

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.300/2009

- Subject : Petition for approval of recovery of fixed charges on account of capital expenditure incurred at the various offices of NTPC between 1.4.2004 to 31.3.2009.
- Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
- Date of Hearing : 19.1.2010
- Petitioner : NTPC Ltd.
- Respondents : UPPCL, AVVNL, JVVNL, JoVVNL, DTL, NDPL, BSES – Rajdhani Power Ltd., BSES – Yamuna Power Ltd., NDMC, MES, PSEB, HVPNL, HPPC, HPSEB, PDD, Jammu, ED, Daman & Diu, ED, Dadar & Nagar Haveli, APTRANSCO, APEPDCL, APSPDCL, APNPDCL, APCPDCL, TNEB, KPTCL, BESCOM, MESCOM, CESC (Mysore), GESCOM, HESCOM, KSEB, Electricity Dept., Puducherry and GRIDCO, DVC, BSEB, JSEB, WBSEDCL, Dept. of Power, Govt of Sikkim.
- Parties present : 1. Shri M.G. Ramachandran, Advocate, NTPC
2. Shri V. K. Padha, NTPC
3. Shri C.K. Mandal, NTPC

This petition has been filed by the petitioner, NTPC, for approval of recovery of fixed charges on account of capital expenditure incurred at the various offices of NTPC between 1.4.2004 to 31.3.2009.

2. The learned counsel for the petitioner submitted that the petitioner has various generating stations and offices throughout the country and the power generated is being supplied to various bulk customers/beneficiaries in accordance with the agreements signed and allocations made by the Govt. of India. He also submitted that the establishment of corporate, regional and other ancillary offices is essential to ensure economic and optimal utilization of resources and for effective functioning of organization and the revenue expenditure incurred at these offices is allocated to different generating stations

as O&M expenses, and for projects as IEDC, every year. The learned counsel further submitted that setting up of corporate/regional offices has resulted in savings in the capital cost as well as O&M expenses to the generating station which had been availed by the respondents/beneficiaries. The learned counsel pointed to the judgment of the Appellate Tribunal dated 23.11.2007 in Appeal No.273/2007 (DVC-v-CERC & Ors.) wherein fixed charges on the capital expenditure incurred at corporate offices of DVC was allowed, and submitted that same treatment should be extended to the generating stations of the petitioner.

3. On a specific query as to why the petitioner has approached the Commission at this stage, when appeals were pending before the Hon'ble Supreme Court, for consideration of this issue, the learned counsel submitted that the Commission was at liberty to consider the issue in the absence of stay/interim order of the Hon'ble Supreme Court in the appeals. The learned counsel referred to para 4 of the judgment of the Appellate Tribunal dated 30.3.2007 in Appeal No. 94.2006 and submitted that the question of the claim of the petitioner for capital expenditure incurred after 2004 for establishment of offices was not dismissed on merits but was left open for consideration, by the Appellate Tribunal. He added that the petitioner has submitted details of the capital expenditure incurred between 1.4.2004 and 31.3.2009 as per audited accounts and prayed that the petition may be considered accordingly.

4. Admit. Issue notice. The petitioner is directed to serve copy of the petition upon the respondents, by 29.1.2010 and the respondents to file replies by 18.2.2010. Rejoinder, if any, by 26.2.2010.

5. Petition to be re-notified for hearing on 9.3.2010.

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