

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEWDELHI**

Petition No.207/2010

Subject: Re-determination of generation tariff for the period from 1.4.2008 to 31.3.2009 after considering the impact of additional capitalization as on 31.3.2009 for Indira Sagar Power Station (8 x 125 MW).

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: NHDC Ltd

Respondents: MPPTCL, Narmada Valley Development Department (NVDD).

Parties present: Shri Subhash Sanyal, NHDC
Shri Anurag Seth, NHDC
Shri Ashish Jain, NHPC
Shri Anurag Naik, MPPTCL

This petition has been filed by the petitioner, NHDC, for re-determination of generating tariff for the period from 1.4.2008 to 31.3.2009 after considering the impact of additional capitalization as on 31.3.2009 for Indira Sagar Power Station (8 x 125 MW). (hereinafter referred to as "the generating station") based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 regulations").

2. The representative of the petitioner submitted as under:

- (a) The Commission by its order dated 6.2.2007 in Petition No.119/2005 had determined tariff for the generating station for the period from 25.8.2005 to 31.3.2009, which was subsequently revised by order dated 20.10.2009 in Petition No.33/2009 based on the admitted additional capitalization till 31.3.2008.
- (b) The additional capital expenditure incurred for 2008-09 mainly pertain to balance R&R works under progress, liabilities on deferred works executed before cut-off date and on new works which were necessary for efficient and successful operation of the generating station.
- (c) After capitalization of an amount of Rs.7092 lakh during 2008-09, the cumulative capitalized cost as on 31.3.2009 was Rs.427926 lakh, which included an amount of Rs 427522 lakh towards original scope of work. Based on apportionment of cumulative capitalized cost, the cost of power component worked out to Rs. 315874 lakh.

(d) Against the Full Reservoir Level (FRL) of Elevator Level (EL)262.13 M, the permission of filing of reservoir was only upto EL 260.0 M, since the matter of Rehabilitation and Resettlement (R&R) was pending before the Hon'ble High Court of Madhya Pradesh and the Hon'ble Supreme Court. Based on this, the completion cost of R&R works was likely to increase further.

(e) In terms of the liberty granted by the Commission in its order dated 20.10.2009 in Petition No. 33/2009, the recovery of proportionate O&M expenses of SSP and irrigation components of Unit-I (dam) was lodged with the respondent No.2, Narmada Valley Development Department (NVDD), Govt. of MP, but the same was yet to be settled.

2. The representative of the respondent No.1, MPPTCL objected to certain additional expenditure including the high rate of interest claimed by the petitioner and submitted that the petitioner has not submitted the Revised Cost Estimate (RCE).He also submitted that detailed reply has been filed in the matter and copy served on the petitioner.

3. The representative of the petitioner clarified that it has not received the copy of the reply stated to have been filed by the respondent No.1, MPPTCL. He also prayed for a direction to MPPTCL serve copy of the reply and for grant of some time to file its rejoinder.

4. The Commission accepted the prayer and adjourned the hearing of the matter. The respondents are directed to serve copy of its reply to the petitioner, by 3.2.2011, if not already done, and the petitioner to file its rejoinder on the same by 10.2.2011.

5. Matter to be listed for hearing on 15.2.2011.

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