

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

Petition No. 92/2006

In the matter of

Approval of Additional Capital Expenditure for the period 1.4.2001 to 31.3.2004 in respect of Kopli Hydro Electric Project

And in the matter of

North Eastern Electric Power Corporation Limited

..... **Applicant**

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Deptt. of Power, Govt. of Arunachal Pradesh, Itanagar
4. Electricity Department, Govt. of Manipur, Imphal
5. Power & Electricity Department, Govt. of Mizoram, Aizawl
6. Department of Power, Govt. of Nagaland, Kohima
7. Tripura State Electricity Corporation Limited, Agartala
8. North Eastern Regional Power Committee
9. North Eastern Regional Load Despatch Centre

.....**Respondents**

The following were present

1. Shri P.K.Bagchi, NEEPCO
2. Ms Debjani Dey, NEEPCO
3. Ms C.Ranee, NEEPCO

ORDER

(Date of Hearing: 26.10.2006)

The petitioner, North Eastern Electric Power Corporation Limited (NEEPCO), has filed the present application for approval of additional capital expenditure for the period 1.4.2001 to 31.3.2004 in respect of Kopli Hydro electric Project.

2. Assam State Electricity Board , Meghalaya State Electricity Board and Tripura State Electricity Corporation Limited have filed replies to the petition. After considering the petition and the replies, as well as the submissions made by the petitioner before us, we observe that there are many claims requiring further information and justification from the petitioner. The petitioner is accordingly, directed to submit additional information/justification on the following items of expenditure with copies to the respondents :

- a) Justification for payment of 12% interest on lease hold land paid from the date of notice up to date of award.
- b) Inclusion of instrument for measurement and analysis of vibration in Power House, procured and paid in 1988-89, for additional capitalization in 2001-02.
- c) Additional capitalization of Rs. 79.95 lakh for initial mandatory spares, when an amount of Rs. 265.21 lakh is already capitalized as initial spares during the year 1997-98 in respect of units 3 & 4.
- d) Out of Rs. 47.08 lakh claimed on tunnel work the amount adjudicated is only Rs. 18.97 lakh and Rs. 29 lakh is on interest, cost of arbitration, court proceedings etc which is much more than the disputed amount.
- e) Nature of work carried out for Rs. 85924 in respect of switchyard interconnection and the necessity to add this asset now.

- f) Inclusion of expenditure of Rs. 12.06 lakh on GT winding for generator transformer, being a repair work, in additional capitalisation.
- g) Claim of Rs. 2.75 lakh towards purchase of furniture for inspection bungalow/administrative office etc, without decapitalisation of replaced furniture.
- h) Justification for addition of a new generator set at Rs. 7.54 lakh and the cost of old generator, if written off.
- i) Justification for addition of assets and details of decapitalisation of replaced assets in respect of motor for pumping water for project colony at Rs. 55570, office equipment at Rs. 31095 for fax machines and portable submersible pump for dewatering at the power house for Rs. 4.89 lakh.

3. We also note that the petitioner, while claiming additional capitalisation for the generating station which has been in existence since 1988, has not furnished the list of assets which are obsolete and no more in use. Gross block of such assets is required to be adjusted to arrive at the total gross block as on 31.3.2004. The petitioner is directed to submit details of such assets not in use, year-wise from 2001-02 to 2003-04.

Sd/-

**(A.H. JUNG)
MEMBER**

Sd/-

**(BHANU BHUSHAN)
MEMBER**

Sd/-

**(ASHOK BASU)
CHAIRMAN**

New Delhi dated the 24th November, 2006