

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY  
COMMISSION**

FILING NO. \_\_\_\_\_  
CASE NO. \_\_\_\_\_

**IN THE MATTER OF:-**

Application for Determination of Tariff for Sale of Power from Baspa II, 300 MW Hydro Power Plant located on River Baspa (*tributary of River Satluj*), District Kinnaur (H.P.) to Himachal Pradesh State Electricity Board

**AND IN THE MATTER OF:-**

Jaiprakash Hydro Power Limited,  
C-16, Sector 1, SDA Housing Colony  
New Shimla 171009

.... Applicant

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Filed by:-  
Jaiprakash Hydro Power Ltd.  
C-16, Sector 1  
SDA Housing Colony  
New Shimla 171009

Place : New Delhi  
Dated : 21 November 2005

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**AND IN THE MATTER OF:-**

Section 62 and 86 of the Electricity Act, 2003 read with regulations issued by the Himachal Pradesh Electricity Regulatory Commission

**AND IN THE MATTER OF:-**

Jaiprakash Hydro Power Limited,  
C-16, Sector 1, SDA Housing Colony  
New Shimla 171009

.... **Applicant**

**APPLICATION FOR DETERMINATION OF TARIFF**

The Applicant respectfully submits as under: -

1. The present application has been filed by the Applicant, a “generating company” falling within the definition of Section 2(28) of the Electricity Act, 2003 (hereinafter referred to as the “**Act**”), seeking determination of “tariff” by this Hon’ble Commission for sale of electricity generated at the Baspa II 300 MW hydro power plant set up by the Applicant on River Baspa, a tributary of River Satluj, District Kinnaur, Himachal Pradesh (hereinafter referred to as “**Project**”) to Himachal Pradesh State Electricity Board (“**Board**”) in pursuance of the Power Purchase Agreement dated 4<sup>th</sup>

June, 1997, w.e.f. 24.05.2003 (Unit I), 29.05.2003 (Unit II) and 08.06.2003 (Unit III – Project COD), a “deemed licensee” under the Act, engaged in electricity generation, transmission and distribution in the State of Himachal Pradesh and neighboring States.

2. The Application is setting out the following details with respect to the Project (*in compliance with the provisions of the relevant Regulations prescribed by HPERC and the Electricity Act, 2003*) and the orders/directions issued by this Hon’ble Commission, required for determining the tariff under the Act:-
  - (a) Factual history leading to the setting up of the Project by the Applicant and the filing of the present application;
  - (b) Factors relevant for determining the tariff for sale of electricity generated at the Project by the Applicant to the Board;
  - (c) Technical details and information in formats specified by the Commission in the Himachal Pradesh Electricity Regulatory Commission (Guidelines and Formats for Tariff Filing) Regulations, 2005;
  - (d) Details of fee enclosed vide draft, drawn in favour of the Secretary, Himachal Pradesh Electricity Regulatory Commission, payable at Shimla.

**3. *Factual history leading to the setting up of the Project by the Applicant and the filing of the present application***

3.1 A Memorandum of Understanding was signed between the Government of Himachal Pradesh (**GoHP**) and Jaiprakash Industries Limited ("**JIL**") on 23.11.1991 for development of the Project. JIL was to undertake investigations, prepare Detailed Project Report and submit the DPR for approval of GoHP and the same was done in 1992. The Applicant submits that JIL was subsequently merged with Jaypee Cement Limited and the name was changed to Jaiprakash Associates Limited.

3.2 On 01.10.1992, the GoHP and JIL signed an Implementation Agreement (**IA**) for development of 300 MW Baspa-II hydro power project based on the Detailed Project Report submitted to GoHP. This Agreement envisaged incorporation of a wholly owned subsidiary company, which was incorporated in 1995, namely, Jaiprakash Hydro-Power Limited (the Applicant herein), to build, own, operate and maintain the project and to undertake the obligations of JIL contained in the Agreement dated 1<sup>st</sup> October, 1992. The IA stipulated that JIL shall start the work on the project within one year and commission the Project within a maximum period of seven years and in any case not later than nine years. In pursuance of this condition, the following effective steps were taken by JIL for implementation of the Project:

- (a) Commenced infrastructural work at the Project site in 1993;
- (b) Raised Rs.175 crores equity funds for the Project by making a Rights Issue of its equity shares to the existing shareholders of JIL in May, 1993;

- (c) Obtained environment clearance from the Ministry of Environment & Forests in December, 1993;
- (d) Obtained Techno-economic clearance for the Project from the Central Electricity Authority (*CEA*) in April, 1994, in terms of Sections 28, 29, 30, 31 etc. of the Electricity (Supply) Act, 1948;
- (e) Executed Tripartite Agreement transferring the rights and obligations of JIL to the Applicant in 1995 for implementing the Project, after due approval from GoHP;
- (f) Tied up funding of the project from All India Financial Institutions with IFCI in the lead (April, 1995);

3.3 The principal conditions for the disbursement of financial assistance from the Financial Institutions (*FIs*) for the Project were as under:-

- (i) Execution of a Power Purchase Agreement with Board, to the satisfaction of the Financial Institutions;
- (ii) Creation of security for the financial assistance by way of mortgage of Project land in favour of the Institutions;
- (iii) Approval of project cost by Board, GoHP and CEA;
- (iv) Execution of Escrow Agreement with Board.
- (v) Execution of Guarantee by GoHP.

3.4 However on account of the circumstances beyond the control of the Applicant, the disbursement of the financial assistance was delayed until June 1997. The equity raised by JIL in May, 1993 was entirely spent on infrastructural facilities and civil works of the Project during June 1993 to June 1997, while the PPA was still to be signed with the Board:-

(a) The Power Purchase Agreement (**PPA**) was signed only on 04.06.1997 between the Applicant and the Board, wherein the Board agreed to purchase the entire energy generated at the Project on the terms and conditions contained in the PPA.

(b) The permission to create mortgage on the project land was received for the Project only on the following dates, which led to difficulties in obtaining disbursements from the lenders in the absence of creation of the security:-

- (i) In October, 1998 - for 13.91 Hectare
- (ii) In January, 2000 - for 10.92 Hectare
- (iii) In June, 2001 - for balance 18.74 Hectare

(c) Further, amendments providing for Escrow Mechanism were made in the PPA on 07.01.1998 and the Guarantee by GoHP was given on 21.04.1998. The Escrow Agreement was executed on 25.02.2004.

3.5 In January 1999, the Applicant submitted the financial package for approval of the Board, GoHP and CEA, as required under Section 29 of the Electricity (Supply) Act, 1948. In the financial package submitted to the Board, the Applicant had given details of the estimated capital cost of the components envisaged under clauses (b) to (h) of 8.4.1 of the PPA and as per the Implementation Agreement based on the progress of the work undertaken at the site and the financial tie up. Detailed discussions, negotiations were held on the financial package between the Applicant, the Board and GoHP.

- 3.6 It is pertinent to mention that, pending approval of the financial package by the Board, GoHP and CEA, the JIL had proceeded with the construction of the Project in 1993, as per the terms and conditions contained in the Implementation Agreement dated 01.10.1992.
- 3.7 On account of devastating flash floods of the year 2000 (31.07.2000) on River Satluj (downstream of the Project site), which washed away number of bridges on River Satluj and damaged the roads along side the River, the communication links with the Project got disrupted, as a result of which the Project execution and commissioning got delayed by 15 months. This was a Force Majeure condition under the PPA and hence not attributable to the Applicant.
- 3.8 The Applicant submits that issues such as reasonableness of capital cost, interest rates on Rupee Loans and Foreign Currency Loans, period of loans, financing pattern, equity raising charges, phasing of expenditure etc. were negotiated with the Board in meetings held from January 1999 to November 2002. However, taking into account the fact that no consensus was reached on the financial package, the Applicant vide its letter dated 08.10.2002 (enclosed at *Annexure 'A'*) had offered to the Board that should the Board have difficulty in selling the power generated at the Project at an acceptable tariff, the Applicant would negotiate an acceptable tariff with other State Electricity Boards, in which case the Applicant offered to the Board 12% free power for the first twelve years and 18% thereafter as against 12% power throughout the term of the PPA . In response to this offer, the Applicant was informed that 'its request to let it off the PPA by giving 12% and 18% free power was considered by the State Government and the same was rejected' (*Annexure 'B'*).

3.9 The Board had asked the Applicant to make best offer of the capital cost of the Project for the purposes of tariff, in a meeting with the Whole Time Members (WTM) of the Board in November 2002. The fact that the Applicant was under immense pressure from lenders for ensuring and finalizing a firm tariff of the power by the Board from the Project and payment thereof to service the debt particularly keeping in view the environment created by the Dabhol Power Project wherein Maharashtra State Electricity Board (“**MSEB**”) had refused to offtake the power and lenders could not take recourse to the Sovereign Guarantee. Further keeping in view the fact that the entire financing was based on the Corporate Guarantee issued by the promoters of the Applicant i.e. JIL, securing the entire debt and the foreign funding backed by Export Credit Agencies (ECA) viz. HERMES and COFACE against deferred payment guarantees (**DPGs**), there was huge pressure on the Applicant to ensure servicing of the debt from COD of the Project and freezing of the tariff payments, as early as possible. Accordingly the Applicant made an offer, with the primary concern for debt servicing, vide letter dated 02.11.2002 offering a completion cost of Rs.1550 crores, which is annexed as **Annexure C**. It is pertinent to take note of the following:-

- (a) The then estimated completion cost of Rs.1612 crores was appraised, approved and funded by the Indian Financial Institutions and Public Sector Banks, such as IFCI, IDBI, ICICI, LIC, IIBI, PFC, PNB, BOB, Central Bank, SBoP, IB, SBoI, SBoM, SBoT, SBH, and Buyers’ Credit from Hypovereinsbank, Germany and Credit Lyonnais, France.
- (b) The actual Project Cost as per the Audited Balance Sheet of the Applicant is Rs.1667.34 crores.

- 3.10 The GoHP vide letter dated 04.12.2002 conveyed its approval for the cost of the Project at Rs.1550 crores for the purpose of determination of tariff under the PPA. A copy of the approval received from GoHP approving the cost of the Project at Rs.1550 crores is placed at ***Annexure B***. A copy of Statutory Auditors' Certificate dated 23<sup>rd</sup> January, 2005, certifying the actual Capital Cost of the Project as on 8<sup>th</sup> June, 2003 (COD of the Project) of Rs.1667.34 crores is placed at ***Annexure D***.
- 3.11 In the light of the facts and circumstances as explained above, the GoHP in December 2002, recommended to CEA that the negotiated financial package of Rs.1550 crores for the purposes of payment of tariff be approved. It is pertinent to note that as per clause 3.2(d) of PPA signed with the Applicant, the financial package had to be approved by the competent authority of the State Government i.e. Cabinet before sending the same to CEA and the last date for sending it to CEA was 30.11.2002. But for reasons and factors beyond the control of the Applicant, the approval of the GoHP for the negotiated financial package amounting to Rs.1550 crores was conveyed to CEA in December 2002 with the recommendations that the negotiated cost of Rs 1550 crores be approved.
- 3.12 On 28.02.2003, the Applicant and the Board had signed a Supplementary Agreement incorporating the negotiated capital cost of Rs.1550 crores, approved by GoHP vide its letter dated 04.12.2002 and the cash flow management for debt servicing i.e. the money due to the financial institutions in respect of funds made available by the Financial Institutions including the difference between the actual capital cost appraised and funded by the Financial Institutions and the capital cost negotiated by GoHP for the purpose of tariff. The Supplementary Agreement did not provide for any additional or increased tariff to the Applicant i.e. other than that determined as per PPA dated 04.06.1997 signed between the parties. A copy of the Supplementary Agreement is annexed as ***Annexure E***.

3.13 It is a matter of record that this Hon'ble Commission in the Suo Motu Case No. 25/2003 questioned the validity of the Supplementary Agreement and made the following directions/observations: -

- (a) Vide order dated 05.06.2003, the Hon'ble Commission stayed the Supplementary Agreement by observing that the issues involved were of great public importance and vital consumer interests and vide order dated 19.07.2003, the Hon'ble Commission had vacated the stay subject to the Company filing the financial package (*as approved by the CEA*) within 15 days of its approval for orders of the Hon'ble Commission. The Hon'ble Commission also directed the Applicant to explore possibilities to reduce the interest cost through mutual discussions and a suitable debt restructuring package in a time frame of 9-12 months. Directions had also been given to file the modified supplementary agreement before the Hon'ble Commission for its approval
  
- (b) Vide order dated 06.09.2003, the Hon'ble Commission observed and held that the Supplementary Agreement was void ab initio, non est and inoperative in as much as it was signed by the Board and the Applicant in disregard of provisions of the Electricity Regulatory Commissions Act, 1998. The Hon'ble Commission had directed the Applicant to file an application for determination of tariff under section 62 and 64 of 2003 Act within 15 days after approval of the financial package by the Authority. Directions were also given to the Applicant and the Board to attempt the restructuring of the debt within 9 to 12 months from date of order dated 19.07.2003 and directions were also given to modify the Supplementary Agreement thereafter. ***The Hon'ble Commission had directed the Board to continue to pay the Applicant the revenue realized from the sale of energy from the Project as per the Interim Order of 19.07.2003.***

The Hon'ble Commission had also given directions to the Applicant to submit technical details of the Project within 15 days from the date of the order and within 15 days of any change in the technical parameters in future. The Hon'ble Commission had also directed that it would review and monitor the progress of debt restructuring efforts made by the Applicant on a monthly basis.

- (c) Vide order dated 06.10.2003, the Hon'ble Commission observed that the onus of restructuring the debts devolved mutually on the Board and not just on the Company, since it substantially affects the interest of the Board as well as the consumer. The Hon'ble Commission expressed its displeasure and observed that any non-compliance with its orders shall attract the penal provisions of Section 142 of the Electricity Act 2003.
- (d) Vide order dated 03.01.2004, the Hon'ble Commission directed the Board to pay to the Company the amount calculated as the average revenue realised per unit i.e. Rs. 2.31 paise per unit (*for sale within the State in winter months as per tariff approved by the Hon'ble Commission*) until final determination of tariff by the Hon'ble Commission i.e. in line with the understanding arrived at between the Applicant and the Board.
- (e) Vide order dated 05.11.2005, the Hon'ble Commission expressed concern for the inordinate delay in the financial package by CEA and directed the Applicant to file the tariff application as per Section 64 of the EA 2003 read with the HPERC (Terms and Conditions of Determination of Tariff) Regulations 2004, HPERC (Revenue and Tariff Filing) Regulations 2005 and HPERC (Conduct of Business) Regulations, 2005, supported with necessary documentation.

**4. Factors relevant for determining the tariff for sale of electricity generated at the Project by the Applicant to the Board**

- 4.1 The Applicant prays that the following facts and issues be factored in and considered, while determining the tariff for the Project.
- 4.2 In the case of the Project, CEA had only issued a TEC Cost of Rs.949.23 crores at December 1993 price level on 29.04.1994. This price was subject to actual Interest During Construction (IDC) and Escalation. The Applicant submits that the actual capital expenditure incurred on the Project as per audited balance sheets of the Applicant is Rs.1667.34 crores as certified by the Statutory Auditors vide Certificate dated 23<sup>rd</sup> January, 2005 placed at ***Annexure D***.
- 4.3 The PPA had set out details with respect to the “capital cost” of the Project and its various components, the tariff components and other miscellaneous charges to be paid by the Board to the Applicant. In this regard, Clause 8.4.1 of the PPA deals with the Capital Cost of the project, inter-alia, as under :

*“The capital cost shall mean the cost of development, financing, engineering, procurement, construction, cost of initial inventory of spares and other costs and shall be equal to the net sum of the following components (a) to (h).”*

In terms of Clause 8.4.1(a) of the PPA, the capital cost of the Project (*before the commencement of any work whatsoever connected with the Project*) was assessed vide the Techno Economic Clearance (**TEC**) issued by the Central Electricity Authority (**CEA**) dated 29.04.1994 at Rs.949.23 crores (December 1993 price levels) as per the following break-up:-

***Generation***

(a)	Civil Works	:	Rs. 292.69 crores
(b)	Electrical/Mechanical Works:		Rs. 356.88 crores
(c)	IDC	:	<u>Rs. 218.13 crores</u>
	TOTAL (Generation)	:	Rs. 867.70 crores

***Transmission***

(a)	Transmission Works	:	Rs. 68.89 crores
(b)	IDC	:	<u>Rs. 12.64 crores</u>
	TOTAL Transmission	:	Rs. 81.53 crores

**GRANT TOTAL** **Rs.949.23 crores**

The TEC was subsequently transferred in the name of the Applicant vide letter dated 21.01.1998.

It is pertinent to note that the hard cost as per the TEC was Rs.718.46 crores. However, Clause 8.4.1(a) of the PPA revised the basic cost at Rs.702.77 crores (December, 1993 price level) with the following break up:

(i)	Civil Works	:	Rs. 272.85 crores
(ii)	Electrical Works	:	Rs. 348.15 crores
(iii)	Transmission	:	<u>Rs. 81.77 crores</u>
(iv)	Inventory Spares included in above		
	- Civil	:	0.50
	- Electrical	:	15.00
	- Transmission	:	<u>0.50</u> <u>6.00</u>
	<b>GRANT TOTAL</b>	:	<u><b>Rs.702.77 crores</b></u>

Clause 8.4.1(b) to (h) of the PPA provide for other costs such as escalations, interest during construction, change in cost on account of changes in law, foreign exchange fluctuations, implications of force majeure event leading to extension of scheduled commercial operation date etc.

In this regard it is pertinent to note that Clause 8.4.1(b) to (h) of the PPA accord sanction for factoring in various other costs such as escalations, interest during construction, change in cost on account of changes in law, foreign exchange fluctuations, implications of force majeure event leading to extension of scheduled commercial operation date etc, while determining the actual expenditure. In line with the spirit of these provisions, all developments in connection with the Project which had a price impact on the capital cost (*as assumed on December, 1993*), have been factored in, while computing the total capital cost of the Project for the purposes of determination of tariff.

4.4 As a result of the time lag, the cost estimates of the Project, which were made by Financial Institutions in 1995 at Rs.1102 crores were revised thrice i.e. during the years 1998, 2000 and 2001 at Rs.1263 crores, Rs.1345 crores and Rs.1612 crores respectively and finally in 2003 at Rs 1624 crores (excluding the additional cost of ICF and the Catchment Area Treatment (CAT) Plan. In this regard, the following information may kindly be considered:-

(a) The financial tie-up of the Project completed in March, 1995, envisaged public issue of balance equity to be made before the commissioning of the Project. Consequent upon the midway regulatory changes in financing of power projects, i.e. achieving financial closure; entire equity component to be tied up upfront, appointment of Lenders' Engineers, Concurrent Audit etc. the project faced difficulties in obtaining disbursements from the Lenders. The Applicant had to tie-up the balance equity upfront for which ICICI helped the project to achieve financial closure to facilitate disbursement of the financial assistance by the Lenders and agreed to subscribe to the equity to the extent of Rs.135 crores.

- (b) Subsequent to the aforesaid tie up of equity, due to the flash flood on 31<sup>st</sup> July, 2000 resulting in dislocation of the communication link with the Project, the Project suffered a delay of 15 months, thereby pushing the commissioning date by fifteen (15) months. At this stage the Financial Institutions reassessed the cost of the project in 2001 at Rs.1612 crores, which was agreed to be funded as under:

Equity	Rs. 491 crores
Rupee Term Loans	Rs. 892 crores
Foreign Currency Loans	<u>Rs. 229 crores</u>
	<u>Rs. 1612 crores</u>

**It is pertinent to note that the increase in cost was solely due to Interest During Construction, equity raising charges and exchange fluctuation due to various delays as explained above.**

Against the aforementioned assessment of project cost by Financial Institutions at Rs.1612 crores, as per the audited Accounts of the Applicant upto the Financial Year 2001-02 and the estimates upto July, 2003, the actual expenditure on the Project worked out to Rs.1621.94 crores.

- (a) The Applicant submits that the financial package submitted to the Board and CEA in January, 1999 at a completion cost of Rs.1365 crores was revised to Rs.1620 crores in May, 2001, consequent upon a force majeure condition on account of flash flood on 31.07.2000, corresponding to Financial Institution's assessed project cost of Rs.1612 crores and estimated actuals of Rs.1621.94 crores.
- (b) The Applicant submits that National Hydro Power Corporation (NHPC), the premier Hydro Power Corporation of the Country, were appointed as the Lenders' Engineers. NHPC evaluated and vetted the

design and cost of the Project. As part of the scope of services, NHPC has been monitoring the physical and financial progress of the Project implementation on quarterly basis and submitting reports to financial institutions. In addition, the lenders have also appointed a firm of Chartered Accountants, as Concurrent Auditors to examine the financial records (books of account and expenses) and report to lenders on quarterly basis.

- 4.5 The Applicant prays that subsequent to the negotiated cost of Rs.1550 crores, the Applicant was directed by CEA to pay additional cost of Rs.45.11 crores to Sutlej Jal Vidyut Nigam Limited (**SJVNL**) for the Inter Connection Facility (ICF) constructed by SJVNL at Jhakri Pothead Yard to receive the power of the Project at Jhakri. As per the provisions of PPA the Applicant was required to supply the power to the Board at Jhakri Pothead Yard. This increase in the cost of the Interconnection Facility, which was not factored in the negotiated cost of Rs.1550 crores be factored in while determining the tariff of the Project, as conveyed by CEA in its letter dated 21.07.2003 which is annexed as *Annexure F*. The Applicant further submits that SJVNL has retained a Bank Guarantee amounting to Rs.7 crores issued by Oriental Bank of Commerce on behalf of the Promoter of the Applicant i.e. JAL (earlier JIL), for any further capital expenditure in respect of ICF, for which bills are expected to be received from SJVNL for payment in the current/ next Financial Year, which may also be factored in the cost/tariff.
- 4.6 The Applicant submits that the initial cost of lending was based at an interest cost of 18.5% per annum (at the time of financial tie up in 1995). The Applicant had however taken steps to restructure the debts and interest rate so as to reduce the long term cost of lending/ financing, which has resulted in :-

- (a) Reduction of the average interest rate to 16.50% per annum (at the time of Commercial Operation Date of the Project in June 2003)
- (b) Reduction of interest rate to 10.5% per annum in compliance with the directions of the Hon'ble Commission. The Applicant also proposes to further reduce this interest rate from 10.5% per annum to 8.5% - 9% per annum.
- (c) The net costs incurred by the Applicant in the initiatives undertaken for reducing the interest costs are Rs.58.43 crores for reducing the interest rate upto 10.5% p.a.. The Applicant has also incurred an additional cost of Rs.12.40 crores for its efforts to bring down the interest to 8.5% per annum. In this regard, a letter dated 21.06.2005 was also filed before the Hon'ble Commission by the Applicant, which is annexed as *Annexure G*.
- (d) The long term benefit on account of reduction of interest at 10.5% p.a. during the debt re-payment period (12 years commencing from the date of the Commercial Operation Date of the Project) comes to approx. Rs.364.12 crores [*NPV Rs 253.45 crores*].

4.7 The Applicant submits that the Project has suffered damages on account of floods in River Sutlej/Baspa in June/July, 2005. The Applicant has notified the Force Majeure damages to the Board and has also lodged Insurance claims. The Applicant prays that appropriate orders be passed for adjusting and factoring the estimated additional capital cost of Rs.40 crores (approx.) net of insurance claim in the computation of tariff in respect of the above Force Majeure.

4.8 The Applicant prays that the Hon'ble Commission takes into account the fact that the Applicant, lenders and financial institutions have made substantial investments in the Project and any adverse impact on the prevalent tariff would negatively impact the ability of the Applicant to meet its repayment obligations under the agreements signed with the lenders/financial institutions.

5. ***Technical Details***

The Applicant has furnished the information required in terms of the specified format issued by the Hon'ble Commission as set out in ***Annexure H***.

6 ***Details of fee enclosed vide draft/pay order, drawn in favour of the Secretary, Himachal Pradesh Electricity Regulatory Commission, payable at Shimla***

The Applicant has enclosed a fee of Rs 25,00,000/- (Rupees Twenty Five lakhs only) vide demand draft in terms of the fee specified in the Schedule to the HPERC (Conduct of Business) Regulations, 2005, for determining the tariff for the Term of the PPA. The Applicant prays that the cost incurred towards filing fee be allocated to each of the previous financial years (commencing from the COD of the Project) and be allowed to be a pass through in the tariff.

The Applicant submits that a copy of this application is being delivered to the Board, the purchaser of the power from the Project in terms of the PPA.

**7. PRAYER**

In the aforesaid facts and circumstances, the Applicant prays that this Hon'ble Commission may be pleased to:-

- (1) Determine the Tariff for sale of power generated at the Project by the Applicant to the Board for the Term of the PPA, taking into account the submissions made in this Application and the information contained in the data and documents furnished in support of this Application or during the course of the hearing of this Application;
- (2) Award interest in terms of the PPA, on all outstanding dues payable to the Applicant by the Board, resulting from the difference between the tariff so determined in terms of the PPA and the actual payments made to the Applicant for the purchase of power by the Board from the Commercial Operation Date of the Project;
- (3) Pass such order/orders as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

APPLICANT

Place: New Delhi

Dated: 21 November 2005

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY  
COMMISSION**

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Application for Determination of Tariff for Sale of Power from Baspa II, 300 MW Hydro Power Plant located on River Baspa (*tributary of River Satluj*), District Kinnaur (H.P.) to Himachal Pradesh State Electricity Board

**AND IN THE MATTER OF:-**

Jaiprakash Hydro Power Limited,  
C-16, Sector 1, SDA Housing Colony  
New Shimla 171009

.... Applicant

**AFFIDAVIT**

I, Manoj Gaur son of Shri Jaiprakash Gaur, aged 41 years residing at A-9/27, Vasant Vihar, New Delhi –110057, do solemnly affirm and say as follows:-

1. I am the Director of Jaiprakash Hydro Power Limited and am duly authorized to make this affidavit on behalf of Jaiprakash Hydro Power Limited.
  
2. The statements made in paragraphs 1 to 5 of this application herein are true to my knowledge and belief and statement made in paragraphs 6 is based on information received and believed to be true. Last para 7 is prayer to this Hon'ble Commission.

DEPONENT

VERIFICATION

I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge and no part of it is false and nothing material has been concealed therefrom.

Verified at New Delhi on the 21<sup>st</sup> day of November 2005

DEPONENT