

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 284/GT/2013

Subject: Petition Under Section 62 and 79 (1) (a) of the Electricity Act, 2003 read with Chapter-V of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for approval of revised tariff of Feroz Gandhi Unchahar Thermal Power Station, St-I (420 MW) for the period from 1.4.2009 to 31.3.2014 after the truing up exercise.

Date of Hearing: 29.5.2014

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

Petitioner: NTPC Ltd.

Respondents: Uttar Pradesh Power Corporation Ltd. & 12 others

Parties present: Shri Ajay Dua, NTPC
Shri A. S. Pandey, NTPC
Shri Neeraj Kumar, NTPC
Shri Shankar Saran, NTPC
Shri R. B. Sharma, Advocate, BRPL
Shri Padamjit Singh, PSPCL

RECORD OF PROCEEDINGS

This petition has been filed by the petitioner for revision of tariff of Feroz Gandhi Unchahar Thermal Power Station, St-I (420 MW) for the period from 1.4.2009 to 31.3.2014 after the truing up in terms of Regulation 6 of the 2009 Tariff Regulations.

2. During the hearing, the representative of the petitioner submitted as under:-

- (a) The tariff of the generating station for the period 2009-14 was determined by the Commission by order dated 29.5.2012 in Petition No. 221 of 2009.
- (b) The capital cost considered in this Petition is based on the admitted capital cost as on 31.3.2009 duly trued up for un-discharge liabilities if any as on 1.4.2009, and the actual capital expenditure (on cash basis) for the years 2009-10, 2010-11, 2011-12 and 2012-13. For the year 2013-14 the projected capital expenditure has been indicated based on the latest estimate and status of works. Audited certificate in respect of the years 2010-13 has also been submitted.
- (c) All additional information as sought for by the Commission has been filed and copies served on the respondents.
- (d) Time to file rejoinder to reply filed by the Respondent, BRPL on 19.5.2014 may be granted. Tariff of the generating station may be revised as prayed for in the petition.

3. The representative of the Respondent, PSPCL submitted as under:-

- (a) The petitioner may be directed to furnish the details of the GCV of coal as on fired basis/billed/as received for the purpose of computation of IWC. Also details as to whether the sampling was done automatically or manually or by any outside party shall be indicated by the petitioner.

- (b) Time may be granted to file reply in the matter.
4. The learned counsel for the Respondent, BRPL submitted as under:-
- (a) Reply has been filed in the matter and the same may be considered.
- (b) The details of capital expenditure including additional capital expenditure for the period 2009-13 duly audited and certified by auditors as per Regulation 6 (3) shall be submitted by the petitioner.
- (c) As regards additional capital expenditure claimed by the petitioner for the period 2009-10 and 2010-11 somehow the expenditure is not permissible under Regulation 9(2) of the 2009 Tariff Regulations. The petitioner is already availing compensation allowance to meet the expenses of new assets of capital nature including in the nature of minor assets to meet the expenses of the nature mentioned therein.
- (d) As regards the actual capital expenditure for purchase of new locomotive under replacement, the same cannot be permitted to be capitalized without including the corresponding de-capitalization.
- (e) Some of the items projected for capitalization during the year 2013-14 under Regulations 9 (2) (iii), 9 (2) (vii) cannot be allowed since it is evident that the said works are for renovation and the petitioner is already availing compensation allowance to meet the expenses of assets of such nature.
- (f) The actual profit from the generating station is higher than the regulated profit allowed by the Commission in the form of return on equity which is attributable to the liberal norms during the 2009-14 tariff period.
5. In response to above, the representative of the petitioner clarified as under:-
- (a) The information as regards GCV of coal has been submitted in terms of the formats specified by the Commission under the 2009 Tariff Regulations.
- (b) Additional capital expenditure has been claimed in terms of the provisions of the Regulation 9 (2) of the 2009 Tariff Regulations and proper justification for the same has also been submitted for consideration of the Commission.
- (c) Time to file rejoinder to the reply of BRPL and PSPCL may be granted.
6. The Commission after hearing the parties directed the Respondent PSPCL to file its reply within 9.6.2014 with copy to the petitioner. The petitioner shall file its rejoinder to the replies of Respondent PSPCL and BRPL by 16.6.2014.
7. Subject to the above, order in the petition was reserved.

By order of the Commission

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