

CENTRAL ELECTRICITY REGULATORY COMMISSION
4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
Ph: 23753942 Fax-23753923

Date: 28.6.2016

To,

General Manager (Commercial),
NTPC Ltd., NTPC Bhawan
Core-7, Scope Complex-7
Institutional Area, Lodhi Road
New Delhi-110 003

Sir,

Subject: **Petition No. 263/GT/2014** – Approval of tariff of Ratnagiri Power Station (1967.08 MW) for the period from 1.4.2014 to 31.3.2019.

Petition No. 328/GT/2014 – Approval of tariff of Mauda Super Thermal Power Station (1000 MW) for the period from 1.4.2014 to 31.3.2019.

Petition No. 339/GT/2014 – Approval of tariff of Vindhayachal Super Thermal Power Station Stage-IV (1000 MW) for the period from 1.4.2014 to 31.3.2019.

Petition No. 340/GT/2014 – Approval of tariff of Korba Super Thermal Power Station Stage-III (500 MW) for the period from 1.4.2014 to 31.3.2019.

With reference to the subject mentioned above, I am directed to request you to furnish the following information on affidavit, with advance copy to the respondents, latest by 13.7.2016.

- (a) Approval of the Board of Directors of the Petitioner's company or any other Competent authority, along with delegation of powers for the projected additional capital expenditure claimed.
- (b) GCV of coal on "as received" basis at power plant as per Regulation 30(5)(a) of the 2014 Tariff Regulations.
- (c) Details in respect of water charges such as contracted quantum of water and allocated quantity, actual water consumption from 2009-10 to 2013-14, along with rate of water charges, copy of notification(s) of water charges. Actual water charges paid to the Water Resource Department/ State Government duly certified by Auditor, type of cooling water system and justification for any variation in allocated quantity of water vis-a-vis actual consumption.
- (d) Certificate to the effect that all assets of the gross block as on 1.4.2014 are in service. In case any asset has been taken out from service, the same should be indicated along with the date of putting the asset in use, the date of taking out the asset from service.
- (e) List of capital spares along with price actually claimed during last 5 years (2009-14).

2. In addition to above, following specific information in each petition shall also be furnished.

Petition No. : 263 /GT/2014 (Ratnagiri GPS)

- (i) In respect of additional expenditure of ₹16292.08 lakh during 2014-19 claimed towards various assets/works such as lift for power block, crane and lifting equipment, station service transformer CW load centre transformer, etc. under regulation 14(3)(vii) of the 2014 Tariff Regulations for efficient operation of generating station. Clarification as to whether these assets / works are required for smooth / successful operation of the plant with the technical justification duly supported by the documentary evidence.

Petition No. : 328/GT/2014 (Mauda STPS Stage-I)

- (i) The approved completed capital cost of the project was ₹6010.19 crore and the actual admitted capital cost as on 31.3.2014 is ₹5533.58 crore. The projected additional expenditure claimed up to cut-off date is ₹1175.15 crore. Thus, the total capital cost works out to ₹6708.73 crore as on cut-off date which is more than the approved completed cost. The hard cost as on 31.3.2014 is ₹4824.61 crore and the projected additional expenditure claimed up to cut-off date is ₹1175.15 crore. Thus, the total hard cost works out to ₹5999.76 crore as on cut-off date i.e. ₹6.0 crore/MW which is higher than the bench mark capital cost (December 2011) as per Commission's order dated 4.6.2012 of ₹4.71 crore/MW. In this regard justify with reason for such high hard cost of this project with detailed computation and also explain as to why the hard cost cannot be restricted to ₹4.82 crore/MW as allowed as on 31.3.2014.
- (ii) The projected additional capital expenditure of ₹59453.71 lakh in 2014-15, ₹43888.57 lakh in 2015-16 and ₹14173.0 lakh in 2016-17 has been claimed towards work/assets under original scope of work under Regulation 14(1)(ii) of the 2014 Tariff Regulations. In this regard, the following to be furnished:
- (a) List of all deferred works along with estimated expenditure.
- (b) Reasons for deferring these activities.
- (c) The date and year in which each work order was placed.
- (d) Regarding Township work of ₹168.65 crore during 2014-17 furnish the detail break up work along with cost. How much has been capitalized on township works as on COD. What was the original estimated cost of township works as per investment approval.
- (e) Regarding spare parts of ₹118.16 crore during 2014-17 the detail break up along with list of spares to be procured shall be furnished. How much has been capitalized on spares as on COD.

Petition No. 339/GT/2014 (Vindhyachal STPS Stage-IV)

- (i) The approved completed capital cost of the project was ₹5914.976 crore and the actual admitted capital cost as on 31.3.2014 is ₹5046.88 crore. The total capital cost works out to ₹6047.48 crore as on cut-off date which is more than the approved completed cost. The hard cost as on 31.3.2014 is ₹4207.08 crore and the projected additional expenditure claimed up to cut-off date is ₹1001.60 crore. Thus, the total hard cost works out to ₹5208.68 crore as on cut-off date i.e. ₹5.21 crore/MW which is higher than the bench mark capital cost (December 2011) as per Commission's order dated 4.6.2012 of ₹4.71 crore/MW. In this regard, justify with reasons for such high hard cost of this project with detailed computation and also explain as to why the hard cost of the project cannot be restricted to ₹4.71 crore/MW as per benchmark capital cost.
- (ii) Details of scope of work and break up of estimated expenditure of ₹11910.31 lakh along with basis of estimation with justification that the estimated cost is reasonable by comparing the

cost of ash dyke with similar size ash dykes in recent projects, the year in which ash dykes raising work will be completed and for how many years this raising will cater to the ash handling system of the generating station.

- (iii) The projected additional capital expenditure of ₹56938.25 lakh in 2014-15, ₹32421.97 lakh in 2015-16 and ₹10800 lakh in 2016-17 is claimed under Regulation 14(1)(ii) of the 2014 Tariff Regulations towards works deferred for execution for work/assets under original scope of work. In this regard, the following to be furnished:
- (a) List of all deferred works along with estimated expenditure;
 - (b) Reasons for deferring these activities;
 - (c) The date and year in which each work order was placed;
 - (d) Detail break up of work regarding CHP work of ₹375.00 crore during 2014-17 along with estimated cost and details of how much has been capitalized on CHP as on COD. The original estimated cost of CHP as per investment approval shall also be indicated.
 - (e) Detail break up of work regarding MGR work of ₹110.75 crore during 2014-17 along with cost and details of how much has been capitalized on MGR as on COD. The original estimated cost of MGR as per investment approval shall also be indicated.

Petition No. 340/GT/2014 (Korba STPS Stage-III)

- (i) Details of projected expenditure of ash dyke raising, along with scope of work and justification for undertaking such expenditure of ₹1750 lakh. The details as to when the ash dykes raising work will be completed and for how many years this raising would cater to the ash handling system of the station shall also be furnished.

3. The above information shall be filed within the due date mentioned above. No request for further extension of time shall be entertained for any reason whatsoever

-Sd/-
B. Sreekumar
Deputy Chief (Law)