

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 76/MP/2015

Subject : Petition under Regulation 15 (1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for approval of Renovation and Modernization proposal in respect of Bairasiul Power Station.

Date of hearing : 23.7.2015

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

Petitioner : NHPC Limited

Respondents : Punjab State Power Corporation and others.

Parties present : Ms. Shubhalakshmi Gupta, NHPC Limited
Shri Parag Saxena, NHPC Limited
Shri S.K. Mishra, NHPC Limited
Shri Dhanush C.K., NHPC Limited
Shri R.B. Sharma, Advocate, BRPL

Record of Proceedings

The representative of the petitioner submitted that as per the Commission's direction dated 9.6.2015, copy of the petition and all required information have been sent to the Central Electricity Authority (CEA). She further submitted that the petitioner has received some queries from CEA which are being replied.

2. Learned counsel for BSES Rajdhani Power Limited (BRPL) submitted that reply to the petition has already filed on 22.7.2015. He further submitted as under:

(a) Since the proposal of Renovation and Modernization in respect of Bairasiul Power Station is yet to be considered by the Ministry of Power, the petition is premature at this stage.

(b) The petitioner has compared the additional infusion of capital vis-à-vis the new hydro electric plant of the same size which is misleading and misconceived. The cost benefit analysis on R&M proposals is carried out on the basis of the capital infused on R&M proposal vis-a-vis no capitalization. Accordingly, the petitioner is required to furnish the benefits accrued to the beneficiaries by

infusion of ₹ 360.79 crore, besides the increase in the economic life of the generating station by 25 years.

(c) The generating station is capable of operating beyond its economic life (35 years) as the hydro generating stations have been continuously getting capital infusion under the additional capitalization year after year. However, if the petitioner wishes to take advantage of completing the useful life of 35 years, then the obvious question would be that just after completion of the useful life, the capital base of such plant should be 10% of its capital base. Therefore, the new capital base of the generating station on conclusion of the R&M proposed should be 10% of the original project cost base plus the capital infusion amounting ₹ 360.79 crore on account of R&M proposals.

(d) The petitioner has claimed revised hydrology pattern in the catchment area of Bairasiul Power station on the basis of the power station achieving the design energy of 779 MUs only 9 times during the last 32 years. It is noted from the CEA website that the generating station has generated 796.67 MU in 2014-15 which is more than the design energy of 779 MU.

(e) The petitioner is having a figure of accumulated depreciation till date which includes depreciation on original capital cost and depreciation on additional capitalization. Since these figures cannot be bifurcated, the petitioner has suggested some way out of its problem by replacing the 'original project cost' by 'admitted project cost' which is not legally acceptable.

3. After hearing the representative of the petitioner and learned counsel for BRPL, the Commission directed CEA to look into hydrology aspects and submit its report as early as possible. The Commission further directed the petitioner to file rejoinder to the reply of BRPL by 14.8.2015 with an advance copy to respondents.

4. The Commission directed to list the petition for hearing after receiving the report from CEA.

By order of the Commission

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