:VE/SCHEME-03/09	21	0	19813000.00
3	Tehri	UPCL/P:VE/SCHEME-03/10	27	0	23351000.00
4	Tehri	UPCL/P:VE/SCHEME-03/11	0	42	23612000.00
5	Pauri	UPCL/P:VE/SCHEME-03/12	14	0	5954000.00
6	Pauri	UPCL/P:VE/SCHEME-03/13	26	0	23963000.00
7	Pauri	UPCL/P:VE/SCHEME-03/14	19	0	20751000.00
8	Pauri	UPCL/P:VE/SCHEME-03/15	13	0	15776000.00
9	Pauri	UPCL/P:VE/SCHEME-03/16	27	0	19591000.00
10	Pauri	UPCL/P:VE/SCHEME-03/17	25	0	21148000.00
11	Dehradun	UPCL/P:VE/SCHEME-03/18	0	49	19053000.00
TOTAL			207	91	216276000.00
12	Pithoragarh	UPCL/P:VE/SCHEME-03/19	1	45	23297060.00
13	Pithoragarh	UPCL/P:VE/SCHEME-03/20	8	80	38496725.00
14	Pithoragarh	UPCL/P:VE/SCHEME-03/21	11	22	21961981.00
15	Pithoragarh	UPCL/P:VE/SCHEME-03/22	1	66	22212505.00
16	Pithoragarh	UPCL/P:VE/SCHEME-03/23	5	46	17413947.00
17	Bageshwar	UPCL/P:VE/SCHEME-03/24	2	44	20515578.70
18	Bageshwar	UPCL/P:VE/SCHEME-03/25	0	38	8939584.10
19	Bageshwar	UPCL/P:VE/SCHEME-03/26	5	0	28804105.38
20	Nainital	UPCL/P:VE/SCHEME-03/27	0	0	9663000.00
TOTAL			33	341	191304486.18
21	Almora	UPCL/P:VE/SCHEME-03/28	8	0	13173815.85
22	Almora	UPCL/P:VE/SCHEME-03/29	0	29	14602193.61

S. No.	Name of District	Scheme No.	Now Covered for electrification		Total Amount
			Village	Tokes (Hamlets)	
23	Almora	UPCL/P:VE/SCHEME-03/30	11	0	16110772.71
24	Almora	UPCL/P:VE/SCHEME-03/31	5	0	7788398.16
25	Almora	UPCL/P:VE/SCHEME-03/32	0	17	7438892.06
26	Almora	UPCL/P:VE/SCHEME-03/33	0	17	8840523.45
27	Almora	UPCL/P:VE/SCHEME-03/34	7	0	8137750.55
TOTAL			31	63	76092346.39
28	Champawat	UPCL/P:VE/SCHEME-03/35	14	0	16909689.00
29	Champawat	UPCL/P:VE/SCHEME-03/36	11	0	13642580.00
30	Champawat	UPCL/P:VE/SCHEME-03/37	0	8	5600000.00
31	Champawat	UPCL/P:VE/SCHEME-03/38	8	0	6600000.00
32	Champawat	UPCL/P:VE/SCHEME-03/39	2	0	6354516.10
TOTAL			35	8	49106785.10
33	Nainital	UPCL/P:VE/SCHEME-03/40	0	43	4213000.00
34	Nainital	UPCL/P:VE/SCHEME-03/41	0	22	3507000.00
35	Nainital	UPCL/P:VE/SCHEME-03/42	0	21	5148000.00
36	Nainital	UPCL/P:VE/SCHEME-03/43	0	17	2170000.00
37	Nainital	UPCL/P:VE/SCHEME-03/44	0	40	4044000.00
TOTAL			0	143	19082000.00
GRAND TOTAL			306	646	551861617.70

3. To meet this Capital Investment, the licensee is proposing to seek loan assistance from REC under their Interest Free Scheme for electrification of un-electrified villages and hamlets (tokes). The intended objective of this investment by the licensee is towards achieving the goal of electrification of all the villages in the State on time bound basis.

4. The Commission has no objection to the Petitioner's going ahead with this Capital Investment subject to the following;

- (a) That investment is done by suitably leveraging PMGY assistance along with REC interest free loan assistance in the manner given in para 5.11 of the UERC Tariff Order dated 08.09.2003, so that there is no financial burden due to interest payment or on account of repayment of the loans. However, in the event of non availability of funds under PMGY or any other similar scheme due to the change in the GOI policy, the petitioner may go ahead and take up implementation of those schemes which have been sanctioned by REC under the interest free loan assistance and as and when a more attractive scheme is available for financing these investments the petitioner should explore the possibility of mobilizing resources through such cheaper option, for balance work remaining.
- (b) That all conditions as laid down by the lender i.e. REC for this scheme are strictly complied with. That arrangements for execution of works and electrification of villages as envisaged by REC, are adequately tied up and the work is completed within the stipulated period of one year from the date of award of the contract, so that the loan drawn is fully interest free and there are no cost over runs or time over runs.
- (c) That if the licensee fails to adhere to the above stipulations the additional cost burden on this account, if any, will not be recognized in the Annual Revenue Requirement of the petitioner and shall not be allowed to be passed on to the consumers.

(Divakar Dev)
Chairman