

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 316/GT/2014

Subject : Approval of tariff of Farakka Super Thermal Power Station Stage – I & II (1600 MW) for the period from 1.4.2014 to 31.3.2019.

Date of hearing : **14.6.2016**

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

Petitioner : NTPC

Respondents : WBSEDCL and 16 others

Parties present : Shri Ajay Dua, NTPC
Shri Nishant Gupta, NTPC
Shri T. Vinod Kumar, NTPC
Shri Bhupinder Kumar, NTPC
Shri Rajeev Choudhary, NTPC
Shri Manoj Kumar Sharma, NTPC
Shri R. B. Sharma, Advocate, BRPL, BSEB & GRIDCO
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri Manoj Kumar Sharma, Advocate, Rajasthan discoms
Shri Pradeep Misra, Advocate, Rajasthan discoms
Ms. Vasudha Sen, Advocate, TPDDL
Shri Pushkar Taimni, Advocate, TPDDL
Shri Manish Garg, UPPCL & BYPL
Shri Madhusudan Sahoo, GRIDCO
Shri S.R. Sarangi, GRIDCO
Shri Shekhar Sakhani, BYPL
Shri Sameer Singh, BYPL
Shri Kanishk, BRPL

Record of Proceedings

This petition has been filed by the petitioner, NTPC for approval of tariff of of Farakka Super Thermal Power Station Stage – I & II (1600 MW) (generating station) 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 for by the Commission has been filed and copies served on the respondents. The representative submitted that rejoinder to the reply filed by the respondent, UPPCL has been filed. He however prayed for grant of time to file its rejoinder to the reply filed by the respondent BYPL. Accordingly, he prayed that tariff of the generating station may be approved as claimed in the petition.

3. In response, the representative for the respondent, UPPCL mainly submitted as under:-

- (i) The claim towards expenditure on 4th raising of Nishindra Ash Dyke I&II replacement of PGB coolers by PHE may not be allowed as there is a significant impact on the



depreciation and consequently in tariff. Moreover, no justification has been furnished by the petitioner.

- (ii) The prorated capital expenditure on various stages/ units and the direct expenditure pertaining to Units-I, II & III may be met from the Special allowance allowed to the generating station.
- (iii) Reply filed in the matter may be considered.

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

- (i) The projected additional capital expenditure claimed under Regulation 14 (3) (ii) of the 2014 Tariff Regulations towards inert gas fire extinguishing system for the generating station may not be allowed as the same may be met from Special Allowance.
- (ii) Similarly, the projected additional capital expenditure claimed under Regulation 14 (3) (iv) of the 2014 Tariff Regulations towards inert gas fire extinguishing system for the generating station may not be allowed as the same may be met from Special Allowance.
- (iii) The petitioner may be directed to submit documents with regard to energy consumed for supply of power to housing colony and other facilities at the generating station
- (iv) Reply filed in the petition may be considered.

5. The learned counsel for respondent, TANGEDCO mainly submitted that the projected additional capital expenditure of ₹4941.9 lakh claimed in 2014-15 towards replacement of wooden and cast iron sleepers of MGR under Regulation 14 (3) (ii) & (iii) of the 2014 Tariff Regulations may not be allowed. He also submitted that the generating station has completed 19 years of service as on 1.4.2014 and no life extension program is planned and the beneficiaries should not be burdened with the expenditure without providing any benefit. He also prayed that the reply filed in the matter may be considered.

6. The learned counsel for respondent, TPDDL prayed for grant of time to file its reply in the matter.

7. The Commission after hearing the parties directed the petitioner to submit additional information on affidavit with advance copy to the respondents, on or before 18.7.2016 on the following:

- (a) Water consumption and total water charges are the actual quantity and actual rate / amount of water for the year 2013-14, the contracted quantity of water, allocated quantity of water, actual water consumption along with rate of water charges for the period 2009-14 and notification in support of water charges;
- (b) Details of consumption of capital spare for last 5 years (2009-14) along with the list of spares consumed as per Form-17;
- (c) Auditor certified copy of Form-15 regarding details/information of fuel for computation of energy charges and details of 'other charges' as mentioned in Form-15 (Details of fuel for computation of energy charges);
- (d) Reasons for high increase in expenditure on 'Other charges' in the month of January, 2014 (₹506.05 lakh) as compared to February, 2014 (₹190.80 lakh) and March, 2014 (₹191.60 lakh);
- (e) The expenditure of ₹654.66 lakh in 2014-15 and ₹72.75 lakh in 2015-16 has been claimed towards the inert gas fire fighting system under Regulation 14(3)(ii) of the 2014



Tariff Regulations. In this regard justification along with explanation shall be furnished on the following:

- (i) What is the existing fire extinguishing system and the station as a whole along with detailed note;
 - (ii) Detailed note for the need of installation of Inert Gas Fire Extinguishing System at the fag end of the life of the plant after 20 years of operation;
 - (iii) Gross block of the old fire extinguishing system, if the same is replaced by inert gas system.
- (f) The expenditure of ₹4941.90 lakh towards Replacement of Wooden and Cast Iron Sleepers of MGR as been claimed in 2014-15 and ₹1371.00 lakh towards Augmentation of fire protection system under Regulation 14(3)(iii) of the 2014 Tariff Regulations. In this regard furnish whether there is any such direction or advice from the appropriate agency as specified under Regulation 14(3)(iii) of the 2014 Tariff Regulations.

8. The respondents shall file their replies, if any by 25.7.2016 with copy to the petitioner who shall file its rejoinder, if any, by 1.8.2016. 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.

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

By Order of the Commission

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

