

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEWDELHI**

Record of Proceedings

Petition No.255/2009

Subject: Approval of tariff of National Capital Thermal Power Station, Dadri, Stage-I (840 MW) for the period from 1.4.2009 to 31.3.2014.

Date of hearing: 6.5.2010

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

Petitioner: NTPC Ltd, New Delhi

Respondents: UPPCL, BSES-BRPL, BSES-BYPL, NDPL and NDMC.

Parties present: 1. Shri V.K.Padha, NTPC
2. Shri S.K.Sharma, NTPC
3. Shri Manish Garg, NTPC
4. Shri V.K.Tandon, NTPC
5. Shri Ajay Dua, NTPC
6. Shri Manoj Saxena, NTPC
7. Shri Sankar Saran, NTPC
8. Shri S.Agarwal, NTPC
9. Shri Sachin Jain, NTPC
10. Shri V.K.Garg, NTPC
11. Ms, Shilpa Agarwal, NTPC
12. Shri Manish Garg, UPPCL

The representative of the petitioner pointed out that the Commission during the hearing on 18.3.2010 had directed the respondent No.1, UPPCL, to file its reply in the matter and the same has not been filed.

2. In response, the representative of the respondent No.1, UPPCL, clarified that it would proceed to make its submissions in the matter. The representative submitted that the claim of the petitioner for additional expenditure of Rs 111.44 crore on CEA approved R&M schemes, prior to the completion of the useful life of the generating station, may not be considered as they do not fall within the provisions of the 2009 regulations. He further submitted that in the event of R&M expenditure being considered for the purpose of the tariff, the capital cost of the generating station may be reduced to the extent of cumulative depreciation recovered, in terms of Regulation 10(3) of the 2009 regulations. On being informed that Regulation 10(3) was applicable

only for those generating stations which have opted for comprehensive R&M with life extension after the useful life of the station was over, the representative of the respondent submitted that the depreciation funds in excess of loan repayment should be utilized for R&M in respect of the generating stations which have not completed their useful life or credit should be given to the beneficiaries in respect of funds at the disposal of the petition. The representative also submitted that the petitioner has not furnished the details of the assets de-capitalized, corresponding to its claim for capitalization. He also added that the petitioner should be directed to refund the profits earned in excess of equity of Rs 286.72 crore. The representative prayed for some time to file its reply.

3. In reply to the above, the representative of the petitioner pointed to that the 2009 regulations has specified the methodology for treatment of depreciation as deemed repayment of loan and submitted that the prayer of the respondent for credit/adjustment of depreciation reserve may not be considered as the 2009 regulations do not provide for the same. He also clarified that Regulation 10(3) of the 2009 regulations would only be applicable, in case the petitioner opts for a comprehensive R&M after the expiry of the useful life of the station and since the generating station has not completed its useful life, the submission of the respondent may not be considered. The representative further clarified that the respondent/beneficiaries were only making payments for the product of the generating station i.e electricity supplied to them, and should not be aggrieved with the recovery of depreciation for the generating station. The representative prayed for further time to file its rejoinder, after receipt of the reply from the respondent, UPPCL.

4. The prayer of the petitioner seeking exemption from filing the details as per Form 9A and 9B, for existing station as on 1.4.2009, was rejected by the Commission and the petitioner was directed to submit the same, latest by 21.5.2010.

5. The Commission also directed the respondent to file its reply, with copy to the petitioner, latest by 14.5.2010 and rejoinder by petitioner, on or before 21.5.2010.

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

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