

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.279/2009

Subject: Approval of tariff for Feroze Gandhi Unchahar TPS, Stage-III (210 MW) for the period from 1.4.2009 to 31.3.2014.

Date of hearing: 9.3.2010

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

Petitioner: NTPC Ltd

Respondents: UPPCL, JVVNL, AVVNL, JoVVNL, NDPL, BSES-BRPL, BSES-BYPL, HPPC, PSEB, HPSEB, PDD J&K, PD Chandigarh, UPCL.

Parties present: Shri M.G.Ramachandran, Advocate, NTPC
Shri V.K.Padha, NTPC
Shri S.Saran, NTPC
Shri S.K.Samui, NTPC
Shri M.Saxena, NTPC
Shri V.Kumar, NTPC
Shri Shyam Kumar, NTPC
Shri G.K.Dua, NTPC
Ms. Aika Saigal, NTPC
Shri S.K.Mondal, NTPC

This petition has been filed by the petitioner, NTPC for approval of tariff for Feroze Gandhi Unchahar TPS, Stage-III (210 MW) (hereinafter referred to as "the generating station") for the period from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 regulations").

2. The learned counsel for the petitioner referred to the various provisions including Regulation 9 of the 2009 regulations and submitted that the provisions do not in any manner prohibit the petitioner from claiming any expenditure by way of additional capitalization even though the expenditure do not fall within the provisions of Regulation 9 of the 2009 regulations. He also submitted that capital expenditure of different nature is incurred for the efficient operation of the generating station during its life time and no generating station could operate on a sustainable basis to achieve the

level of performance specified by the Commission without incurring the capital expenditure from time to time. The learned counsel further submitted that the additional expenditure incurred from time to time towards replacement/refurbishment of old assets was necessary to maintain the higher level of performance and in the interest of the public. The learned counsel added that the Commission by its Tariff Regulations 2001 and 2004 had consistently allowed such additional capital expenditure for the past periods while determining the tariff for the generating station and had recognized such additional capitalization in the definition clause and under Regulation 5 and 6 of the 2009 regulations. Summing up, the learned counsel submitted that the additional expenditure claimed by the petitioner in addition to the expenditure covered under Regulations 9(1), 9(2) and 19(e) of the 2009 regulations may be permitted by the Commission, subject to prudence check, as envisaged under Regulations 5 and 6 of the 2009 regulations. The learned counsel prayed that it may be permitted to file detailed written submission on the issue.

2. None of the respondents present. The Commission accepted the prayer and directed the petitioner to file its written submissions, latest by 7.4.2010.

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

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