

CENTRAL ELECTRICITY REGULATORY COMMISSION

RECORD OF PROCEEDINGS

Petition No.123/2009

- Subject: Revision of fixed charges due to additional capital expenditure incurred in the financial years 2007-08 and 2008-09 at Ramagundam STPS, Stage-III (500 MW).
- Coram: Shri R.Krishnamoorthy, Member
Shri S. Jayaraman, Member
Shri V.S.Verma, Member
- Date of hearing: 13.10.2009
- Petitioner: NTPC Ltd
- Respondents: APTRANSCO, APEPDCL, APSPDCL, APNPDCL, APCPDCL, TNEB, KPTCL, BESCOM, MESCOM, CESC (Mysore), GESCOM, HESCOM, KSEB, Electricity Dept. Puducherry.
- Parties present: 1. Shri V.K.Padha, NTPC
2. Shri A.K.Juneja, NTPC
3. Shri S.K.Mondal, NTPC
4. Shri S.Balaguru, TNEB
5. Shri R.Krishnaswami, TNEB

This petition has been filed by the petitioner, NTPC, for revision of fixed charges on account of additional capital expenditure incurred during the years 2007-08 and 2008-09 for Ramagundam STPS, Stage-III (500 MW) (hereinafter referred to as "the generating station"), based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as "the 2004 regulations").

2. The representative of the petitioner submitted that the additional capital expenditure had been incurred on items which were part of the original scope of work but executed after the cut-off date are required for efficient and successful operation of the generating station and prayed the Commission to allow additional capitalization of the expenditure incurred, for the purpose of tariff. The representative of the petitioner submitted that it had filed the additional information as directed by the Commission during the hearing on 31.7.2009 and had served copy thereof on the respondents.

3. The representative of the respondent No.6, TNEB pointed out that the prayer in the interlocutory application for amendment of Annexure-I of the petition based on

revised calculations after taking into account the judgment dated 13.6.2007 of the Appellate Tribunal in Appeal Nos 139,140 etc of 2006 could not be allowed as it was against the interim order dated 10.12.2008 in C.A No. 5434 of 2007 pending before the Hon'ble Supreme Court. He also submitted that the petitioner's claim for undischarged liabilities could not be considered by the Commission at this stage, since the Hon'ble Supreme Court had ordered notices on the stay and the appeal, in the Civil Appeal filed by it. The representative of TNEB further submitted that the petitioner's claim for capitalization of assets which were not in use and capitalization of mandatory spares under sub-clause (iv) of Regulation 18 of the 2004 regulations should not be permitted. He added that additional capital expenditure claimed by the petitioner after the cut-off date, may not be permitted, by relaxation, as it was beyond the scope of the present petition. He also prayed that the respondent TNEB be permitted to file a detailed reply within a week's time.

4. In response, the representative of the petitioner submitted that the prayer in the interlocutory application should be allowed as the judgment of the Appellate Tribunal dated 13.6.2007 had not been stayed by the Hon'ble Supreme Court. He also submitted that the petitioner had capitalized spares as per the norms laid down by the Commission in the 2004 regulations as the spares were necessarily required for successful operation of the generating station. The representative of the petitioner reiterated that the Commission allow the additional capital expenditure incurred for the purpose of tariff. He also sought permission to file rejoinder to the reply of the respondent TNEB, within one week from the date of receipt of the copy of the reply.

5. The Commission, after hearing the parties, directed the respondent TNEB to file its reply, with copy to the petitioner, latest by 30.10.2009. Rejoinder, if any, with copy to the respondents, latest by 6.11.2009.

6. Subject to the above, order in the petition was reserved.

Sd/-
(T.Rout)
Joint Chief (Legal)