

CENTRAL ELECTRICITY REGULATORY COMMISSION

RECORD OF PROCEEDINGS

Petition No.142/2009 along with I.A.36/2009

Subject: Revision of fixed charges due to additional capital expenditure incurred in the financial years 2006-07, 2007-08 and 2008-09 for Ramagundam STPS, Stage-I & II (2100 MW)-Interlocutory Application has been filed for amendment of Annexure-I of the petition

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

Date of hearing: 14.10.2009

Petitioner: NTPC Ltd

Respondents: APTRANSCO, APEPDCL, APSPDCL, APNPDCL, APCPDCL, TNEB, KPTCL, BESCOM, MESCOM, CESC (Mysore), GESCOM, HESCOM, KSEB, Electricity Dept. Puducherry. Electricity Dept. Goa.

Parties present: 1. Shri V.K.Padha, NTPC
2. Shri A.K.Juneja, NTPC
3. Shri Sameer Aggarwal, NTPC
4. Shri S.Balaguru, TNEB
5. Shri R.Krishnaswami, TNEB

This petition has been filed by the petitioner, NTPC, for revision of fixed charges on account of additional capital expenditure incurred during the years 2007-08 and 2008-09 for Ramagundam STPS, Stage-III (500 MW) (hereinafter referred to as "the generating station"), based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as "the 2004 regulations").

2. The representative of the petitioner submitted that the interlocutory application had been filed for amendment of Annexure-I of the petition taking into account the

revised calculations for fixed charges, based on the orders /judgments of the Appellate Tribunal and prayed that the application be taken on record. The representative of the petitioner submitted that the additional capital expenditure had been incurred on items which are required for efficient and successful operation of the generating station and prayed the Commission to allow additional capitalization of the expenditure incurred, for the purpose of tariff. The representative of the petitioner submitted that it had filed the additional information as directed by the Commission and had served copy thereof on the respondents.

3. The representative of the respondent No.6, TNEB pointed out that the prayer in the interlocutory application for amendment of Annexure-I of the petition based on revised calculations after taking into account the judgment dated 13.6.2007 of the Appellate Tribunal in Appeal Nos 139,140 etc of 2006 could not be allowed as it was against the interim order dated 10.12.2008 in C.A No. 5434 of 2007 pending before the Hon'ble Supreme Court. He also submitted that the petitioner's claim for undischarged liabilities could not be considered by the Commission at this stage, since the Hon'ble Supreme Court had ordered notices on the stay and the appeal, in the Civil Appeal filed by it. The representative of TNEB further submitted that the capital cost by consideration of a portion of notional FERV which had been disallowed during the period 2001-04 was not in conformity to the order of the Appellate Tribunal pertaining to another generating station of the petitioner, namely, Kawas GPS. He also pointed out that the methodology adopted by the petitioner for computation of interest on loan was not in conformity with the regulations of the Commission. The representative of the petitioner submitted that the claim of the petitioner under the head 'change in law' towards expenditure incurred for promoting non-conventional energy sources (NCES) should be borne by the petitioner out of its profits and should not be passed on to the consumers. He also prayed that the respondent TNEB be permitted to file a detailed reply within a week's time.

4. In response, the representative of the petitioner submitted that the prayer in the interlocutory application and the claim for additional capitalization in respect of undischarged liabilities should be allowed as the judgments of the Appellate Tribunal dated 13.6.2007 referred to by the respondent TNEB had not been stayed by the Hon'ble Supreme Court. He also submitted that the petitioner had submitted claims for additional capitalization as per the norms laid down by the Commission in the 2004 regulations. The representative of the petitioner submitted that the claims made under the head 'change in law' was on account of the promotion of non-conventional energy sources in terms of the policy of the Govt. of India. The representative of the petitioner sought permission to file rejoinder to the reply of the respondent TNEB, within one week from the date of receipt of the copy of the reply.

5. The prayer of the petitioner in the I.A. for amendment was allowed. The amended calculations were taken on record. The tariff, after amendment, will be considered in accordance with law.

6. The Commission directed the respondent TNEB to file its reply, with copy to the petitioner, latest by 30.10.2009. Rejoinder, if any, with copy to the respondents, latest by 5.11.2009.

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

Sd/-
(T.Rout)
Joint Chief (Legal)