

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 293/GT/2014

Subject : Approval of tariff of Talcher Super Thermal Power Station (2000 MW) Stage- II for the period from 1.4.2014 to 31.3.2019.

Date of hearing : **24.5.2016**

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

Petitioner : NTPC

Respondents : APEPDC & 12 others

Parties present : Shri Ajay Dua, NTPC
Shri Bhupinder Kumar, NTPC
Shri Rajeev Choudhary, NTPC
Shri B.S. Rajput, NTPC
Shri Rohit Chhabra, NTPC
Shri Sameer Aggarwal, NTPC
Shri Nishant Gupta, NTPC
Shri T. Vinod Kumar, NTPC
Shri R. B. Sharma, Advocate, GRIDCO
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri Jayaprakash, TANGEDCO

Record of Proceedings

This petition has been filed by the petitioner, NTPC for approval of tariff of Talcher Super Thermal Power Station (2000 MW) Stage- II for the period from 1.4.2014 to 31.3.2019 in terms of the 2014 Tariff Regulations.

2. During the hearing, the representative for the petitioner made detailed submissions in the matter and submitted that the additional information sought by the Commission has been filed and copies served on the respondents. Accordingly, he prayed that tariff of the generating station may be approved as claimed in the petition.

3. The learned counsel for the respondent, TANGEDCO mainly submitted as under:

- (i) Additional capital expenditure claimed towards Ash pond/ Ash Handling system may not be allowed since the petitioner has not provided the details of expenditure and completion of works;
- (ii) The claim towards replacement of MS pipes with Cast basal pipelines and associated works in the year 2015-16 and 2016-17 may not be allowed under Regulation 14 of the 2014 Tariff Regulations, as the same may be met out from the O&M expenses and compensation allowance under the said Regulations;
- (iii) Reply filed in the matter may be considered.



4. The learned counsel for the respondent, GRIDCO mainly submitted as under:
- (i) The petitioner has not filed necessary documents in support of the claim made towards additional capital expenditure under Regulation 14 of the 2014 Tariff Regulations;
 - (ii) Reply filed in the matter may be considered.
5. The Commission after hearing the parties directed the petitioner to file the following additional information on affidavit, by 24.6.2016, with advance copy to the respondents as under:
- (i) With regard to additional capital expenditure of ₹307.15 crore in 2014-19 towards works related to Ash Pond following details shall be furnished:
 - (a) Estimated amount approved for Ash Handling system in original scope of work as approved by the Board in the investment approval.
 - (b) The actual expenditure incurred as on COD of the generating station and from COD to 31.3.2014, in the Ash Handling system.
 - (c) Detailed break-up of the activities proposed to be implemented during 2014-19 along with the cost incurred/to be incurred for each work under the Ash Pond/Ash Handling Works with specific justification for undertaking these works.
 - (d) Basis of projected estimation of ₹307.15 crore under Ash pond/ Ash handling system.
 - (e) Whether these enhancement of ash handling system would cater the need of Talcher-I also?
 - (f) Details of work done with the actual expenditure of ₹116 crore allowed towards ash handling system by the Commission during 2009-14.
 - (g) Revenue generated from sale of Ash since COD to 31.3.2014, along with the details of mode of Ash utilization.
 - (ii) Furnish the following details with respect to replacement of existing slurry MS pipelines with Cast Basalt pipelines:
 - (a) Justify that the expenditure of ₹38.26 crore on replacement of MS pipes by cast basalt pipe is a requirement due to change in law along with documentary evidence.
 - (b) Details of action plan along with the calculation of cost involved for the replacement of MS pipes with cast basalt pipelines and associated works.
 - (c) Original Gross Block of MS pipes.
 - (d) The head wise details of expenditure of ₹18.76 crore during 2013-14 as allowed by the Commission.
 - (iii) Furnish the following justification/ clarification towards expenditure incurred with respect to up-gradation of ESP-II for the period 2009-14:
 - (a) Detailed breakup of proposed expenditure of ₹112.50 Cr during 2014-19, along with basis of estimation of expenditure.



- (b) The emission level in the station and expected emission level after up gradation of ESP.
 - (c) The progress report submitted to the Pollution board as per direction of State Pollution Control Board, Orissa vide letter dated 12.7.2011.
- (iv) As per the MOEF gazette amended notification dated 3.11.2009, 100% utilization of fly ash has to be achieved by November 2014 and expenditure of ₹100 crore claimed towards Dry Ash Transportation system during 2018-19. In view of above, furnish the following details/justification along with documentary evidence wherever applicable:
- (a) Detailed breakup of activities along with action plan.
 - (b) Whether there is any existing Dry Ash Transportation system. If not, why there is so much delay since COD of the station? The petitioner may also submit the reason for not installing the Dry Ash Transportation system at commissioning stage itself.
 - (c) How this work of Dry Ash Transportation system is a change in law.
- (v) Certificate from Board of Director's for the expenditures claimed during 2014-19.
- (vi) Letter of the State Pollution Control Board, Orissa (OSPCB) dated 12.7.2011 is based on the action plan submitted by the petitioner. In this regard justify as to how the direction given by the OSPCB, based on the action plan submitted is a Change in Law along with the copy of the action plan submitted to the OSPCB.
- (vii) Details in respect of water charges such as contracted quantum of water and allocated quantity, actual annual water consumption for last 5 years, rate of water charges, copy of notification of water charges, actual water charges paid duly certified by the auditor, justification for variation in allocated quantity of water vis-a-vis actual consumption, type of cooling water system etc. as applicable
- (viii) Details of consumption of capital spares for last 5 years i.e. 2009-10 to 2013-14 and provide list of spares consumed as per Form-17.

6. The Commission directed the respondents to file their replies on or before 4.7.2016, with advance copy to the petitioner, who shall file its rejoinder by 11.7.2016. The Commission further observed that no extension of time shall be granted for any reason whatsoever. In case the additional information/ reply/ rejoinder is not filed within the said date, the matter shall be decided as per the available records.

7. Subject to the above, order in the petitions were reserved.

By Order of the Commission

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

