

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012

**Present : Shri S. P. Nanda, Chairperson
 Shri B. K. Misra, Member
 Shri S. P. Swain, Member**

Case No.121 of 2009

**In the matter of: APPLICATION FOR APPROVAL OF REVISED DESIGN
 ENERGY OF HYDRO STATIONS.**

Managing Director,
ODISHA HYDRO POWER CORPORATION LTD

.... **Petitioner**

Vrs.

The Managing Director, GRIDCO,
CSO, WESCO, NESCO & SOUTHCO
The Deputy General Manager, CESU
Shri R. P. Mohapatra,
Shri R. C. Satpathy.

.... **Respondent**

For the Petitioner: Shri Sahadev Khatua, Managing Director, OHPC
 Shri M. K. Mishra, Director(Operation), OHPC

For the Respondent: Shri Ranjit Das, Sr.GM(PP.) for GIRDICO
 Shri Lingaraj Padhi, D.G.M., CESU
 Shri Manas Das, for WESCO, NESCO & SOUTHCO
 Shri R. P. Mohapatra
 Shri R. C. Satpathy.

Date of Hearing: 02.11.2012

Date of Order: 30.01.2013

ORDER

Managing Director, OHPC filed an application on 31.5.2008 for approval of reassessment of Design Energy of Hydro Power Stations under OHPC. The said application was registered on 23.10.2009 as Case No.121/2009. The matter was last heard on 02.11.2012. During hearing Shri R. P. Mohapatra submitted that as per Interim Order dated 22.9.2012 of the Commission, OHPC and WR Department have

not served the copy of their submission on him. The Commission directed to serve the copy of the submissions to Shri R. P. Mohapatra and Shri R. C. Satpathy. Accordingly, the said submissions were served on Shri R. P. Mohapatra and Shri R. C. Satpathy with a directive to file their written note of submission if any, within 15 days. But till date the issuance of this order they have not submitted anything on this matter.

2. OHPC submitted before the Commission to approve the revised Design Energy of 4903.63 MU in place of existing Design Energy of 5676 MU for OHPC Power Stations. The Commission during the hearing dated 28.12.2010 directed that Department of Water Resources and Department of Energy should be treated as Respondents to this case and should offer specific views after examining data used by M/s SPARC on reassessment of Design Energy of all Hydro Power Stations under OHPC. Further, OHPC & Govt. of Odisha should give reservoir wise data of the approved industrial consumption in the upstream of generators.
3. OHPC vide letter No.5004 dated 08.8.2011 had submitted that data with respect to all reservoir (except Upper Indravati) which are under the control of Department of Water Resources. However, a copy of drawal of water from the upstream of HHEP, Burla received from DOWR and the permission letter of DOWR for Rathi Steel and Power drawing water from upstream of CHEP was submitted before the Commission.
4. According to the Hon'ble High Court Order dated 30.3.2012 in WP(C) No.8409 of 2011 and subsequent UOI Note No.217/SE dated 30.4.2012 of the Commissioner-cum-Secretary, Department of Energy regarding implementation of Order of Hon'ble High Court; the Department of Water Resources, Govt. of Odisha should recover the compensation for generation loss for the water used by the Industrial Units and pay the amount to OHPC within a period of 3 months from the date of the above Order of the Hon'ble High Court.
5. The Commission in its hearing dated 21.9.2012 has directed that OHPC should resubmit its application in such a way that it captures change in hydrology and loss due to industrial consumption simultaneously. Accordingly, OHPC resubmitted its

application for reassessment of Design Energy considering the effect of industrial consumption of water. (All other effects like Hydrology failure, change in live storage capacity, irrigation and domestic uses are adequately taken care in the report submitted by M/s SPARC). After eliminating the effect of industrial use of water from the upstream sides of reservoir OHPC has reassessed the design energy of its different power houses as follows:-

Reassessed Design Energy

Sl. No.	Power Stations	Existing D.E. (MU)	Revised D.E. proposed earlier by OHPC (MU)	Revised D.E. proposed by OHPC now (MU) after industrial use
1.	HHEP	684	601.27	627.44
2.	CHEP	490	356.16	356.67
3.	BHEP	1183	928.56	928.56
4.	UKHEP	832	643.86	653.37
5.	UIHEP	1962	1703.82	1703.82
6.	RHEP	525	669.96	669.96
	Total	5676	4903.63	4939.82 (-736.18 MU)

6. GRIDCO, the Respondent has submitted that for upstream utilization of water by industries from Burla, Chiplima and Upper Kolab Hydro Electric Projects, OHPC is getting adequate compensation from the industries concern for the loss of energy. Further, the full generation during rainy season for 3 ½ -4 months (i.e. July to October) gives a Plant Load Factor(PLF) of around 25-30%. Thus, any additional generation over and above the Design Energy/Secondary Energy due to better monsoon; priced at the same rate as that of Design Energy accrues additional profit in the hand of OHPC in addition to normative ROR.
7. GRIDCO has further submitted that reduction in design energy will raise per unit cost of both primary and secondary energy which will be subsequently passed on to the consumers of the State, thus affecting them severely.
8. After hearing the representatives of OHPC, the consultant SPARC and the respondents the Commission observes that there is no immediate requirement of

reduction of design energy as proposed by OHPC. The Commission has gone through the technical details submitted by OHPC from time to time. As per the directive of the Hon'ble High Court dated 30.3.2012 in WP© No.8409 of 2011 for compensation of generation loss for the water used by industrial units, OHPC is being compensated adequately for upstream utilization of consumption for all reservoir which has been computed at Rs.10.108 crore @ Rs.5.31 /KWH for FY 2011-12 as revealed by OHPC's submissions.

9. Secondly, the rate of secondary energy in case of hydro stations is equal to the rate of primary energy. OHPC gets the full annual revenue requirements on the basis of design energy approved by the Commission. However, in the event of hydrology failure and worse monsoon years when the energy generation of any hydro projects falls short of its design energy not attributable to the generator, the Commission would consider the revenue short fall occurred on this count in subsequent years as per the CERC Tariff Regulations, on the submission of specific petition by the generator.
10. Considering all these factors, the Commission decides at the moment not to approve the proposed reduction of design energy as submitted by OHPC.
11. Accordingly the case is disposed of.

Sd/-
(S. P. Swain)
Member

Sd/-
(B. K. Misra)
Member

Sd/-
(S. P. Nanda)
Chairperson