

ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

Petition No.TP-06 of 2018

**Subject : Hearing on Petition filed by Ms. Devi Energies Pvt ltd for 24MW Dikshi
HEP**

Petitioner : Ms. Devi Energies Pvt ltd

Date of Hearing: 11/12/2019

Coram : HON'BLE SHRI RAGHUNATH PRASAD SINGH, CHAIRPERSON

Present:

M/s Devi Energies Pvt.Ltd.

1. Shri A.L Nagaraju,MD
2. Shri. S.Elangovan, Director
3. Shri D.K Thongdok,Director
4. Shri V.K Gupta,Consultant
5. Shri C.M Jain,Consultant
6. Shri A.K Maggu,Advisor
7. Shri Dorjee Thungun,Administrative Officer

Department of Power

8. Shri G.S Meena,Commisioner Power Govt of AP
9. Shri Bar Takum,CE(P)WZ,APDOP
10. Shri C.T Namchoom,CE(P)EEZ,APDOP
11. Shri T.Mara,CE(P)TP&MZ,APDOP
12. Shri Rajender Singh,Addl CE,APDOP
13. Shri Hage MimaSE APDOP
14. Shri Tasso Hinda,SE,APDOP
15. Shri Tanu Taying,EE(E) APDOP

16. Shri P.T Khirmey,Public Attendant
17. Shri S.S Thongchi, Public Attendant
18. Shri Nima Tasni, Public Attendant
19. Shri Pema Phuntso, Public Attendant

Record of Proceeding

The Hon'ble Chairman started the hearing proceedings and gave opportunities to each Stakeholder for submitting their suggestions/ points before the Commission.


- 1) The Commission gave a brief of the matter before the hearing and requested the Developer to give a brief background of the petition before the Commission.

- 2) From the developers side, Mr.Nagaraju (MD) M/s Devi Energies P Ltd. gave a briefing on the project background and the difficulties in construction of the project in terms of technical as well as social concerns.
- 3) The developer informed that the project was started in August 2015 and got commissioned in September 2019. According to the developer, due to the issues raised by the locals of the area on the ground of religion, the construction of the barrage was not permitted in the Phudung river. In this regard, the developer explained that the barrage had to be abandoned and diversion had to be a trench type weir which doesn't entail any pondage. In order to overcome the loss of head, the location of the trench weir was suitably shifted upstream.
- 4) Developer also added that similar problem was faced for powerhouse, again on local resistance for the originally conceived location resulting in relocation of the power house and corresponding changes in the trail race structure. Also 250 m long tunnel plus open channel had to be constructed to release the water back into the river, instead of the 75 m long open channel only.
- 5) In the submission by Director Technical of DEPL before the Hon'ble Commission, he explained about the challenges that they had faced at the time of construction. Director Technical informed the Commission regarding the change in tunnel size. According to him, the tunnel size originally envisaged was D type of 3.7m x3.3m which had to be increased for ease of construction to 5.10 m x 4.6 m. There was huge over break during the tunnelling due to weak geology of the area. He further added that instead of 10% over break generally allowed in the contract, the actual over break was about 37%.
- 6) Developer also submitted, in justification of the increase in completion cost of the project amounting to Rs. 351.96 crores i.e 14.66 crore per MW, the factor such as weak geology of the area, landslides, floods and also unfortunate death in the tunnelling process, a major crown collapse during excavation.
- 7) Developer in support of their submission before the Hon'ble Commission ,cited the examples of Pare and Kameng Projects located in Arunachal Pradesh which are completed or nearing completion having estimated completion cost at Rs.14 crores & Rs.13.12 crores per MW at June' 19 price levels.
- 8) In the plea before the Hon'ble Commission developer also mentioned that both the projects (Pare and Kameng) of higher capacity of 110 MW and 600 MW respectively should be much lower in construction cost per MW compared to the Dikshi project on

the ground of economy of scale. However, it should be to the credit of Dikshi Project and developers that the project was completed with matching cost and in much less time period.

- 9) According to the developer they had to construct 20km road for access to the site and also arrange construction power from DG sets due to non-availability of electric supply from the state grid. The cost of diesel power comes to around Rs.20 per unit, which is almost 5 times the cost of electricity. Also non-availability of skilled labours in the area was a factor in cost escalation. Remoteness (the nearest markets located at Guwahati, Silliguri and Kolkata) factor also affected the cost of completion and also in time for completion much more than what was anticipated at planning stage.
- 10) After the submissions from the developer, the stakeholder i.e. DOP headed by Commissioner of Power, GOAP, was asked to offer his comments. In his submission, Commissioner of Power informed the Hon'ble Commission that the tariff sought as Rs. 6.34 per unit is very high. In support of his plea, he informed the Commission that DOP is charging Rs.3.35 per unit from its consumers and Arunachal Pradesh doesn't have internal revenues to cover this gap. He further submitted that the approved TEC was of Rs.185 crores and revised approval for the same was not sought by the developer. The Commissioner (Power) showed his inability to procure power at this high rate i.e at Rs.6.34 particularly in the view of the fact that currently power is available at Rs.4 per unit from the market. The Commissioner (Power) argued that the reason for increase in cost such as floods, landslides, remoteness availability of skilled labour are not maintained as these factor should have been known and accounted for at the planning stage itself.
- 11) The Hon'ble Chairperson APERC after hearing the parties requested the CBIP officials to offer their comments on behalf of the Commission. CBIP clarified that the documents submitted by the developer had some deficiencies and the same were pointed out during the 1st hearing. Officials from CBIP informed the Commission that these deficiencies have been covered partially still leaving lot of gap and inconsistencies in the documents.
- 12) Further, CBIP submitted that these issues are very difficult to reconcile and therefore have taken a view that the details in the cost etc. shall be scrutinized and a reasonable, logical, acceptable cost shall be adopted for fixation of Tariff.

- 13) Public present in the hearing were also given opportunity to give suggestions/ comments, if any, but no one came forward.
- 14) The Hon'ble Chairman after hearing all the parties adjourned the hearing.


(R.P.Singh)
Chairperson, APSERC