

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 277/GT/2014

Subject : Petition for determination of tariff of Vallur Thermal Power Project (3x500 MW) for the period from 1.4.2014 to 31.3.2019.

Date of Hearing : 26.3.2015

Coram : Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member

Petitioner : NTPC-Tamil Nadu Energy Company Limited (NTECL)

Respondents : APTRANSCO & 13 others

Parties present : Ms. Poorva Saigal, Advocate, NTECL
Shri P. Satish Kumar, NTECL
Shri S. Vallinayagam, Advocate, TANGEDCO

Record of Proceedings

This petition has been filed by the petitioner, NTECL for approval of tariff of Vallur Thermal Power Project (3x500 MW) (“the generating station”) for the period from 1.4.2014 to 31.3.2019, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (“the 2014 Tariff Regulations”).

2. During the hearing, the learned counsel for the petitioner prayed for grant of two weeks time to file rejoinder to the reply filed by respondent, KSEB.

3. The learned counsel for the respondent, TANGEDCO submitted that reply to the petition has been filed. He, however, did not object to the grant of time to the petitioner to file rejoinder.

4. The Commission accepted the prayer of the learned counsel for the petitioner and granted time to file rejoinder. The Commission directed the petitioner to submit on affidavit, additional information on the following, on or before 15.4.2015, with advance copy to the respondents:

(i) Actual capital cost as on COD of Unit-III duly audited and certified by the Auditor, giving details of deferred works/liabilities as on COD of the generating station;

(ii) Revised tariff filling forms considering the actual COD of the generating station;

(iii) Detailed justification of time overrun of 26 months for Unit-III from the scheduled COD. The reasons for delay shall be explained with PERT chart giving details of working days / months lost with relevant documentary evidence, wherever necessary. Measures taken by NTECL as regards reduction of the delays/ problems faced during execution of the project, shall be supported by documents/ correspondence exchanged between the parties/ agencies;

- (iv) Capital spares in Form-17 along with the details of consumption of capital spares for last 2 years i.e. 2012-13 to 2013-14 and the list of spares consumed;
- (v) Details of coal transportation systems for the power station, along with:
 - a) Copy of coal transportation agreement with shipping company(ies);
 - b) Details of insurance coverage, if any, insuring coal quantity and GCV of coal during transportation through route.
- (vi) NTECL has considered GCV of coal for the months of January, February and March 2014 based on as fired GCV of coal for computation of fuel component in working capital. NTECL shall furnish GCV of coal on "as received" basis at loading port and at the unloading port for the month of January, February and March 2014;
- (vii) Actual energy consumption of each units/ generating station, from the date of CODs;
- (viii) Revised Form-9A with justification for each work and the deferred works under original scope of work along with documents indicating the approval of the competent authority for the projected additional capital claimed along with delegation of power;
- (ix) Details of initial spares capitalized up to the COD of the generating station;
- (x) Auditor's certificate in respect to infirm power adjusted till COD of each Unit along with a certificate that no adjustment has been made in books (after COD) by way of prior period adjustments in respect of infirm power;
- (xi) Effective tax rate needs to be computed in accordance with Regulation 25 of the 2014 Tariff Regulations. The petitioner has claimed the effective tax rate of 33.99% for each year of the tariff period. The petitioner is directed to furnish the workings in respect of effective tax rate of 33.99% along with tax audit report for financial year 2013-14. The petitioner is further directed to submit the details of deferred tax liability and its treatment in the books of accounts for the period 2014-19;
- (xii) Statement of capital expenditure, on cash basis, or balance sheet on COD of Unit-III, duly certified by the auditor;
- (xiii) Station balance sheet as on COD;
- (xiv) Statement of Un-discharged liabilities and Gross Block, duly certified by the auditor;
- (xv) Last Audited Balance Sheet of the generating station;
- (xvi) Soft copy (formula based) of the Interest/ IDC/ Notional IDC calculations;
- (xvii) Detailed original scope of work.

5. Matter shall be listed for final hearing on 14.5.2015. Meanwhile, the parties are directed to complete the pleadings in the matter prior to the date of hearing.

By Order of the Commission

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