

**Central Electricity Regulatory Commission
New Delhi**

RECORD OF PROCEEDINGS

Petition No.160/2009 with I.A 51/2009

Subject: Petition for determination of impact of additional capital expenditure incurred during 2008-09 on fixed charges for Kawas Gas Power Station (656.20 MW)--Interlocutory application has been filed for amendment of Annexure-I to the petition.

Date of hearing: **12.1.2010**

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

Petitioner: NTPC Limited

Respondents: MPPTCL, JVVNL, JoVVNL, AVVNL, NDPL, HPPC, PSEB, HPSEB, BSES- Rajdhani Power Ltd, BSES-Yamuna Power Ltd, PDD(J&K)PD, Chandigarh, UPCL.

Parties present: Shri S.K.Sharma, NTPC
Shri A. Dua, NTPC
Shri A.S.Pandey, NTPC
Shri S.Dhieman, NTPC

This petition has been filed by the petitioner, NTPC, for revision of fixed charges after considering the additional capital expenditure for the year 2008-09 in respect of Kawas Gas Power Station, (656.20 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 it had incurred additional capital expenditure on certain works which were required for efficient and successful operation of the generating station. He also submitted that some of the equipments installed at the generating station had already served life of more than 15 years and some of the equipments had outlived its useful life as prescribed by Original Equipment Manufacturers (OEM). The representative pointed out that the Commission has specified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations 2009 (hereinafter referred to as "the 2009 regulations") applicable for the period 2009-14, wherein, the useful life of gas/liquid fuel based thermal generating stations has been prescribed as 25 years and the petitioner was therefore

required to undertake R&M works involving replacement of the components which had exhausted their useful life. The representative further added that R&M works were required to overcome obsolescence in the area of Gas Turbine control system. The representative of the petitioner prayed that the additional expenditure incurred for life extension be allowed, keeping in view the requirement of extended life of Gas Turbines under the 2009 regulations. The representative of the petitioner also submitted that the interlocutory application (I.A) had been filed for amendment of Annexure-I of the petition taking into account the revised calculations for annual fixed charges, based on the additional capital expenditure incurred for the year 2008-09 and the principles laid down in the judgments of the Appellate Tribunal dated 13.6.2007 and 16.3.2009 in Appeal Nos. 139,140 etc of 2006 and Appeal Nos.133, 135 etc of 2008 respectively, and prayed that the application be taken on record and tariff determined accordingly. The representative of the petitioner submitted that it had filed the additional information as directed by the Commission and had served copy on the respondents.

3. None on behalf of the respondents was present. During the hearing, the representative of the petitioner submitted that it may be permitted to file an affidavit for considering the negative entry of Rs.82.62 lakh pertaining to de-capitalization of cooling tower claimed under the head of 'exclusions' instead of the claim under sub-clause (ii) of clause (2) of Regulation 18 and prayed that the Commission consider the same for revision of tariff. The prayer of the petitioner was accepted.

4. The Commission directed the petitioner to file the affidavit as at para 3 above, on or before 19.1.2010, with copy to respondents, who may file their replies within 3 days thereafter.

5. Subject to the above, the Commission reserved orders in the interlocutory application and the main petition.

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