

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 227/2009**

Subject: Petition for determination of tariff for the period from 1.4.2009 to 31.3.2014 in respect of Vindhyachal STPS, Stage-I (1260 MW).

Date of hearing: 16.2.2010

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

Petitioner: NTPC Ltd

Respondents: MPPTCL, MSEDCL, GUVNL, CSPDCL, ED Govt. of Goa, AD, Daman & Diu, ED Dadra & Nagar Haveli.

Parties present: Shri M.G.Ramachandran, Advocate, NTPC  
Ms. Swapna Seshadri, Advocate, NTPC  
Shri V.K.Padha, NTPC  
Shri A.S.Pandey, NTPC  
Shri S.Dheman, NTPC

The representative of the petitioner submitted that the petition has been filed for determination of tariff for the period from 1.4.2009 to 31.3.2014 in respect of Vindhyachal STPS, Stage-I (1260 MW)(hereinafter referred to as "the generating station") based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff ) Regulations, 2009 (hereinafter referred to as "the 2009 regulations") and the additional information as required by the Commission has been submitted and copy served on the respondents.

2. On a specific query by the Commission as to why capital expenditure on various items claimed was not in accordance with the 2009 regulations, the learned counsel for the petitioner pointed to clauses (1) and (2) of Regulation 9 and clause (e) of Regulation 19 of the 2009 regulations and submitted that in addition to the capital expenditure covered under these regulations, there would be from time to time capital expenditure of a different nature which is necessary for efficient operation of the generating station during its life time and that no generating station can operate on a sustainable basis to achieve the level of performance on parameters specified by the Commission without incurring capital expenditure on various items. He also submitted that additional capital expenditure had been allowed under the notification of the Govt. of India earlier and later by the Commission under its Tariff Regulations, 2001 and 2004. The learned counsel pointed out that the 2009 regulations have recognized such additional expenditure in the definition and under Regulations 5 and 6. He also added that additional expenditure incurred from time to time towards replacement/refurbishment of old assets has been absolutely necessary to maintain higher level of performance on sustainable basis in the larger public interest. The learned counsel prayed that in view of the above submissions, the additional capital expenditure incurred may be permitted to be recovered under Regulations 5 and 6, in addition to the claims made under clauses (1) and (2) of Regulation 9 and clause (e) of Regulation 19 of the 2009 regulations.

3. On a further query by the Commission as to the nature of claims under the Regulation "changes in law", and whether the works was not envisaged earlier, the representative of the petitioner submitted that the claims related to new ash dyke raising work after initial fill up and ash slurry pumps & piping.

4. None on behalf of the respondents was present. The Commission reserved orders in the petition.

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