

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Bhanu Bhushan, Member**
2. **Shri R.Krishnamoorthy, Member**

**Petition No. 24/2008**

**In the matter of**

Approval of revised fixed charges after considering the impact of additional capital expenditure incurred during 2004-05, 2005-06 and 2006-07 for Ramagundam Super Thermal Power Station, Stage-III (500 MW).

**And in the matter of**

NTPC Limited, New Delhi

**..Petitioner**

Vs

1. Transmission Corporation of Andhra Pradesh Ltd, Hyderabad
2. A.P. Eastern Power Distribution Company Ltd., Visakhapatnam
3. A.P. Southern Power Distribution Company Ltd, Tirupathi
4. A.P. Northern Power Distribution Company Ltd, Warangal
5. A.P. Central Power Distribution Company Ltd., Hyderabad
6. Tamil Nadu Electricity Board, Chennai
7. Karnataka Power Transmission Corporation Ltd., Bangalore
8. Bangalore Electricity Supply Company Ltd., Bangalore
9. Mangalore Electricity Supply Company Ltd., Mangalore
10. Chamundeshwari Electricity Supply Corp. Ltd., Mysore
11. Gulbarga Electricity Supply Company Ltd., Gulbarga
12. Hubli Electricity Supply Company Ltd., Hubli
13. Kerala State Electricity Board, Thiruvananthapuram
14. Electricity Department, Puducherry

**..Respondents**

**Petition No. 31/2008**

**In the matter of**

Determination of impact of additional capital expenditure incurred during 2004-05, 2005-06 and 2006-07 on fixed charges of Talcher Thermal Power Station, Stage-I (460 MW)

**And in the matter of**

NTPC Limited, New Delhi

**..Petitioner**

Vs

Grid Corporation of Orissa Ltd., Bhubaneshwar

**... Respondent**

**Following were present:**

1. Shri A.K.. Juneja, NTPC
2. Shri S.K. Mondal, NTPC
3. Shri Vivke Kumar, NTPC
4. Shri Balaji Dubey, NTPC
5. Shri D.Kar, NTPC
6. Shri R.B.Sharma, Advocate, GRIDCO

**ORDER  
(DATE OF HEARING: 22.4.2008)**

The petitioner, NTPC Limited has made these applications for approval of revised fixed charges after considering the impact of additional capital expenditure incurred during 2004-05 2005-06 and 2006-07, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as `the 2004 regulations`).

2. Heard the representatives of petitioner and the respondent present.
3. The petitioner is directed to submit the information along with C.D., indicated herein below latest by 23.5.2008 with an advance copy to the respondents, separately in both petitions. The respondents may file their replies, if any, by 6.6.2008

**Petition No. 24/2008**

- (i) Certificate from the auditor to the effect that additional capital expenditure claimed has actually been paid for and it does not include any undischarged liability and sources of finance for claim;
- (ii) Certificate from the auditor showing year-wise discharge liability amounting to Rs. 86.81 crore;

- (iii) Segregation of the amount under various heads of Regulation 18 of the 2004 regulations;
- (iv) In case any assets were not in use or were unserviceable, as on 1.4.2005, 1.4.2006 and 1.4.2007;
- (v) Details thereof, along with cumulative depreciation recovered in respect of these assets;
- (v) Account reconciliation statement of gross block (year-wise) for Stage-I, Stage-II and Stage-III of the generating station, duly certified by the auditor;
- (vi) Details of CWIP opening, closing and capitalization through CWIP during 2004-05, 2005-06 and 2006-07;
- (vii) Details of amount of IDC included with its calculations supported by all relevant reset dates, repayment schedule etc; and
- (viii) Audited balance sheet with all schedules.

**Petition No. 31/2008**

- (i) Certificate from the auditor to the effect that additional capitalization claimed has actually been paid for and it does not include any undischarged liability;
- (ii) Details of undercharged liability in gross block as on 1.4.2004, 1.4.2005, 1.4.2006 and 1.4.2007;
- (iii) The petitioner has claimed additional capital expenditure of Rs. 5957.89 lakh for the period 2004-07 on account of payments against works

admitted by the Government of India/ Central Electricity Regulatory Commission under Regulation 18(2) (i) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001. However, the above claim has also included the various new works to increase the performance under R & M, decapitalization of spares of Rs. 12.97 crore, capitalization of minor items/works come under the regulations 18 (3) of the 2004 regulations, expenditure on Air Circuit Breaker and construction of road etc. These works cannot be considered under Regulation 18(2) (i) of the 2004 regulations, which is meant for deferred liabilities only. Therefore, the petitioner is directed to revise the above claim in accordance with Regulation 18 of the 2004 regulations.

- (iv) Gross value of assets to be decapitalized along with cumulative depreciation recovered in respect thereof;
- (v) Reasons for decapitalization of some vehicles, crane etc. (S. No. 74 to 79 of 2005-06). However, in petition instead of de-capitalizing such assets, these have been capitalized;
- (vi) Details of gross block along with cumulative depreciation recovered on the unserviceable assets indicated at Annexure 9;
- (vii) Details as to which phase of R & M, the expenditure claimed belongs; and

(viii) Details of IDC with its calculations supported by all relevant information regarding loan ex. drawal details, ROI with relevant reset dates, repayment schedule etc.

3. The petitions be re-listed for hearing on 26.6.2008.

Sd/-

**(R.KRISHNAMOORTHY)**  
**MEMBER**

**New Delhi dated the 28<sup>th</sup> April 2008**

sd/-

**(BHANU BHUSHAN)**  
**MEMBER**