

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Petition No. 60 of 2026

In the Matter of:

Investment Approval for DPR of “Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 kV Substation Karanprayag and Kothiyalsain”.

And

In the Matter of:

Power Transmission Corporation of Uttarakhand Limited (PTCUL)
Vidyut Bhawan, Near ISBT Crossing,
Saharanpur Road, Majra,
Dehradun

...Petitioner

Coram

Shri M.L. Prasad	Chairman
Shri Anurag Sharma	Member (Law)
Shri Prabhat Kishor Dimri	Member (Technical)

Date of Order: August 18, 2026

ORDER

This Order relates to the Petition filed by Power Transmission Corporation of Uttarakhand Ltd. (hereinafter referred to as “PTCUL” or “the Petitioner”) vide letter No. 1799/Dir. (Operations)/PTCUL/dated 26.10.2024 for Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 kV Substation Karanprayag and Kothiyalsain under Para 11 of Transmission Licence. [Licence No. 1 of 2003].

1. Background

- 1.1. In the aforesaid Petition, the Petitioner has submitted the following proposal for investment approval:

Particulars	Total Project Cost as per DPR (including IDC) (in Crore)
Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 kV Substation Karanprayag and Kothiyalsain	11.31

- 1.2. The Petitioner has submitted a copy of the extract of Minutes of 94th meeting of the Board of Directors (BoD) of PTCUL held on 26.09.2024, wherein the Petitioner's Board has approved the Corporation's aforesaid proposals as stated below:

"After consideration, the board passed the following resolution unanimously:

Resolved That the consent of the Board be and is hereby accorded to approve the revised Detailed Project Report for Supply, Erection, Testing & Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 KV Substation Karanprayag and Kothiyalsain at a total scheme cost of Rs. 11.31 Cr. with IDC and Rs. 10.84 Cr. without IDC.

Resolved Further That the DPR submitted and approved in the 92nd Board meeting held on 27/08/2024 vide agenda item no. 92.13 on the same project shall be treated as null & void and shall be deemed to have been withdrawn by the management.

Resolved Further That the aforesaid revised DPR be submitted to Hon'ble UERC for their information against the investment approval already obtained by Corporation.

RESOLVED FURTHER THAT Managing Director, Director (Operations) or any other functional Director jointly and severally are hereby authorized to sign, seal and certifies all the documents, petitions and all other legal papers that might be required for sending the proposal for investment approval for signing all clarifications and to do all others such legal acts may be necessary to be acted upon in furtherance of the investment approval.

Resolved Further That the Managing Director and/or Director (Finance) and/or Company Secretary be and are hereby jointly and severally authorized to approach to REC/PFC/NABARD/HUDCO/nationalized banks and other financial institution as

they deem fit and proper and tie-up the loan component with a debt equity ratio of 70:30.

Resolved Further That the Managing Director and/or Director (Finance) and/or Company Secretary be and are hereby jointly and severally authorized to accept the lowest interest rates offered by the institution along with other suitable terms and conditions and execute the loan documents along with other legal papers, under the common seal of the Company wherever required, creation of charge by following the prescribed procedure of law.

Resolved Further That all legal deeds and documents as may be executed and such other legal acts as may be performed by the Managing Director, Director (Finance) and Company Secretary in connection with obtaining the aforesaid loan shall be deemed to have been approved by the Board of Director for which the board hereby undertake to ratify and confirm.

Resolved Further That the action so taken shall be brought before the Board for their information."

- 1.3. To justify the need of the proposed work, the Petitioner through its Petition has submitted his submission is as follows:

"It is to apprise here that power supply of District Chamoli including Shree Badrinath Dham and Shree Hemkund Sahib is mainly depends on 66 kV Power Network which is radially connected from 132 kV Substation, Srinagar (Garhwal). At present alternate power supply of 66 kV Network is being maintained from 33 kV Simli -Nandprayag - Kothiyalsain line and only 01 no. 7.5 MVA, 66/33 kV Transformer is installed at 66 kV S/S Kothiyalsain whereas to maintain T-1 contingency it is essential to install additional 7.5 MVA, 66/33 kV Transformer at Kothiyalsain Substation. Therefore, to maintain T-1 contingency and hence to maintain reliable power supply of 66 kV Network 01 no. additional 7.5 MVA, 66/33 kV Transformer with associated works is proposed and recommended to install at 66 kV Substation, Kothiyalsain.

It is also to apprise that at present (7.5 + 5 + 3) MVA, 66/33 kV Transformers are installed at 66 kV Substation, Karanprayag 3 MVA, 66/33 kV Transformer is year 1938 make and out of use whereas it is essential to install additional 7.5 MVA, 66/33 kV Transformer at Karanprayag Substation for T-1 Contingency. Therefore to maintain T-1 contingency and hence to maintain reliable power supply of 66 kV Network 01 no. additional 7.5 MVA, 66/33 kV Transformer with associated works is proposed and recommended to install at 66 kV Substation, Karanprayag.

The details of the work "Supply, Erection, Testing & Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 kV Substation Karanprayag and Kothiyalsain" is as under:-

1. *Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer at 66 kV Substation, Kothiyalsain with associated works.*
2. *Dismantling of existing 3 MVA, 66/33 kV Transformer with associated works at 66 kV Substation, Karanprayag.*
3. *Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer at 66 kV Substation, Karanprayag with associated works.*

The detailed estimates of the above mentioned works have been made on tentative basis and rates of material/works are taken from latest SOR of PTCUL, budgetary offers from OEM as well as rate of previously executed contract agreements and current market rates."

- 1.4. The Petitioner in its Petition has mentioned that the estimated cost proposed in the DPR has been prepared on the basis of the PTCUL's SoR 2024-25.
- 1.5. The Petitioner in its Petition has enclosed the Bar chart for the project with an execution period of 17 months from the date of award of the contract. Further, the Petitioner under the financial analysis has projected an IRR of 14.54% with breakeven in the 10th year of operations.
- 1.6. On examination of the proposal submitted by the Petitioner, certain queries were raised on the deficiencies/shortcomings observed in the Petition, which were communicated to the Petitioner vide the Commission's letter dated 01.07.2026. In response to the queries, the Petitioner, through its letter dated 24.07.2026 submitted the reply to the Commission. The queries and respective replies are as follows:

Query 1	In the Petition, it is proposed that the source of financing will be 70% through a loan from Financial Institution & 30% through equity form GoU, in this regard, PTCUL is required to submit the supporting documents/approval letters from REC & GoU with respect to the proposed financing.
Reply 1	<i>The DPR of the above project has been submitted to Financial Institutions for financing of 70 % of Loan and approval of the same is under process with Financial Institutions.</i>

	<i>Further, it is to inform that the 30% of entire Equity contribution from the Government of Uttarakhand (GoU) shall not be required at one time. It shall be required in phases as per the progress of the project, during the entire completion schedule of the project.</i> <i>The year-wise equity requirement against the above project will be demanded from Government of Uttarakhand (GoU) through State Budget by submitting Annual Plan, as it has been done for all earlier projects.</i> <i>May like to apprise here that the above project is already approved in the Master Plan of Projects approved by GoU vide GO No. 553/I(2)/2024/05-05/2024 dated 02.09.2024 is enclosed.</i>
Query 2	In the instant Petition, PTCUL has submitted that alternate power supply to the 66 kV Substation Kothiyalsain is being maintained through the 33 kV Simli–Nandprayag–Kothiyalsain line. In this regard, PTCUL is required to submit the load flow study of the 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain, along with details of the connected feeders.
Reply 2	<i>Load Flow Study of 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain is enclosed</i>
Query 3	In the instant petition, PTCUL has proposed the replacement of existing 3 MVA transformer with a 7.5 MVA transformer at 66/33 kV S/s Karanprayag, whereas, during the presentation to the Commission on 08.06.2026, PTCUL has submitted the fact that the existing 7.5 MVA transformer is repaired in 2012 and RLA result of this transformer is not satisfactory and hence required to replace with proposed 7.5 MVA transformer. In this regard, PTCUL is required to clarify the ambiguity in the submission of the Petition and presentation. Further, PTCUL is required to rectify the DPR accordingly.

Reply 3	- It is submitted that the Present DPR was submitted before the Hon'ble Commission vide petition dated 26.10.2024. At the time of submission of the DPR, the scope of work proposed at 66 kV S/S Karanprayag comprised the following: i. Dismantling of the existing 3 MVA, 66/33 kV T/F, which is a very old (1938 make) and is presently out of service at the substation. ii. Supply, erection, testing and commissioning of one new 7.5 MVA, 66/33 kV Transformer in place of the existing 3 MVA, 66/33 kV Transformer along with associated works. Accordingly, the proposal submitted before the Hon'ble Commission envisaged replacement of the existing 3 MVA transformer only and the scope of the present proposal continues to remain unchanged. No modification in the scope of work has been proposed thereafter. - Further, to clarify that during the presentation made before the Hon'ble UERC on 08.06.2026, an additional information was submitted regarding the condition of the existing 7.5 MVA, 66/33 kV T/F presently in service at 66 kV S/S Karanprayag. This T/F had undergone Residual Life Assessment (RLA) on 12.12.2025, wherein the results indicated that the health condition of the transformer is not satisfactory. It is also pertinent to mention that this 7.5 MVA
Query 4	In the Petition, PTCUL has proposed the additional 7.5 MVA T/f in the 66 kV S/s Kothiyalsain, However, the scope of work does not indicate any provision for construction of a new transformer bay. In this regard, PTCUL is required to clarify the reason for not proposing the construction of additional T/f bay arrangement for the proposed additional transformer.
Reply 4	It is submitted that the proposed installation of an additional 7.5 MVA, 66/33 kV T/F at 66 kV S/S Kothiyalsain involves the construction of HV and LV side bays required for safe and reliable operation of the transformer and have already been considered in the DPR estimate under the associated works components of the project.

	The associated works envisaged under the present proposal include supply, erection, testing and commissioning of all required outdoor switchyard equipment and associated works such as Circuit Breakers, Current Transformers, Isolators, Lightning Arresters, bus extensions, control and protection panels, gantries/main and auxiliary structures, equipment foundations, control cables, earthing and other associated civil and electrical works required for installation of the 7.5 MVA, T/F.																					
Query 5	PTCUL is required to furnish the month-wise maximum loading details on each transformer of 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain for the period from April 2025 to June 2026.																					
Reply 5	The month-wise maximum loading details of each transformer of 66 kV S/S Karanprayag and 66 kV S/S Kothiyalsain for the period from April 2025 to June 2026 are enclosed.																					
Query 6	PTCUL is required to furnish the projected load growth on the 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain for the next 05 years and details of the major factors in load growth.																					
Reply 6	It is submitted that the projected load growth at 66 kV S/S Karanprayag and 66 kV S/S Kothiyalsain has been assessed on the basis of the recorded maximum loading of the existing 5 MVA T/F at 66 KV S/S Karanprayag and 7.5 MVA T/F at 66 KV S/S Kothiyalsain. Considering an annual load-growth rate of 5 % on the peak loading, the projected demand for the next five years is as under: <table><tr><th>Financial Year</th><th>Projected Peak load at Karanprayag S/S</th><th>Projected Peak load at Kothiyalsain S/S</th></tr><tr><td>2025-26 (Base Year)</td><td>4.82 MW</td><td>6.61 MW</td></tr><tr><td>2026-27</td><td>5.06 MW</td><td>6.94 MW</td></tr><tr><td>2027-28</td><td>5.31 MW</td><td>7.29 MW</td></tr><tr><td>2028-29</td><td>5.58 MW</td><td>7.65 MW</td></tr><tr><td>2029-30</td><td>5.86 MW</td><td>8.03 MW</td></tr><tr><td>2030-31</td><td>6.15 MW</td><td>8.44 W</td></tr></table> The major factors contributing to the anticipated load growth are as follows: Continuous increase in domestic and commercial electricity demand in Shree Badrinath Dham Yatra route and adjoining areas.	Financial Year	Projected Peak load at Karanprayag S/S	Projected Peak load at Kothiyalsain S/S	2025-26 (Base Year)	4.82 MW	6.61 MW	2026-27	5.06 MW	6.94 MW	2027-28	5.31 MW	7.29 MW	2028-29	5.58 MW	7.65 MW	2029-30	5.86 MW	8.03 MW	2030-31	6.15 MW	8.44 W
Financial Year	Projected Peak load at Karanprayag S/S	Projected Peak load at Kothiyalsain S/S																				
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2029-30	5.86 MW	8.03 MW																				
2030-31	6.15 MW	8.44 W																				

	• Increasing tourist and pilgrimage activities associated with the Shri Badrinath Dham and Shri Hemkund Sahib. • Construction and future operation of the Rishikesh – Karnaprayag Railway Project. • Requirement of adequate standby transformation capacity during preventive maintenance, breakdown or outage of any existing transformer.
Query 7	PTCUL is required to furnish the RLA report of all the transformers associated with 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain.
Reply 7	<i>The RLA reports of all the T/F's associated with 66 KV S/S Karanprayag and 66 kV S/S Kothiyalsain is enclosed</i>
Query 8	PTCUL required to furnish the technical specifications of proposed 7.5 MVA T/f proposed at 66 kV S/s Karanprayag and Kothiyalsain.
Reply 8	<i>The technical specifications of proposed 7.5 MVA T/F is enclosed</i>
Query 9	The proposed project sites at 66 kV Substation Karanprayag and 66 kV Substation Kothiyalsain, considering that these areas are susceptible to landslides and slope instability. The Petitioner is required to furnish a Landslide Hazard/Stability Assessment Report includes: a. Assessment of the geological and geotechnical stability of the proposed sites. b. Certification by the competent authority/expert agency regarding the suitability of the sites for installation of the proposed transformer and associated infrastructure. c. Details of landslide susceptibility, slope stability, and any history of slope failures in the vicinity of the project sites. d. Proposed mitigation and slope protection measures, if any, required for safe execution and long-term operation of the project. e. Confirmation that the proposed works will not adversely affect the structural safety and reliability of the substation during its design life.

Reply 9	<u>66 KV S/S Karanprayag</u> • The proposed work does not involve establishment of a new substation or development of a new site. It is limited to replacement of the old and non-operational 3 MVA, 66/33 kV T/F with a 7.5 MVA Transformer in same T/F Plinth within the existing switchyard, along with associated works. • A geological assessment of the existing substation site was in January 2023. The report suggests that, from a long-term planning perspective, shifting of the substation to a more stable location may be considered. • It is, however, submitted that relocation of an operational 66 kV S/S is a major project involving land acquisition, detailed geological survey, preparation and approval of a DPR, construction of the new substation and associated transmission lines. Such an exercise is expected to require typically 4–5 years, before the new facility can be put into operation. • Meanwhile, uninterrupted power supply to the connected area of operation S/S cannot be compromised. The existing 3 MVA T/F is already out of service, and replacement of the same with a 7.5 MVA T/F is therefore immediately required to maintain reliable power supply and ensure operational redundancy. • Further, PTCUL shall ensure that the recommendations of the geological assessment relating to drainage improvement,	<u>66 KV S/S Kothiyalsain</u> • The proposed work does not involve establishment of a new substation or development of a new site. It is limited within the existing switchyard along with associated works. • A geological assessment of the existing substation was not carried out. Historically, the area had natural calamity, due to which the nearby generating power house was damaged and remained non-operational thereafter. However, it is pertinent to mention that during the last approximately 25 years, no major incident of natural calamity has caused any damage to the existing 66 kV S/S Kothiyalsain or affected its operation. The S/S has continued to operate satisfactorily and has been providing power supply to its connected area. • Being an important and operational transmission S/S present proposal is limited to installation of 7.5 MVA T/F with associated works to improve system reliability at the present operational location. • Further, PTCUL shall ensure adequate drainage, foundation protection and other necessary civil protection measures during execution and operation of the project.
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	<i>retaining/protection works, repair of damaged civil structures and continuous monitoring of the site are implemented, wherever applicable, so as to ensure the safe operation of the existing substation until any long-term solution is taken up.</i>	
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2. Commission's Observations, Views and Directions:

2.1. Based on the submissions made in the Petition and subsequent submissions of the Petitioner, the Commission observed the following:

2.1.1 The petitioner has submitted that 66/33 kV Substation Karanprayag and 66/33 kV Substation Kothiyalsain are the major substations catering to the power supply requirements of District Chamoli, including Shree Badrinath Dham and Shree Hemkund Sahib. These substations receive power supply from 132 kV Substation, Srinagar (Garhwal) through a radially connected 66 kV transmission network.

At present, the installed transformation capacity of 66/33 kV Substation Karanprayag is 15.5 MVA (7.5 MVA + 3 MVA + 5 MVA). 7.5 MVA and 3 MVA transformers supply power to 33 kV Karanprayag-I and 33 kV Karanprayag-II feeders, while 5 MVA transformer supplies power to 33 kV Gaucher-Pokhari feeder. However, 3 MVA transformer, commissioned in 1938, is presently out of service. Accordingly, the available transformation capacity of substation is 12.5 MVA.

Further, at the 66/33 kV Substation Kothiyalsain, only one 7.5 MVA transformer, manufactured in 1998, is installed, along with 03 nos. of 5 MVA, 33/11 kV transformers installed by UPCL. Whenever 66 kV line from Karanprayag to Kothiyalsain (now Simli to Kothiyalsain) is under breakdown, the power supply to 66 kV Substation Kothiyalsain is maintained through 33 kV Simli-Nandprayag-Kothiyalsain line. In such a condition, the power supply to 66 kV Substation Joshimath is restored through 7.5 MVA, 66/33 kV transformer by stepping up the voltage from 33 kV to 66 kV.

2.1.2 The Petitioner has submitted the Remaining Life Assessment (RLA) reports of the commissioned transformers installed at 66 kV Substation Karanprayag.

The RLA report indicates that the condition of 5 MVA transformer is satisfactory. However, the health condition of the existing 7.5 MVA transformer has been found to be unsatisfactory, and the report recommends that the transformer should not be operated beyond 40% of its rated load. It is further noted that the said transformer had suffered a failure in the past and was subsequently repaired and recommissioned in the year 2012.

Further, in the Remaining Life Assessment (RLA) report of the existing 7.5 MVA transformer installed at 66 kV Substation Kothiyalsain, it is recommended for overhauling of the On-Load Tap Changer (OLTC).

- 2.1.3 The Petitioner has submitted maximum load recorded on each 7.5 MVA Transformers of 66 kV substation Karanprayag and 66 kV Substation Kothiyalsain for FY 2025-26 are as follow:

Month	66 kV Substation Karanprayag (7.5 MVA)		66 kV Substation Kothiyalsain (7.5 MVA)	
	MW	Loading %	MW	Loading %
Apr-25	2.58	38%	6.56	97%
May-25	2.24	33%	6.5	96%
Jun-25	-	-	6.5	96%
Jul-25	2.35	35%	5.48	81%
Aug-25	3.47	51%	5.78	86%
Sep-25	2.69	40%	6	89%
Oct-25	3.14	47%	5.97	88%
Nov-25	-	-	5	74%
Dec-25	-	-	5.11	76%
Jan-26	4.37	65%	6.61	98%
Feb-26	3.36	50%	6.6	98%
Mar-26	3.7	55%	6.59	98%

From the above table, it is evident that the maximum load on 66 kV T/F Karanprayag is 65% and 66 kV T/F Kothiyalsain is 98% in the FY 2025-26.

- 2.1.4 With regard to projected load growth, the Petitioner has considered an annual load growth rate of 5%. The Petitioner has submitted that this growth is due to the increasing tourist and pilgrimage activities, the continuous rise in domestic and commercial electricity demand in Shree Badrinath Dham and Shree Hemkund Sahib Yatra route and adjoining areas, and on account of construction and future operation of the Rishikesh-Karanprayag Railway Project. Accordingly, the projected load on each 7.5 MVA transformer is as follows:

Year	66 kV Substation Karanprayag	66 kV Substation Kothiyalsain
2025-26 (Actual)	4.37 MW	6.61 MW
2026-27 (Projected)	4.59 MW	6.94 MW
2027-28 (Projected)	4.82 MW	7.29 MW
2028-29 (Projected)	5.06 MW	7.65 MW
2029-30 (Projected)	5.31 MW	8.03 MW
2030-31 (Projected)	5.58 MW	8.44 MW

2.1.5 With regard to the T-1 contingency, the Petitioner has submitted that, at 66 kV Substation Karanprayag, the 3 MVA transformer is already out of service. Further, as per the Remaining Life Assessment (RLA) report, the existing 7.5 MVA transformer should not be operated beyond 40% of its rated load. Therefore, augmentation of the substation is required to ensure reliable power supply and maintain operational redundancy.

Further, at 66 kV Substation Kothiyalsain, only one 7.5 MVA transformer is presently in service, making it difficult to comply with the T-1 contingency requirement. Accordingly, installation of an additional transformer is required to provide adequate standby transformation capacity during preventive maintenance, breakdown, or outage of the existing transformer.

2.1.6 Based on the submissions made by the Petitioner for the said work, the reasons and benefits stated by Petitioner are summarised as follows:

1. The proposed augmentation works, shall strengthen the transmission system, thereby ensure uninterrupted power supply and enhance the overall reliability and quality of power.
2. It will facilitate handling of exponential load growth in the system due to the increasing tourist and pilgrimage activities, the continuous rise in domestic and commercial electricity demand in the Shree Badrinath Dham and Shree Hemkund Sahib Yatra route and adjoining areas including on going construction and operation of Rishikesh-Karanprayag railway project.
3. Enhanced power handling capability that would provide adequate and reliable power supply for socio-economic growth of the Chardham Yatra region.

4. Improved voltage profile, leading to better consumer satisfaction.
 5. There would be over all strengthening of 66 kV radial transmission system in Garhwal region.
- 2.2. With regard to the funding of the project, the Petitioner has submitted that its Board has approved the proposed funding plan comprising 70% through loan assistance from financial institutions and the remaining 30% as equity from Government of Uttarakhand (GoU). The Petitioner has further submitted that the equity component forms part of the master plan of projects approved by GoU vide letter dated 02.09.2024. It has stated that the entire 30% equity will be funded by the Government of Uttarakhand, which shall be required in phases as per the progress of the project during the entire completion schedule of the project. Accordingly, the year-wise equity requirement against the above project will be demanded from the Government of Uttarakhand (GoU) through the State budget by submitting the annual plan to the GoU, as has been done for all earlier projects.

However, with regard to the loan component, Petitioner has not furnished any supporting documents from the Financial Institution concerned and has stated that the approval of the loan is under process. Accordingly, **the Petitioner is directed to furnish the relevant sanction/approval documents issued by the Financial Institution concerned to the Commission upon approval of the loan for the proposed project.**

- 2.3. The Commission, after examining the submissions made by the Petitioner and the material placed on record, is of the considered view that the proposed works are necessary to maintain system reliability and adequacy. The proposed augmentation is expected to meet the existing demand as well as the projected load growth in the area, thereby enhancing the transformation capacity and improving the overall reliability of the power supply system. The Commission further observes that the proposed works would strengthen the transmission network in the Char Dham Yatra region, ensure reliable power supply to consumers, and improve the capability of the network to meet future demand.

The Commission further notes that, the available transformation capacity at both substations may not be sufficient to meet the future load demand as projected till 2030-31. Consequently, compliance with the T-1 contingency under

normal operating conditions would be difficult, particularly during the outage or maintenance of any transformer. Hence, the Commission finds the proposed works justified.

- 2.4. The Petitioner has considered the Price Contingencies @ 6.8%, Contingency @ 3% and Project Overheads @ 5% in the DPR. The Commission has not considered Price Contingencies @ 6.8% and instead in order to maintain uniformity with recent investment approvals, calculated the total project cost considering only Contingency @ 3% and Project Overheads @ 5%, based on past Commission practice.

Further, as the issue of SoR revisions is currently under deliberation before the Commission, the revised rates in SoR of FY 2024-25 cannot be considered final. Accordingly, estimates based on these rates are also provisional in nature. After finalizing the SoR, the Commission will carry out a prudence check of the costs incurred and financing thereof, in accordance with Licence conditions and MYT Regulations during ARR scrutiny.

- 2.5. The Commission hereby grants in-principle approval for Rs. 10.40 Crore (including IDC) as shown in the table given below subject to fulfilment of the conditions mentioned below:

Capital Cost Approved by the Commission

Name of the work	Project Cost including IDC as per DPR (Rs. Crore)	Project Cost Considered by the Commission (including IDC) (Rs. Crore)
Investment Approval for DPR of "Supply, Erection, Testing and Commissioning of 7.5 MVA, 66/33 kV Transformer with associated works at 66 kV Substation Karanprayag and Kothiyalsain"	11.31	10.40

- (i) The Petitioner shall undertake competitive bidding for obtaining the most economical prices from bidders.
- (ii) The Petitioner is directed to furnish the relevant sanction/approval documents issued by the Financial Institution concerned to the Commission upon approval of the loan for the proposed project.

- (iii) All loan conditions as may be laid down by the funding agency in their detailed sanction letter shall be strictly complied with.
- (iv) Upon completion of the aforesaid project, the Petitioner shall submit the completed cost and financing details of the project.
- (v) The cost of servicing the project shall be allowed in the Annual Revenue Requirement of the petitioner after the assets are capitalized and subject to prudence check of the cost incurred.
- (vi) The estimates based on these rates are also provisional in nature. After finalizing the SoR, the Commission will carry out a prudence check of the costs incurred and financing thereof, in accordance with Licence conditions and MYT Regulations during ARR scrutiny.

2.6. The approval is given subject to the above conditions and on the basis of submissions and statement of facts made by the Petitioner in the Petition under affidavit, therefore, violations of the condition and in case any information provided, if at any time, later on, is found to be incorrect, incomplete or relevant information was not disclosed, and which materially affects the basis for granting the approval, in such cases the Commission may cancel the approval or refuse to allow the expenses incurred in the ARR/True-up apart from initiating plenary action.

Ordered accordingly.

(Prabhat Kishor Dimri)
Member (Technical)

(Anurag Sharma)
Member (Law)

(M.L. Prasad)
Chairman