

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.87/2009

Subject: Determination of tariff in respect of Salal HE Project for the period 2004-09 considering the impact of additional capitalization/de-capitalization incurred during the years 2004-05 and 2005-06.

Date of Hearing: 7.7.2009

Coram: Dr. Pramod Deo, Chairperson
Shri R.Krishnamoorthy, Member
Shri S.Jayaraman, Member
Shri V.S.Verma, Member

Petitioners: NHPC Ltd.

Respondent: PSEB, HPGCL, BSES-BYPL, UPPCL, BSES-BRPL, RRVPNL, NDPL, UPCL, JVVNL, HPSEB, JoVVNL, Engineering Dept, Chandigarh, AVVNL, PDD,Srinagar

Parties present: Shri Prashant Kaul, NHPC
Shri T.K.Mohanty, NHPC
Shri M.S.Babu, NHPC
Shri V.N.Tripathi, NHPC
Shri D.Chakraborty, NHPC
Shri Ansuman Roy, NHPC

This petition has been filed by the petitioner, NHPC for determination of tariff for the period 2004-09 considering the impact of additional capitalization/de-capitalisation incurred during the years 2004-05 and 2005-06 in respect of Salal HE Project (hereinafter referred to as "the generating station")

2. The representative of the petitioner submitted that it had incurred additional capital expenditure on certain works which were required for successful operation of the generating station and prayed for revision of annual fixed charges.

3. The petitioner was directed to submit the following information on affidavit, latest by 27.7.2009, along with soft copies, with advance copy to the respondents.

- (a) Investment approval in support of the additional capital expenditure incurred during the years 2004-05 and 2005-06;
- (b) Clarification as to the mismatch in the reconciliation of additional capital expenditure with that of books of accounts for the year 2004-05;

- (c) Clarification as to the mismatch in the value of Gross Fixed Assets as per balance sheet with that of the schedule of accounts as on 1.4.2004;
- (d) Certificate to the effect that additional capital expenditure claimed has actually been paid for and does not include any undischarged liability;
- (e) In case additional capitalisation includes any undischarged liability, the details thereof as on 1.4.2004, 1.4.2005 and 1.4.2006;
- (f) Details of corresponding de-capitalization alongwith the amount capitalized in respect of replaced assets, with proper linkages, date on which the replaced assets were put in service and taken out of service and the cumulative depreciation recovered in tariff on these assets;
- (g) Date on which the deleted assets and assets not in use were put in service and taken out of service and the cumulative depreciation recovered on these assets;
- (h) Clarification as to whether the assets shown under "change of head" are in use.

4. The respondents may file their response, if any, on the information to be filed by the petitioner, latest by 7.8.2009, with a copy to the petitioner, who may file its rejoinder, if any, by 14.8.2009

5. The petition shall be fixed for hearing on 20.8.2009.

Sd/-
(K.S Dhingra)
Chief (Legal)