

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.176/GT/2013

Subject: Approval of tariff of Rihand Super Thermal Power Station Stage-I (1000MW) from 01.04.2009 to 31.03.2014 after the truing up exercise.

Date of hearing: 01.10.2013

Coram: Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner: NTPC

Respondents: UPPCL & others

Parties present: Shri Shankar Saran, NTPC
Shri Vivek Kumar, NTPC
Shri Navneet Goel, NTPC
Shri R.B.Sharma, Advocate, BRPL
Shri CA Manish Garg, Advocate, UPPCL & BYPL

RECORD OF PROCEEDINGS

This petition has been filed by the petitioner, NTPC for approval of tariff of Rihand Super Thermal Power Station Stage-I (1000MW) (the generating station) for the period from 01.04.2009 to 31.03.2014 after the truing up exercise based on the Provisions of Regulation 6(1) of the 2009 Tariff Regulations.

2. During the hearing, the representative of the petitioner submitted as under:
 - (a) The Commission has determined the tariff of the generating station for the period from 1.4.2009 to 31.3.2014 vide its order dated 7.6.2012 in Petition No. 261/2009, subsequently revised vide order dated 22.4.2013 in Petition No.22/2012.
 - (b) The items disallowed by the Commission for capitalization in the order dated 7.6.2012 in Petition No. 261/2009 have not been included in the capitalization as claimed in this petition,
 - (c) The asset-wise/year-wise auditor certificate for the additional capitalization is being obtained and will be submitted shortly with a copy to the respondents, UPPCL as prayed for in the reply.
 - (d) Tariff of the generating station may be determined as prayed for in the petition.
 - (e) Rejoinder to the reply filed by the respondent, UPPCL has been submitted. Rejoinder to the reply of BRPL may be permitted.

3. The learned counsel for the respondent, UPPCL referred to the reply and mainly submitted as under:
 - (i) The petitioner may be directed to submit the additional financial statement duly audited and certified by the auditors and the reconciliation of additional capital expenditure with gross block may be directed to be submitted based on the said certificate.
 - (ii) The petitioner has continued to gross up the return on equity by the normal Tax rate as against the 'Corporate income Tax Rate'. The petitioner may be directed to make necessary rectifications in the petition.

- (iii) There is huge variation in the actual additional capital expenditure incurred for 2010-12 and projected additional capital expenditure claimed during 2012-14 with respect to the additional capital expenditure allowed by commission by its order dated 2.6.2012.
- (iv) No documents to justify the claim of the petitioner as regards 'Water charges' have been filed by the petitioner.
- (v) Reply filed in the matter may be considered

4. The learned counsel for the respondent, BRPL referred to the reply and mainly submitted as under:

- (a) The claim of `18.42 lakh which has not been approved by the Commission for additional capitalization for 2011-12 cannot be considered under regulation 9(2), since compensation allowance can be made use of the petitioner.
- (b) The petitioner may be directed to submit the details of the additional capital expenditure incurred for the period 2009-10 to 2011-12 duly audited and certified by the Auditors as per Regulation 6(3) of the 2009 Tariff Regulations.
- (a) The petitioner may submit the actual 'corporate Income tax rate' paid for the generating station duly audited and certified by the Auditors.
- (b) The petitioner has claimed amount of `789.91 lakh for 1st 'Raising of the methini Ash Dyke Lagoon-1' and `911.55 lakh for 1st 'Raising of the central Ash Dyke Lagoon-1' as against the provisions of `600 lakh for each of these works by the Commission. The same is unjustified and may be disallowed.
- (c) The capitalization of R&M of ESP's for 2013-14 may be directed to be claimed in accordance with the tariff regulation prevailing at the time of actual capitalization.
- (d) The reply filed in the matter may be considered.

5. The representative of the petitioner clarified as under:

- (i) That the variation between the actual additional expenditure and the projected/actual additional capitalization allowed by the Commission has been furnished, with copies to the respondents.
- (ii) The certificate from statutory auditor in respect of actual expenditure to be incurred from 2009-10 to 2011-12 shall be filed in due course.

6. The Commission after hearing the matter directed the petitioner to submit the details of the expenditure actually incurred duly certified by the auditor with copy to the respondents. The Commission further directed the petitioner to file its rejoinder to the reply of respondent BRPL, if not done earlier.

7. The information at para 6 above shall be filed, on affidavit, on or before 17.10.2013.

8. Subject to above, the Commission reserved its order in the petition.

By order of the Commission

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