

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.14/2010

Subject: Approval of tariff for National Capital Thermal Power Station, Stage-II (2 x 490 MW) for the period from the anticipated date of commercial operation of Unit-I i.e 30.1.2010 to 31.3.2014.

Date of hearing: 11.1.2011

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

Petitioner: NTPC Ltd

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

Parties present: Shri V.K.Padha, NTPC
Shri S.Saran, NTPC
Shri Ajay Dua, NTPC
Shri Manish Garg, UPPCL
Shri K.Prasad, UPPCL

This petition has been filed by the petitioner, NTPC for approval of tariff for National Capital Thermal Power Station, Stage-II (2 x 490 MW) for the period from the anticipated date of commercial operation of Unit-I i.e 30.1.2010 to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2009 regulations").

2. The representative of the petitioner submitted that the generating station comprises of two units of 490 MW each and Unit-I of the generating station was declared under commercial operation on 30.1.2010 and Unit -II on 31.7.2010. Accordingly, the representative prayed that tariff for the generating station may be determined in terms of the 2009 regulations. He also submitted that audited capital cost for Unit-II (as on 31.7.2010) of the generating station would be filed in due course. The representative added that it has filed its rejoinder to the replies filed by some of the respondents.

3. The representative of the respondent No.1, UPPCL submitted as under:

- (a) The completion cost was an indicative cost by applying the escalation rate on approved project cost; Moreover, the rate and the basis of escalation has not been provided;

(b) The fuel data as in Form -15 of the petition for computation of energy charges reveals a significant variation in price and the abnormal variation in price of coal during December 2009 needs to be explained by the petitioner.

(c) In response to the above, the representative of the petitioner clarified as under:

(a) Rejoinder to the reply of UPPCL has been filed;

(b) The variation in the coal price was on account of receipt of coal from CCL in October 2009 and in addition to CCL coal was received from SCCL during November 2009, which was costlier. During December 2009, the variation was on account of receipt of coal from CCL, SCCL and in addition imported coal was also received by the generating station.

(c) Break-up details of the Fuel cost variation would be submitted.

4. The Commission directed the petitioner to furnish information on the following:

(i) To explain/justify the compelling reasons for award of the following packages, where the supply/work contract was awarded on negotiation basis/single bidder basis and the reasons for not re-tendering:

- (a) The main plant package
- (b) The railway siding
- (c) Generator Circuit Breakers
- (d) 220 kV cables

(ii) The basis of reasonableness of the cost of above packages where the supply/work contract were awarded on negotiation basis single bidder basis.

(iii) To explain/justify the abnormal variation in the price of coal during the month of December, 2009 along with detailed break-up.

5. The petitioner is directed to submit the above information, on affidavit, latest by 21.1.2011 with copy to the respondent, who may file its reply, by 28.1.2011. Rejoinder, if any, by 4.2.2011.

6. Matter shall be notified for hearing on 10.2.2011.

Sd/-
Dr. N.C.Mahapatra
Chief Advisor (Law)