

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 247/2010

Subject: Petition for approval of tariff from Korba Super Thermal Power Station, Stage-III (1 x 500 MW) for the period from the anticipated commercial operation of Unit-I i.e. 1.10.2010 to 31.3.2014

Date of Hearing: 20.10.2011

Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri M.Deena Dayalan, Member

Petitioner: NTPC Limited

Respondents: MPPTCL, MSEDCL, GUVNL, Chhattisgarh State Power Distribution Co. Ltd. (CSPDCL), Government of Goa, Administration of Daman & Diu, Administration of Dadra & Nagar Haveli

Parties present: Shri A.S.Pandey, NTPC Ltd.
Shri Sachin Jain, NTPC Ltd.
Shri Manoj Dubey, MPPTCL
Shri K.K.Agarwal, MPPTCL

RECORD OF PROCEEDINGS

During the hearing, the representative of the petitioner submitted as under:

- (a) The audited accounts as on the date of commercial operation of the generating station have been furnished.
- (b) The cut-off date of the generating station is 31.3.2014 and the projected capital expenditure on account of balance work within the original scope of work has been claimed in terms of Regulation 9(1) of the 2009 Tariff regulations.
- (c) Additional information sought for by the Commission has been filed and copies served on the respondents. Tariff of the generating station may accordingly be determined.

2. The representative of the respondent No.1 (MPPTCL) submitted as under:

- (a) Reply to the petition has been filed and copy served on the petitioner.
- (b) The petitioner has not submitted on record any project report and detailed estimates of the project cost in order to ascertain the proper capital cost of the project.
- (c) The project is required to be completed within 42 months from the date of investment approval. As the project has been declared under commercial operation on 21.3.2011, there has been a delay of one year and six months and no reason for the delay has been furnished by the petitioner. The petitioner is fully responsible for the increase in project cost on account of the time over-run.
- (d) Information given in Form-D of the petition has not been substantiated and details of the project specific loans have not been submitted in Form-7.
- (e) The source of equity deployed in the project is to be disclosed by the petitioner and depreciation may be calculated as per the 2009 Tariff regulations. Also, the details of works included in the original scope of work along with estimate of expenditure, un-discharged liabilities and the works deferred for execution has not been submitted. Hence, additional capital expenditure as claimed by the petitioner may not be allowed.

3. In response to the above, the representative of the petitioner clarified as under:

- (a) The petition has been filed in terms of the 2009 Tariff regulations.
- (b) There are no project specific loans, since loans are taken by the petitioner corporation and identified for the project. Also, equity is financed through internal resources.
- (c) The reasons for delay, if any, in the commissioning of the project has been clarified in the petition. Considering the clarification and keeping in view the measures taken by the petitioner to reduce the cost of the project, the delay, if any, may not be attributed to the petitioner.
- (d) Liberty may be granted for filing rejoinder to the reply filed by the respondent No.1, MPPTCL.

4. On being pointed out by the Commission that complete information as regards time over run had not been submitted, the representative clarified that there has been no time over run. However, the staff of the Commission narrated the chronology of events from the date of investment approval to the actual date of commercial operation of the generating station.

5. The Commission directed the petitioner to submit on affidavit, the Extract of the agenda note of NTPC Board meeting dated 24.3.2006 clearly bringing out the commissioning date/COD of the generating station" on or before 25.11.2011.

6. The petitioner is directed to submit on affidavit, information on the following on or before 25.11.2011, with advance copy to the respondents:

- (a) Detailed explanation as to why time overrun is not attributable to the petitioner;
- (b) Details of implication, if any, on the project cost due to time over run. Also, the details of price escalation paid between schedule date of commercial operation (11.7.2010) and the actual date of commercial operation.
- (c) Details of IDC & FC for the period from the schedule date of commercial operation to actual date of commercial operation.

7. The respondents are directed to file replies on the above, on or before 5.12.2011. Rejoinder by the petitioner, by 12.12.2011.

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

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

