

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.32/2009

Subject: Determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 for Anta GPS (419.33 MW).

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

Date of Hearing: 16.7.2009

Petitioners: NTPC Ltd.

Respondent : UPPCL, JVVNL, AVVNL, JoVVNL, DTL, NDPL, BSES –Rajdhani Power Ltd, BSES-Yamuna Power Ltd, HPPC, PSEB, HPSEB, PDD, Govt of J&K, PDD Chandigarh & UPCL

Parties present: Shri V.K.Padha, NTPC
Shri Sankar Saran, NTPC
Shri D.G.Salpekar, NTPC
Shri T.K.Srivastava, UPPCL
Shri Manish Garg, UPPCL

This petition has been filed by the petitioner, NTPC for determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 for Anta GPS (419.33 MW) (hereinafter referred to as “the generating station”)

2. The representative of the petitioner submitted that it had filed the additional information as directed by the Commission during the hearing on 12.5.2009. The representative also submitted that it had incurred the additional capital expenditure on certain R&M activities which had been approved by CEA and on certain other works which were required for efficient and successful operation of the generating station and prayed that the Commission allow the additional capital expenditure incurred for the purpose of tariff.

3. The representative of the respondent, UPPCL submitted that in terms of clause (5) of section 62 and clause (3) of section 79 of the Electricity Act, 2003, the Commission should direct the petitioner to submit the actual expenditure incurred and

profits earned in respect of the generating station and in terms of Regulation 94 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, the petitioner should be directed to file periodical returns to the Commission, prior to the determination of tariff for the generating station. The representative also submitted that the useful life of the asset being 15 years, the computation of fixed charges by the petitioner is erroneous as it has recovered excess amount from the consumers through the mechanism of depreciation and Advance against Depreciation. The representative further submitted that tariff should be paid on actual equity after adjustment of recovery on account of depreciation over and above the loan amount. The representative also pointed out that the excess differential amount recovered by the petitioner does not reflect in its financial statements. The representative also added that de-capitalization of the old items should be considered at the time of capitalization of replaced assets, in order to avoid duplicity of cost.

4. In response, the representative of the petitioner submitted that its claim for additional capitalization was based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations) and that the submission of the respondent to revisit the 2004 regulations was not tenable. The representative also submitted that there has been no delay in filing the petition as the Commission in its order dated 29.9.2008 in Petition No.27/2007 had given liberty to the petitioner to approach the Commission before 30.3.2009, for revision of tariff for the period 2004-09 for the second time, after finalization of accounts.

5. The Commission reserved orders in the petition

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