

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R Krishnamoorthy, Member**

Petition No. 50/2008

In the matter of

Miscellaneous petition to order to refund the excess tariff collected on the capitalization of outstanding liability not materialized and consequent withdrawal of such excess capitalization in respect of Ramagundam Super Thermal Power Station, Stage I & II (2100 MW) and other NTPC stations during the tariff period 2001-04.

And in the matter of

Tamil Nadu Electricity Board

.....Petitioner

Vs

NTPC Limited

..... Respondent

The following were present:

1. Shri R Krishnaswami, TNEB
2. Shri SN Goel, NTPC
3. Shri SK Samui, NTPC
4. Shri AK Juneja, NTPC

ORDER

(Date of Hearing: 24.6.2008)

The petitioner, Tamil Nadu Electricity Board, has made this application seeking directions to the respondent to refund excess tariff collected on

capitalization of outstanding liabilities not materialized which were decapitalised during the period 2001-04.

2. The petitioner has stated that the Commission in its order dated 30.6.2006 in Petition No. 148/2004 pertaining to the tariff of Ramagundam Super Thermal Power Station Stages I & II (RSTPS Stages I & II) had observed as under:

“12. Besides, the petitioner has also decapitalised certain assets during the period 2001-04. These decapitalised assets were removed from the gross block to arrive at admissible additional capitalization for the purpose of capital cost while dealing with Petition No. 173/2004. The petitioner is maintaining accounts on accrual basis. This resulted in inflated capital base in earlier tariff period due to capitalization of liability provision. The expenditure for which provision was made did not materialise and it was decapitalised subsequently. But the petitioner has been allowed tariff on the inflated capital base till 31.3.2004. However, as decided by the Commission in other cases, tariff for the pervious period has not been reopened, and may be mutually settled between the petitioner and the beneficiaries.”

3. The petitioner has submitted that in the light of the above directions of the Commission, it took up the matter with the respondent vide its letter dated 25.9.2006 in respect of RSTPS Stages I & II. Though a meeting was arranged in the office of the respondent, no tangible results were achieved. The petitioner has prayed for a direction to the respondent to calculate and refund the excess tariff collected in respect of RSTPS Stages I & II. The petitioner has sought similar directions in respect of Farakka and Kahalgaon STPS, and Kayamkulam CCPP as the respondent has not refunded the excess tariff recovered in respect of these stations also. The present petition is being confined to RSTPS Stage I & II.

4. Heard the representatives of the parties. Admit.
5. Shri SN Goel appearing on behalf of the respondent sought three months' time to mutually settle the matter with the petitioner. Shri Krishnaswami, for the petitioner submitted that since its efforts to resolve the problem through mutual discussion failed, the Commission may adjudicate and decide the matter.
6. The respondent has expressed his willingness to resolve the matter through mutual discussion. We are inclined to give opportunity to the parties a fair chance of reconciling the differences. Accordingly, we direct that the respondent shall arrange meeting with petitioner within one month from the date of this order to arrive at mutual settlement and shall file a report before the Commission latest by 30.9.2008.
7. List this petition for further directions on 16.10.2008.
8. The petitioner shall deposit the balance filing fee of Rs.80,000/- by 10.7.2008.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated the 25th June 2008