

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 20/RP/2014

in

Petition No. 139/GT2013

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

Date of Hearing: 24.7.2014

Date of Order: 4.8.2014

In the matter of

Review of Order dated 15.5.2014 in Petition No.139/GT/2013 revising the tariff of Anta Gas Power Station, (419.33 MW) for the period from 1.4.2009 to 31.3.2014.

And in the matter of

NTPC Ltd.
NTPC Bhawan,
Core-7, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003

...Petitioner

Vs

1. Uttar Pradesh Power Corporation Ltd.
Shakti Bhawan,
14, Ashoka Road,
Lucknow – 226001
2. Ajmer Vidyut Vitran Nigam Ltd.
Old Power House, Hathi Bhsata,
Jaipur Road, Ajmer
3. Jaipur Vidyut Vitran Nigam Ltd.
Vidyut Bhawan, Janpath,
Jaipur – 302005
4. Jodhpur Vidyut Vitran Nigam Ltd.
New Power house, Industrial Area, Jodhpur
5. Tata Power Delhi Distribution Ltd.
33 kV Sub-station, Hudson Lines,
Kingsway Camp, Delhi – 110009
6. BSES Rajdhani Power Ltd.
2nd Floor, B Block, Nehru Place,
New Delhi 110019

7. BSES Yamuna Power Ltd.
Shakti Kiran Building, Karkardooma, Delhi – 110092

8. Punjab State Power Corporation Ltd.
The Mall, Patiala – 147001

9. Haryana Power Purchase Centre,
Shakti Bhawan, Sector VI,
Panchkula - 134019

10. Himachal Pradesh State Electricity Board Ltd,
Vidyut Bhawan,
Shimla – 171004

11. Power Development Department (J&K),
Government of J&K,
Mini Secretariat, Jammu

12. Power Department,
Union Territory of Chandigarh,
Additional Office Building, Sector 9D,
Chandigarh

13. Utrakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road,
Dehradun- 248001

... Respondents

Parties present:

Shri Ajay Dua, NTPC
Shri A.S.Pandey, NTPC
Shri S.K.Jain, NTPC
Shri A.K.Srivastava, NTPC

INTERIM ORDER

This application has been made by the petitioner, NTPC Ltd, for review of order dated 15.5.2014 in Petition No. 139/GT/2013 whereby the Commission had revised the tariff of Anta Gas Power Station, (419.33 MW) (hereinafter "the generating station") for the period from 1.4.2009 to 31.3.2014, in terms of the proviso to Regulation 6(1) of the 2009 Tariff Regulations.

2. Aggrieved by the said order, the petitioner has sought review of the said order dated 15.5.2014 on the ground of error apparent on the face of the order, raising the following issues:

- (i) *Disallowance of capitalization for Gas Turbine Inlet Air Cooling System;*
- (ii) *Disallowance of capital expenditure on Energy Management System;*
- (iii) *Disallowance of exclusion of reversal of liability on account of adjustment made to the expenditure of additional reservoir;*
- (iv) *Error in the computation of cumulative depreciation for the year 2011-12.*

3. Heard the representative of the petitioner on 'admission'. Review Petition is admitted on the issues raised in para 2(i) and (iii) above. As regards the issue raised in para 2(iv) above, the same shall be rectified at the time of passing final order in this petition. As regards the issue raised in para 2(ii) above, the same has been disallowed for the reasons stated in the subsequent paragraphs.

Disallowance of capital expenditure on Energy Management System

4. The Commission in its order dated 15.5.2014 had disallowed the capitalisation of an expenditure of ₹10.26 lakh claimed by NTPC towards Energy Management System during 2010-11 on the ground that the benefit of reduction in auxiliary power consumption is not passed on to the beneficiaries during 2009-14. It also held that a similar view was taken in respect of Auraya GPS also and capitalization of the said item was disallowed.

5. NTPC has submitted that the reason for rejection of the said expenditure on the ground that the benefit of installing the Energy Management System is not being passed on the beneficiaries is beyond the scope of Regulation 9(2)(vi) of the 2009 Tariff Regulations. NTPC has also submitted that the said system was required to be installed on account of the statutory mandate including the energy efficiency guidelines issued by the Bureau of Energy Efficiency in the light of Energy Conservation Act and also as per CEA (Installation and Operation of Meters) Regulations 2006. Accordingly it has prayed that the expenditure may be allowed in terms of Regulation 9(2)(ii) of the 2009 Tariff Regulations.

6. We have examined the matter. The Commission by a conscious decision had disallowed the capitalisation of this asset on the ground that the reduction in auxiliary consumption is not passed on to the beneficiaries. In addition to the additional capital expenditure being passed on the respondents, the benefit of reduction in auxiliary consumption, which is based on norms, cannot be permitted to be availed of NTPC, as it amounts to double benefit. It is further noticed that the claim of NTPC towards Energy Monitoring System in respect of Talcher STPS-II generating station for the period 2009-14 was disallowed by the Commission vide order dated 28.5.2013 in Petition No. 269/2009 on the same grounds as aforesaid. On an appeal filed by NTPC before the Appellate Tribunal against this decision, the Tribunal by its judgment dated 8.5.2014 in Appeal No.173/2013 had affirmed the findings of the Commission on this issue. In view of this, we find no reason to review the order on this ground. Accordingly, review on this count is rejected.

7. The petitioner is directed to serve a copy of the application for review, along with this order, on the respondents, latest by 11.8.2014. The respondents shall file their replies by 25.8.2014, with advance copy to the petitioner, who may file its rejoinder, if any, by 5.9.2014.

8. The petitioner is also directed to submit on affidavit, the details of the increase in capacity and the improvement in Heat Rate/efficiency of the gas station on account of installation of GT Air Inlet Cooling System by 5.9.2014. No further extension of time shall be granted for filing of additional information/replies and /or rejoinder. Matter shall be listed for final hearing on 11.9.2014.

Sd/-
[A.K.Singhal]
Member

Sd/-
[M. Deena Dayalan]
Member

Sd/-
[Gireesh B.Pradhan]
Chairperson