

CENTRAL ELECTRICITY REGULATORY COMMISSION

RECORD OF PROCEEDINGS

Petition No.194/2009

Subject: Revision of fixed charges for the period 2006-09 , due to additional capital expenditure incurred during the years 1.6.2006 to 31.3.2007, 2007-08 and 2008-09 at Badarpur Thermal Power Station (705 MW).

Date of hearing: 6.5.2010

Coram: Shri S.Jayaraman, Member
Shri M.Deena Dayalan, Member

Petitioner: NTPC Ltd

Respondents: DTL, NDPL, BSES–Rajdhani Power Ltd, BSES-Yamuna Power Ltd, NDMC and MES.

Parties present: Shri V.K.Padha, NTPC
Shri R.Srinivasan, NTPC
Shri R.A.Goyal, NTPC
Shri D.G.Salpekar, NTPC
Shri V.Ramesh, NTPC
Shri G.K.Dua, NTPC
Shri Ajay Dua, NTPC
Shri D.Nandi, NTPC
Shri H.S.Bawa, NTPC
Shri S.K.Singh, NTPC

This petition has been filed by the petitioner NTPC, for revision of fixed charges for the period 2006-09 due to additional capital expenditure incurred during the years 1.6.2006 to 31.3.2007, 2007-08 and 2008-09 at Badarpur Thermal Power Station, (705 MW) (hereinafter referred to as "the generating station") based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

2. The representative of the petitioner submitted that the petition has been filed for revision of fixed charges after considering the additional capital expenditure incurred during the period 2006-09. He also submitted that 3 units of 95 MW of the generating station were commissioned during the period 1973 -75 and 2 units of 210 MW during the years 1978-81 and tariff for the generating station was determined on the Net Fixed Assets methodology by the Commission vide order dated 9.5.2006 in Petition No. 40/2004. The representative further submitted that it has claimed additional

capitalization in terms of Regulation 18 (2) (iii) to 18(2)(v) of the 2004 regulations which included an amount of Rs.565 lakh for the year 2006-07 towards raising of ash dykes to store further ash generation. The representative also submitted that it has furnished additional information as directed by the Commission and had served copies on the respondents. He also added that none of the respondents have filed reply in the matter.

3. None on behalf of the respondents was present. On a specific query by the Commission as to the details of the annual lease rent on 'enhancement' paid by the petitioner for leasehold land amounting to Rs 4.27 crore, the representative of the petitioner clarified that the said amount was paid towards relocation charges for the removal of the 'Jhuggie clusters' in terms of the Govt. of India (Gol) letter dated 18.12.2006, which stipulated that the amount of Rs 4,00,37,000/- paid by Gol would be added to the land value and the lease rental would be revised as per the revised land value. As the letter contained no such direction to pay an additional expenditure of Rs 4.27 crore, the Commission directed the petitioner to submit the following information on affidavit, with copy to the respondents, latest by 21.5.2010.

- (a) Reason for the enhancement amount of Rs 4.27 crore paid by the petitioner during the period 1.6.2006 to 31.3.2009, for leasehold land;
- (b) Whether the said expenditure was incurred in compliance with any directions of the Gol/order/judgment of Court; If yes, a copy of the same.
- (c) Whether the enhancement amount paid by the petitioner for leasehold land is reimbursable from the Gol. If yes, documentary proof of same;
- (d) Copy of 'Action Taken Report' submitted to Gol in compliance with the Order No. 2/16/2004-BTPS dated 18.12.2006 of the Gol;
- (e) Year-wise details of the annual lease rental actually paid to Gol during the financial year 2006-07, 2007-08 and 2008-09;
- (f) Gross Value of original (old) Generator Transformers replaced from Unit-III and Unit-II of BTPS (refer item no. 1 &2 for 2008-09).

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

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