

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 285/GT/2014

Subject : Approval of tariff for Auraiya Gas Power Station (663.36 MW) for the period 2014-19.

Date of hearing : **8.10.2015**

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

Petitioner : NTPC

Respondents : Uttar Pradesh Power Corp. Ltd. (UPPCL) & 12 Others

Parties present : Shri. Ajay Dua, NTPC
Shri. S.K Jain, NTPC
Shri A.K Bisht, NTPC
Shri. T. Vinodh Kumar, NTPC
Shri. Rajeev Choudhary, NTPC
Shri R.B. Sharma, Advocate, BRPL
Shri. Pradeep Misra, Avocate, Rajasthan Discoms
Shri. Manish Garg, UPPCL

Record of Proceedings

This petition has been filed by the petitioner, NTPC for approval of tariff of Auraiya Gas Power Station 663.36 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 representative of the petitioner made detailed submissions in the matter and accordingly, prayed for grant of tariff in terms of 2014 Tariff Regulations. He however, prayed grant of time to file rejoinder to the reply filed by respondent, BRPL.

3. The representative for respondent, UPPCL mainly submitted as under:

- (i) Water consumption needs to be determined on normative basis based on designed capacity less reduction on various water conversation measures. The contention of the petitioner that water charges shall be allowed on actuals may be rejected. While rate is determined by State government and hence an uncontrollable factor, quantity of water consumed is based on designed capacity of the plant and hence, a controllable factor.



- (ii) The petitioner may be directed to submit statement of computation of effective tax rate.
- (iii) The petitioner has failed to make adjustments for capital spares forming part of normative O&M norms and decapitalization.
- (iv) The judgment of the Tribunal in respect of Kawas GPS cannot be applied to this case, as the appeal in respect of this station is pending and the respondent is not a party in the said appeal.
- (v) Since expenditure towards R&M is to be capitalised during the fag end of useful life, the Commission may consider as to the provisions of Regulation 15 (3) & (4) would be applicable.
- (vi) Reply filed in the matter may be considered.

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

- (i) The Appeal No. 250 of 2013 filed by the petitioner against the Commission's order dated 6.8.2013 in Petition No. 28/GT/2013 (Tariff of Auraiya) and the same has been dismissed by the Tribunal.
- (ii) The petitioner has not filed any technical justification duly supported by documentary evidence like test results carried out by an independent agency in case of deterioration of assets, as mentioned under Regulation 14 (vii) of the 2014 Tariff Regulations.
- (iii) The projected total additional capital expenditure towards effluent disposal monitoring system etc. on account of Change in law cannot be permitted since the direction of UP Pollution Control Board were to be completed by the petitioner by March, 2015. Moreover, this letter is a routine letter calling for a compliance report.
- (iv) The claim of the petitioner under Regulation 14 (3) (iii) cannot be permitted since no documentary evidence indicating the advice or directions from the appropriate government agencies or statutory authorities responsible for national security/ internal security has been submitted by the petitioner.
- (v) The actual tax paid by the petitioner instead of normative basis may be considered.

5. The Commission after hearing the parties directed the petitioner to file additional information on affidavit, by 30.10.2015, with advance copy to the respondents on the following:

- (i) Documentary evidence justifying the claim for projected additional capital expenditure under Regulation 14 (3) (ii) and Regulation 14 (3) (iii).



- (ii) Approval of the Board of Directors of the Petitioner's company or any other Competent authority, along with delegation of powers for the projected additional capital expenditure claimed.
- (iii) The actual water consumption for last 5 years for the period from 2009 to 2014 along with relevant notification, in support of the claim for water charges.
- (iv) The details of consumption of capital spares for the last 5 years from 2009 to 2014 along with list of spares consumed. Any abnormal variation (on year to year basis), if any, shall also be indicated with reasons.
- (v) Certificate to the effect that all assets of the gross block as on 1.4.2014 are in service. In case any asset has been taken out from service, the same should be indicated along with the date of putting the asset in use, the date of taking out the asset from service, along with the depreciation recovered.
- (vi) Copy of Income Tax Return for the year 2014-15.
- (vii) Reconciliation of effective tax rate claimed for the year 2014-15 with the books of accounts and Income tax return for the corresponding year.

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

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

By Order of the Commission

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

