

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
New Delhi**

**Petition No. 23/GT/2013 (Docket No. 55/GT/2012)**

Subject: Revision of tariff of Jhanor Gandhar Gas Power Station (657.39 MW) for the period 1.4.2009-31.3.2014. [Truing-up]

Date of Hearing: 11.4.2013

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

Petitioner: NTPC Ltd.

Respondents: Madhya Pradesh Power Trading Company Ltd. and 6 others

Parties present: Shri Ajay Dua, NTPC  
Shri Rohit Chabbra, NTPC  
Shri Deepak Paliwal, NTPC  
Shri Bhupinder, NTPC  
Shri Y.R.Dhingra, NTPC  
Shri S. K. Sharma, NTPC  
Shri Manoj Dubey, MPPMCL

**RECORD OF PROCEEDINGS**

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

(a) This petition has been filed under proviso to Regulation 6 (1) of the 2009 Tariff Regulations for revision of tariff allowed by an order dated 30.12.2011 in Petition No. 226/2009 in respect of Jhanor Gandhar Gas Power Station (the generating station), wherein the Commission had allowed expenditure on life extension of Gas Turbines (GTs). Due to revised phasing of expenditure based on awards placed, revision of tariff has been prayed for in this petition.

2. The representative of the respondent, MPPTCL submitted as under:-

(a) Reply in the matter has been filed.

(b) The projected additional capitalization claimed earlier for the years 2010-11 and 2011-12 were ₹177.92 and ₹260.00 lakh. However, in the revised Form-9 submitted in this petition, the actual capitalization for the said years is shown as 'nil'.

(c) The projected expenditure for the years 2012-13 and 2013-14 may not be allowed as no cogent reason has been submitted as to why the said expenditure not been incurred.

(d) The proposed additional capitalization for Air Inlet Cooling system for ₹7.95 crore during 2013-14 and 2014-15 may not be allowed as the same is not covered under Regulation 9(vi) of the 2009 Tariff Regulations.

(e) The prayer of the petitioner for depreciation claim beyond the tariff period may not be considered and recovery of depreciation may be restricted to the present tariff period.

(f) The prayer for recovery of unrecovered depreciation amounting to ₹69.42 crore in terms of the judgment of the Tribunal in Appeal No. 239/2006 is not correct, as the petition is for determination of tariff for 2009-14.

(g) There has been delay in the implementation of the R&M schemes by the petitioner and the respondents should not be made to suffer on account of the wrongful projection of R&M work. The cash flow problems faced by the respondents unduly get aggravated due to higher tariff being claimed and tariff being revised due to delay in implementation of schemes.

3. The representative of the petitioner clarified as under:

(a) The additional capital works have been allowed by the Commission by its order and only revision of tariff consequent upon change in the phasing of expenditure has been prayed for. The schemes/works have been awarded and the same is being undertaken.

(b) The scheme of the 2009 Tariff Regulations provide for claiming projected additional capital expenditure, subject to truing up and any under recovery/ excess tariff claimed is reimbursed/recovered with interest, as per regulations specified by the Commission.

(c) In order to have better competition and reduction in cost, R&M tender were issued to about 13 to 14 OEMs. Since none of them responded, the matter was taken up with the OEM. Since there was only one bidder, negotiations were held with the OEM for reduction of the cost and this took considerable time. Out of the total R&M work, the work of one GT and 40% work of 2<sup>nd</sup> GT would take place during the current tariff period and the balance work during the next tariff period.

(d) The depreciation availability upto 90% in the event of disincentive had been allowed by the Commission vide its order dated 21.7.2011 in Petition No. 80/2005 in the light of the judgment of the Tribunal dated 13.6.2007. As this issue has been decided, the Commission may indicate the same in the order to avoid ambiguity in future.

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

By order the Commission

Sd/-

(T. Rout)

Joint Chief (Law)