

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.278/2009

Subject: Approval of tariff for Ramagundam Super Thermal Power Station, Stage-I & II (2100 MW) for the period from 1.4.2009 to 31.3.2014.

Date of hearing: 21.4.2011

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

Petitioner: NTPC Ltd

Respondents: Transmission Corporation of Andhra Pradesh Ltd, AP Eastern Power Distribution Company Ltd, AP Southern Power Distribution Company, AP Northern Power Distribution Company Ltd, AP Central Power Distribution Company Ltd., Tamil Nadu Electricity Board, KPTCL, BESCL, and KSEB & Ors.

Parties present: Shri V.P. Padha , NTPC
Shri Ajay Dua, NTPC
Shri G.K. Dua, NTPC
Shri Sandip Maite, NTPC
Shri A.K.Juneja, NTPC
Ms. Sulochana Murlidharan, NTPC
Shri S. Balaguru, TANGEDCO
Shri R.Krishnaswami, TANGEDCO

This petition has been filed by the petitioner, NTPC for approval of tariff for Ramagundam Super Thermal Power Station, Stage-I & II (2100 MW) (hereinafter referred to as “the generating station”) for the period from 1.4.2009 to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 regulations”).

2. The representative of the petitioner submitted as under:
 - (a) The capital expenditure of different nature has been incurred for efficient operation of the generating station during its life time and no generating station could operate on a sustainable basis to achieve the level of performance specified by the Commission without incurring the capital expenditure from time to time.
 - (b) The additional expenditure incurred from time to time towards replacement/refurbishment of old assets was necessary to maintain the higher level of performance and in the interest of the beneficiaries.

- (c) The additional expenditure claimed by the petitioner, in addition to the expenditure covered under Regulations 9(1), 9(2) and 19(e) of the 2009 regulations may be permitted by the Commission, subject to prudence check, as envisaged under Regulations 5 and 6 of the 2009 regulations.
 - (d) The petition was amended in terms of the interim order of the Commission dated 29.6.2010 in Petition No. 245/2009 and the additional information sought for by the Commission had been filed and copies were served on the respondents.
 - (e) Rejoinder against the replies filed by some of the respondents has been filed.
 - (f) The Commission may determine tariff for the generating station as prayed for.
3. In response, the representative of the respondent, TNEB submitted as under:
- (a) The submissions of the petitioner that Regulation 9 is not applicable to the existing stations are not acceptable.
 - (b) The compensatory allowance under Regulation 19 (e) was being allowed not only in respect of minor assets but also in respect of additional capital expenditure on new works not within the original scope of work which has been detailed in paragraphs 15.14 and 15.15 of the Explanatory memorandum to the draft terms and conditions of tariff for 2009-14. The petitioner claim for compensatory allowance and the petitioner's contention that additional capital expenditure not permitted under Regulation 9 can be allowed, is incorrect.
 - (c) The petitioner claim with regard to Dry Ash Extraction System (amounting to Rs. 6918 lakh) was not covered under Regulation 9(2)(iii).
 - (d) It is not clear whether the claim for Rs. 50 lakh towards re-routing of roads as required for ash pond form part of expenditure under the original scope of work. Also the claim for Rs 88.99 lakh towards AAQMS under change in law could not be allowed since this additional expenditure has been incurred under the existing law. Similarly, the claim for Rs. 470 lakh towards MVW spray for augmentation of fire fighting amounting could not be claimed at this stage in the absence of any regulations.
 - (e) Flue gas conditioning unit for multi-gas for Rs.41 lakh, portable flue gas analyser for Rs. 6.25 lakh and on line dual channel water flow meter are minor items. The township metering for Rs. 69.79 lakh is to borne by the end consumers.
 - (f) The petitioner claim for R&M allowance as well as expenditure towards re-routing of riser pipes (cooling towers) under R & M Phase – I would amount to double jeopardy.

(g) The expenditure towards energy conservation is to borne by the petitioner as corresponding savings on account of the same is not passed on to the beneficiaries.

4. The Commission after hearing the parties, reserved its order on the petition.

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