

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**RECORD OF PROCEEDINGS**

**Petition No.151/2010**

Subject: Clarification Petition seeking clarification in regard to reimbursement of the liability on account of FERV and the cost of hedging.

Date of hearing: 12.8.2010

Coram: Dr. Pramod Deo, Chairperson  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member

Petitioner: NTPC Ltd

Respondents: UPPCL & 35 ors.

Parties present: 1. Ms. Alka Saigal, NTPC  
2. Shri Sudhr Arya, NTPC  
3. Shri C.K.Mondal, NTPC  
4. Shri Ajay Dua, NTPC

This petition has been filed by the petitioner, NTPC, seeking clarification in regard to reimbursement of the liability on account of FERV and the cost of hedging.

2. The representative of the petitioner referred to the provisions contained in Regulations 40(1) and 40 (3) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and submitted that there was disharmony between these provisions, to the effect that while Regulation 40(1) and the explanatory memorandum provide discretion to the generator for hedging the foreign exchange variations, Regulation 40(3) provides that recovery of liability on account of FERV shall be permissible only to the extent that the generating company was not able to hedge foreign exchange variation. The representative also pointed out that there were problems due to difference between normative and actual loans and submitted that hedging of normative loan was not feasible if there was no actual loan or to the extent the normative loan was in excess of actual loan outstanding.

3. Admit. Issue notice. The Commission directed the petitioner to serve copy of the petition, latest by 25.8.2010, on the respondents, who may file its replies, with copy to the petitioner, latest by 13.9.2010. Rejoinder, if any, by 20.9.2010.

4. Matter to be listed for hearing on 28.9.2010.

Sd/-  
T.Rout  
Joint Chief (Law)