

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 294/GT/2014

Subject : Determination of tariff for Simhadri Super Thermal Power Station Stage II (1000 MW) for the period 2014-19.

Petitioner : NTPC

Respondents : AP Eastern Power Distribution Company Limited & 11 Others

Date of hearing : **5.1.2016**

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

Parties present : Shri Ajay Dua, NTPC
Shri U.S. Mohanty, NTPC
Ms. Patanjali Dixit, NTPC
Shri B.S. Rajput, NTPC
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri Jayaprakash R., TANGEDCO

Record of Proceedings

This petition has been filed for determination of tariff for Simhadri Super Thermal Power Station Stage II (1000 MW) ('generating station') for the period 2014-19 in terms of the provisions of the 2014 Tariff Regulations

2. During the hearing the representative appearing on behalf of the petitioner submitted that the additional information as sought for by the Commission has been filed and copies have been served on the respondents and rejoinder to the replies filed by respondents KSEB and TANGEDCO have been filed. The tariff of the generating station may be allowed based on the admitted capital cost upto 31.3.2014 and capital expenditure claimed on projected basis. He further submitted that the delay in completion of work is on account of natural calamity and was beyond the control of the petitioner. Relaxation of the cut-off date beyond 31.3.2015 as prayed for in the petition may be allowed.

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

- (i) The petitioner has claimed water charges for the period 2014-19 in O&M expenditure. Regulation 29 (3) of the 2014 Tariff Regulations does not provide for inclusion of water charges in O&M expenses. Accordingly, the claim of the petitioner for inclusion of water charges in O&M expenses may not be permitted.
- (ii) The expenditure towards inclusion of revision of salary/ wages in O&M expenses may not be allowed as it would result in huge burden on the beneficiaries of the generating station.
- (iii) The relaxation of cut-off date prayed for by the petitioner may not be permitted as the same is beyond the scope of the 2014 Tariff Regulations. Moreover, there is no justification on merits to permit the relaxation of cut-off date of the generating station.
- (iv) Reply filed in the matter may be considered.



4. In response to the above, the representative of the petitioner clarified as under:
- (i) The water charges for the year 2014-15 form part of O&M expenses and has been projected based on the actual expenditure incurred in 2013-14. Further the expenditure on account of water charges are continuous in nature and hence, will be incurred under the O&M Expenses.
 - (ii) The revision of salary/ wages is due from 1.1.2017 and therefore, enhancement of O&M expenses with effect from 1.1.2017.
 - (iii) Rejoinder filed in the matter may be considered.
5. The Commission after hearing the parties reserved its order in the petition.

By Order of the Commission

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

