

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.251/GT/2017**

Subject : Petition for determination of tariff of Udupi Thermal Power Plant (2 x 600 MW) for the period from 1.4.2014 to 31.3.2019

Petitioner : Udupi Power Corporation Ltd.

Respondent : Power Company of Karnataka Ltd. & ors

Date of hearing : **18.12.2018**

Coram : Shri P.K.Pujari, Chairperson  
Dr. M.K. Iyer, Member

Parties present : Shri Hemant Sahai, Advocate, UPCL  
Shri Mehul Rupera, Advocate, UPCL  
Shri Nitish Gupta, Advocate, UPCL  
Shri Ishaan Mukherjee, Advocate, UPCL  
Shri Kumar Gaurav, UPCL  
Shri Darpan K.M, Advocate, PCKL  
Ms. Rachitha K.H, Advocate, PCKL  
Ms. Madhu Mali, PCKL  
Shri Ramesh Gudi, PCKL  
Ms. Garima Jain, Advocate, BESCO  
Shri Balaji Srinivasan, Advocate, BESCO

**Record of Proceedings**

During the hearing, the learned counsel for the Petitioner, UPCL submitted as under:

(a) The Petitioner in this petition has sought amongst others, in-principle approval of additional capital expenditure for meeting the revised environmental norms and cost towards new sea water intake system. However, Petition No. 346/MP/2018 has been filed by the Petitioner seeking regulatory approval of expenditure for compliance with Environment (Protection) Amendment Rules, 2015 issued by MOEF and the same is to be listed for hearing.

(b) As regards additional capital expenditure to be incurred, the Petitioner has sought consent of the Procurers in terms of the PPA during January, 2017 but the same is pending for consideration by the Respondent, PCKL. As a result of delay by PCKL, the Petitioner is unable to incur the capital expenditure. The Commission may direct the said Respondent to produce on record, the report with regard to approval of the Petitioner's proposal.



(c) The Commission in its earlier orders had approved additional capital expenditure of coal shed and staff colony vide order dated 20.2.2014. On appeal filed by the Respondents, the order of the Commission was upheld by APTEL. The Respondents cannot delay concurrence for expenditure to be incurred towards compliance with the statutory norms.

(d) The respondents have not released payments due to the Petitioner, on account of difference between the Commission's order and the provisional payments made, amounting to ₹971 crore. The appeal filed by the Respondent against this judgment of APTEL is pending before the Hon'ble Supreme Court.

2. Accordingly, the learned counsel for the Petitioner prayed that the Commission may direct the Respondent to place on record the internal report approving the additional capital expenditure to be incurred by the Petitioner.

3. The learned counsel for the Respondent, PCKL submitted that the claim of the Petitioner for additional capitalization is to be considered by the Board in the meeting to be held in due course. Accordingly, he prayed for three weeks' time to file its sur-rejoinder in the matter.

4. The Petitioner is directed to file additional information, on affidavit, on the following:

a) Revised Form- 9A in full with justifications for each asset claimed, stipulating whether the claimed work is within the original scope of work/admitted by Commission.

b) Reason for increase of ₹4.74 crore in cost of GRP pipes (Rs 32.31 - 27.56) for completion cost of work for replacement of GRP seat water pipeline with M.S pipeline project.

5. The Petitioner shall file the above information, by **7.1.2019** with copy to the Respondents, who shall file its reply/ sur- rejoinder by **14.1.2019**. Pleadings shall be completed by the parties within the due dates mentioned above and no adjournment shall be granted for any reason whatsoever.

6. Matter shall be listed for hearing in due course for which separate notice shall be issued to the parties.

**By order of the Commission**

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

