

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 235/GT/2014

Subject : Revision of tariff of Bairasiul Hydro Electric Power Station from 1.4.2009 to 31.3.2014 after the truing up exercise and for approval of tariff of Bairasiul Hydro Electric Power Station for the period 2014-19.

Date of hearing : 28.11.2014

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

Petitioner : NHPC Limited

Respondents : Punjab State Power Corporation Ltd. & 5 Others

Parties present : Shri Piyush Kumar, NHPC
Shri A. K. Pandey, NHPC
Shri S.K. Meena, NHPC
Shri R.B. Sharma, Advocate, BRPL

Record of Proceedings

This petition has been filed by the petitioner, NHPC Limited for approval of tariff of Bairasiul Hydro Electric Power Station for the period 1.4.2009 to 31.3.2014 after truing up exercise in terms of Regulation 6 (1) of the 2009 Tariff Regulations and for determination of tariff for the period 2014-19 in terms of the provisions of the 2014 Tariff Regulations.

2. During the hearing, the representative for the petitioner made detailed submissions in the matter and prayed that tariff of the generating station may be revised for 2009-14 after truing-up and tariff for the period 2014-19 may be approved. The representative further submitted that additional information sought for by the Commission has been filed and copies have been served on the respondents. He however, prayed for grant of time to file rejoinder to the reply filed by respondent, BRPL.

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

- (i) The claim of the petitioner for additional capital expenditure under Regulation 9 (2) (iv) for the period 2012-13 and 2013-14 which had not been allowed earlier and which has been claimed now cannot be allowed.
- (ii) The petitioner has not de-capitalised the items which are in nature of minor asset or spares, etc. This de-capitalisation is required to be adjusted in the capital cost under Regulation 7 (1) (c) of the 2009 Tariff Regulations. The exclusion of the minor items from the Capital cost for the purpose of tariff may not be allowed.

- (iii) For the period 2014-19, the petitioner has claimed additional capitalization under Regulation 14 (3) (viii) of 2014 Tariff Regulations. Since, the generating station will be completing its useful life on 31.3.2017, the petitioner may be directed to claim additional capitalization under Regulation 15 of 2014 Tariff Regulations.
- (iv) Except for the spillover of additional capitalization for the period 2009-14, the balance additional capitalization may form part of the R & M expenses in the application to be filed under Regulation 15 of 2014 Tariff Regulations.

4. On a specific query by the Commission in reference to R & M expense, the representative of the petitioner clarified that the scheme for R & M has not been finalized. He however, submitted that the additional capitalization claimed in the petition would not be included into the R & M scheme.

5. The Commission after hearing the parties directed the petitioner to submit additional information, on affidavit, with advance copy to the respondents, on or before 15.12.2014 on the following:

- (i) Details of party-wise and component-wise un-discharged liabilities as on 31.3.2014 and as on 31st March of each year for the tariff period 2009-14 and 2014-19 (projected, if any);
- (ii) Details of assets not in use, if any;
- (iii) The realistic projection of the additional capital expenditure to be incurred during 2014-19 and revision of claim, if any, towards additional capital expenditure (projected) for 2014-19.
- (iv) Clarification as to whether the actual capital expenditure claimed for essential assets during 2014-19 form part of R&M proposal.

6. The above information shall be submitted within the due date mentioned above. The parties shall complete the pleadings before the said date. In case the information/ rejoinder is not filed within the said date, the matter shall be considered based on available records.

7. The Commission reserved its order in the petition.

By order of the Commission

-S/d-
(T. Rout)
Chief (Law)