

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 315/GT/2014**

Subject : Revision of tariff of Singrauli Super Thermal Power Station (2000 MW) for the period from 1.4.2009 to 31.3.2014-Truing up of tariff determined by order dated 15.5.2014 in Petition No.188/GT/2013.

Date of hearing : **27.2.2015**

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

Petitioner : NTPC Limited

Respondents : Uttar Pradesh Power Corporation Limited & 12 Ors.

Parties present : Shri M.G.Ramachandran, Advocate, NTPC  
Ms. Ranjitha Ramachandran, Advocate, NTPC  
Shri Ajay Dua, NTPC  
Shri Bhupinder Kumar, NTPC  
Shri Neeraj Kumar, NTPC  
Shri Vivek Kumar, NTPC  
Shri Nishant Gupta, NTPC  
Shri Manish Garg, UPPCL  
Shri R. B. Sharma, Advocate, BRPL

**Record of Proceedings**

This petition has been filed by the petitioner, NTPC for revision of tariff of Singrauli STPS (2000 MW) (the generating station) for the period from 1.4.2009 to 31.3.2014 after truing-up exercise in accordance with Regulation 6(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (the 2009 Tariff Regulations).

2. During the hearing, the representative of the petitioner made detailed submissions in the matter and prayed that tariff of the generating station may be revised for the period 2009-14 based on the admitted capital cost as on 31.3.2009 (after adjustment of un-discharged liabilities as on 1.4.2009) and the actual capital expenditure (on cash basis) incurred during the years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14. He also submitted that additional information as sought for by the Commission has been filed and copy served on the respondents. The representative of the petitioner further submitted that rejoinder to the reply filed by the respondent UPPCL has been filed.

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

- (a) The expenditure for ₹190.34 lakh claimed towards ash dyke sub lagooning civil work for 2012-13 under Regulation 9(2)(iii) cannot be considered as 'deferred works' within the original scope of work. The need for this work is due to higher generation than originally envisaged and is therefore not permissible. In case the said expenditure is considered under "Power to

relax”, then the Commission may disallow the *prorated* expenditure of ₹95.17 lakh pertaining to Units I to V, as the petitioner has claimed Special allowance for these units.

(b) The Commission in its order dated 7.8.2012 in Petition No. 225/2009 (*tariff of Singrauli STPS for 2009-14*) had disallowed the expenditure towards Ash pond and Ash handling system for 2009-13 on the ground that the said expenditure is required to be met from the Special Allowance admissible to the generating station towards R&M and life extension of the units/generating station.

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

(a) The capital cost as admitted by order dated 15.5.2014 in Petition No.188/GT/2013 shall only be claimed in Form-5 of the petition.

(b) The actual tax rate paid against this generating is to be furnished in respect of return on equity as per proviso under Regulation 15(3) of the 2009 Tariff Regulations.

(c) The petitioner may be directed to furnish the list of assets forming part of the project, but not in use as the same is required to be taken out of the capital cost for determination of tariff in accordance with the proviso to Regulation 7(1)(c) of the 2009 Tariff Regulations.

(d) The entire expenditure claimed by the petitioner towards de-capitalization of spares and de-capitalization of MBOA items for the years 2012-13 and 2013-14 under exclusion category is against the provisions of Regulation 7(1)(c) of the 2009 Tariff Regulations. The Appropriate Commission does not have the power to add, substitute or amend any provisions of the regulations (*observations of APTEL in judgment dated 1.7.2014 in GRIDCO-v-M/s Bhushan Power & Steel Ltd referred to*)

(e) As against the de-capitalized amount of ₹596.78 lakh not allowed under exclusions, the Commission in its order dated 15.5.2014 in Petition No.188/GT/2013 had excluded only ₹516.32 lakh. This needs to be clarified by the petitioner.

(f) The additional capital expenditure for ₹190.34 lakh, which was not approved in order dated 15.5.2014 has been claimed for 2012-13 towards ash dyke sub lagooning civil work under Regulation 9(2)(iii)-Deferred works. Since the petitioner has opted for Special allowance under provisions of Regulation 10(4) of the 2009 Tariff Regulations for R&M and life extension of units (except Unit-VII) which shall become eligible for 2013-14 and since there would be no deferred works within the original scope of works after completion of useful life of 25 years, the claim of the petitioner may be rejected.

(g) The claim of the petitioner for projected additional expenditure of ₹206.61 lakh during 2013-14 towards creation of infrastructure for supply of power within the 5 km radius of power station may be considered under the head-“Corporate Social Responsibility”. Also, the petitioner has claimed Special Allowance and hence no expenditure may be allowed under Regulation 9(2)(ix) of the 2009 Tariff Regulations.

(h) Reply filed in the petition may be considered.

5. In response to the above, the representative of the petitioner mainly clarified as under:

(a) Time to file detailed rejoinder to the reply of the respondent, BRPL may be granted.

(b) Ash related expenditure is required from time to time for the generating station and is not covered under R&M. The Special allowance granted under the provisions of Regulation 10(4) of the 2009 Tariff Regulations is not sufficient to meet all expenditure including ash related expenditure. Moreover, the provisions of Regulation 9(2) and Regulation 10 of the 2009 Tariff Regulations are independent of each other. Accordingly, the ash related expenditure would be covered under Regulation 9(2)(iii) of the 2009 Tariff Regulations.

(c) The claim of the petitioner towards the creation of infrastructure for supply of power within the 5 km radius of power station may be allowed under Regulation 9(2)(ix) of the 2009 Tariff Regulations since the infrastructure created under the said scheme has been handed over to the respondent, UPPCL. Certificate to this effect as received from the concerned official of UPPCL has been enclosed.

6. On a specific query by the Commission as to whether the concerned official (Junior Engineer) of the respondent, UPPCL has been authorized to issue the certificate regarding taking over the assets created by NTPC under the 5 km scheme, the representative of the respondent, UPPCL prayed for time to seek instructions.

7. The Commission accepted the prayer and granted time to the respondent UPPCL to certify on affidavit that the said official of UPPCL was authorized to take possession of the assets from NTPC under the 5 km scheme. The Commission also granted time to the petitioner to file its rejoinder to the reply of the respondent, BRPL. These documents shall be filed by the parties, with copies to the other, on or before **20.3.2015**.

8. Subject to the above, order in the petition was reserved.

By Order of the Commission

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