

CENTRAL ELECTRICITY REGULATORY COMMISSION

RECORD OF PROCEEDINGS

I.A 43/2008 in Petition No. 119/2006:

Subject: Petition for 'in principle' acceptance of the project cost and financing plan for 1040 MW Coal based Power Project being set up by Navabharat Power Pvt Ltd

Coram: Dr. Pramod Deo, Chairperson
Shri R.Krishnamoorthy, Member
Shri V.S.Verma, Member

Petitioner: Navabharat Power Pvt Ltd

Respondents: Grid Corporation of Orissa Ltd and PTC (I) Ltd

Date of hearing: **26.2.2009**

Parties present: Shri K.Bruhaspathy Rao, Navabharat Power Pvt Ltd
Shri Vaibhav Garg, Navabharat Power Pvt Ltd
Shri R.K.Mehta, Advocate, GRIDCO
Shri Mragark Sharma, Advocate, GRIDCO
Shri K.C. Agrawal, PTC (I) Ltd.

The petitioner has made this application under Section 79 (1) (b) of the Electricity Act, 2003 (the Act) read with the second proviso to Regulation 17 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, as amended, for 'in principle' acceptance of the project cost and financing plan for 1040 MW Coal based Power Project., being established in the State of Orissa.

2. By its order dated 15.5.2008, the Commission directed the petitioner to file certain information and the petitioner by affidavit dated 10.7.2008 filed some documents /clarifications. However, after hearing on 22.7.2008 by the Commission, the petitioner was asked to submit some more information/clarifications. The petitioner filed (I.A.No.19/2008) seeking extension of time till 31.12.2008 to file the required information and the application was disposed of by the Commission by its order dated 10.9.2008 allowing time to the petitioner till 31.12.2008.

3. The petitioner has filed this I.A. praying for further extension of time up to 31.11.2009 for furnishing the details of the project cost and other details.

4. The petitioner submitted that though the financial appraisal had been completed by their bankers PFC, principal approval had not been obtained due to want of balance coal link allocation. As regards details of equity infusion, it was submitted by the petitioner that the project was being funded through a debt-equity ratio of 75: 25 and the petitioner had undertaken to meet the shortfall in equity on account of the delay in the merger of M/s PVP Enterprises Pvt Ltd and M/s Malaxmi Energy Venture (India) Pvt Ltd and objections raised by the principal shareholders of the said companies. The petitioner further submitted that some problems raised by the EPC contractor were being looked into and would be settled at the earliest. Accordingly, the petitioner prayed for time upto 30.11.2009 to submit the project cost and other details as required by the Commission.

5. Learned counsel for the respondent GRIDCO, referring to its reply to the petition, submitted that the petitioner had modified the configuration of the project from the original 2 x 250 MW agreed to in the MoU dated 9.6.2006 to 3 x 350 MW, without any approval from the Govt of Orissa, and without any changes in the project cost claimed. Learned counsel while contradicting the claim of the petitioner to supply the balance 75% of the power to the second respondent, PTC, pointed out that as per the PPA, in addition to supply of 25% power, GRIDCO was entitled to be supplied power generated in excess of 80% PLF at variable cost plus incentive.

6. The Commission, however, observed that the prayer for grant of extension of time would be considered along with the issue of maintainability of the petition for determination of tariff under Section 62 of the Act in the light of the provisions of the Tariff Policy notified by the Central Government. The parties were granted two weeks time to file its submissions on the maintainability of the petition.

7. Subject to the above, order in the petition was reserved.

Sd/-
(K.S.Dhingra)
Chief (Legal)