

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 196/GT/2013**

Subject: Determination of tariff of Chandrapura Thermal Power Station Units 7 & 8 (2x 250 MW) for the period from the date of commercial operation to 31.3.2014.

Date of hearing: **1.7.2014**

Coram: Shri. Gireesh B Pradhan, Chairperson  
Shri M.Deena Dayalan, Member  
Shri A.K.Singhal, Member

Petitioner: DVC

Respondents: Delhi Transco Ltd and MPPTCL

Parties present: Shri M.G.Ramachandran, Advocate, DVC  
Ms. Anushree Bardhan, Advocate, DVC  
Shri Amit Biswas, DVC  
Shri D.K.Aich, DVC  
Shri R.B.Sharma, Advocate, BRPL  
Ms. Megha Bajpeyi, BRPL

**Record of Proceedings**

The petitioner, DVC has filed this petition for determination of tariff of Chandrapura Thermal Power Station, Units 7 & 8 (2 x 250 MW) ('the generating station') for the period from the date of commercial operation till 31.3.2014, based on the CERC (Terms and Conditions of Tariff) Regulations, 2009 ('2009 Tariff Regulations').

2. During the hearing, the learned counsel for the petitioner submitted that all additional information as sought for by the Commission has been filed with copy to the respondents. He also submitted that though there has been time overrun in the completion of the project from the date of investment approval, there is no cost overrun since the price contract with M/s BHEL is firm, with no escalation clause. The learned counsel further submitted that though justification explaining the reasons for time overrun has been submitted, it may be given liberty to submit a comparative statement indicating details of time overrun and, the IDC involved for consideration of the Commission. Accordingly, the learned counsel prayed that tariff as claimed in the petition may be allowed.

3. The leaned counsel for the respondent, BRPL submitted as under:

- (a) The petitioner has not submitted the original project cost approved by DVC Board, but has only submitted the Revised Cost Estimate (RCE). Since IDC and FC form the major portion of the cost overrun of the project, the same can only be determined with reference to the original cost and not the RCE. IDC in the revised cost has been shown as ₹648 crore, whereas, IDC in the original project cost was ₹429 crore. Thus, there is an increase of ₹219 crore in IDC due to time overrun.
- (b) Since the statutory authority for audit of accounts in respect of the petitioner is the CAG, the audited certificate of Chartered Accountant can be submitted by the petitioner only after Commission's permission is sought for by the petitioner and granted by the Commission.
- (c) No PERT chart has been furnished by the petitioner explaining the delay of 57 months (Unit-7) and 51.5 months (Unit-8) respectively. Moreover, the reasons furnished by the petitioner as regards delay in the completion of the project does not fall under any of the clauses referred to in the judgment of the Appellate Tribunal for Electricity in Appeal No.72/2010 for consideration. Hence, the petitioner is responsible for the delay in completion of the project.
- (d) The petitioner has claimed Interest on loan capital under Section 38 of the DVC Act in addition to the normal Interest on loan. The Interest on loan capital claimed is not allowable since no loan capital has been provided by the participating governments. Depreciation claimed by the petitioner in terms of the provisions of Section 40 of the DVC Act and the Regulations specified by the Commission, amounts to double benefit, which is not permissible. Depreciation as specified under the 2009 Tariff Regulations may be considered.
- (e) Since separate allocation of funds are provided under the DVC Act towards Flood control and Irrigation, the expenditure related and incidental to power may only be considered for determination of tariff.
- (f) Commission may grant 10 days time to the respondent to file reply in the matter.

4. In response, the learned counsel for the petitioner clarified as under:

- (a) Only expenditure related and incidental to power has been claimed in the petition based on the judgment of the Appellate Tribunal for Electricity.
- (b) Audited statement certified by Chartered Accountant has been submitted in terms of the Regulations specified by the Commission.
- (c) The project cost was not revised after approval of the Board. Since RCE was approved prior to investment approval of the project, the same has been submitted. IDC claimed is ₹458 crore instead of ₹429 crore in the approved cost.

(d) Deprecation has been claimed in terms of the judgment of the Appellate Tribunal for Electricity, subject to the final outcome of the decision in the appeals filed by the Commission and pending before the Hon'ble Supreme Court.

(e) Liberty to file rejoinder to the reply of the respondent, BRPL may be granted.

5. The Commission after hearing the parties directed the petitioner to submit on affidavit, the details of the cost of new rotor included in the capital cost, the cost of damaged rotor with the clarification/confirmation whether the cost of damaged rotor has been taken out from capital cost along with a comparative chart giving details of IDC & IEDC involved in the project (with and without time overrun) with copy to the respondents, on or before 14.7.2014. The respondent, BRPL is directed to file its reply by 21.7.2014, with copy to the petitioner, who shall file its rejoinder by 28.7.2014.

6. Additional submissions, reply and rejoinder filed after the due date shall not be considered.

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

By Order of the Commission

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