

Indian Standard

GUIDELINES FOR ALLOCATION OF COST AMONG DIFFERENT PURPOSES OF RIVER VALLEY PROJECTS

1. SCOPE

1.1 This standard -enumerates various methods for allocation of cost among different purposes/functions of river valley projects and general principles for selection of the most suitable method.

FOREWORD

0.1 This Indian Standard was adopted by the Indian Standards Institution on 7 November 1974, after the draft finalized by the River Valley Projects, Estimates and Progress Reports Sectional Committee had been approved by the Civil Engineering Division Council.

0.2 The allocation problem is a natural concomitant of a multi-purpose project. A multi-purpose river valley project seeks the simultaneous achievement of a number of objectives, such as irrigation, power, flood control, navigation, water supply, sanitation, recreation, etc. The main object of allocation is to distribute the cost on equitable basis amongst various purposes usually to determine the sale price of power or water, or to assess the amount of betterment levy to be imposed in case of irrigation or cess for flood control or other benefits.

0.3 This subject is extremely complicated and it must be accepted at the outset that no universal agreement has yet been reached between the views of the various committees and other authorities who have studied it. No two cases are alike and each must be considered on its merits, Experience has also shown that this complex problem of allocation of cost of multipurpose river valley project, especially, when it involves inter-state interests and benefits to a government department *vis-a-vis* an autonomous agency leads to endless polemics and consequent delay in clearance of even essential projects. This results in retardation of natural developmental activities and growth. This standard lays down broad guidelines for allocation of costs amongst various purposes/functions of a project.