

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.44/2009

Subject: Determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 on fixed charges in respect of Kawas GPS (656.20 MW).

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

Date of Hearing: 18.8.2009

Petitioners: NTPC Ltd.

Respondents: MPPTCL, MSEDCL, GUVNL, CSEB, Electricity Dept, Goa, Electricity Dept, Admn. of Daman & Diu, Electricity Dept. Admn. of Dadar and Nagar Haveli

Parties present: Shri V.K.Padha, NTPC
Shri A.S.Pandey, NTPC
Shri B.Kar, NTPC
Shri V.Kumar, NTPC
Shri D.Khandelwal, MPPTCL

This petition has been filed by the petitioner, NTPC for determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 on fixed charges in respect of Kawas GPS (656.20 MW) (hereinafter referred to as "the generating station")

2. The representative of the petitioner submitted that it had claimed additional capital expenditure for the years 2004-05, 2005-06, 2006-07 and 2007-08 and had filed the additional information as sought for by the Commission during the hearing on 19.5.2009, with copy to the respondents.

3. The representative of the first respondent, MPPTCL pointed out that the petitioner, during the hearing on 19.5.2009 had requested the Commission for reconciliation of the components allowed under the enhanced O&M expenses with those being capitalized for the purpose of tariff and submitted that the information regarding the reconciliation agreed upon has not been intimated till date. The representative also objected to the consideration of the claim for additional capital

expenditure and retrospective revision of tariff by the Commission, and submitted that in terms of the observations of the Hon'ble Supreme Court in its judgment dated 3.3.2009 in C.A 1110/2007, (UPPCL-v-NTPC & ors) retrospective revision of tariff may not be permitted. The representative further submitted that on account of the delay in filing the petition, the order of the Commission dated 31.3.2005 in Petition No.139/2004 pertaining to retrospective revision of tariff may be adopted. The representative also submitted that the petitioner had not given any explanation for capitalization of spares and prayed that capitalization of spares after the date of commercial operation may not be allowed. The representative further added that additional capital expenditure claimed by the petitioner on account of furniture, after the cut-off date, may not be permitted. The representative reiterated that the Commission may direct the petitioner to undertake reconciliation of the components allowed under the enhanced O&M expenses, and intimate the same to the respondents.

4. In response, the representative of the petitioner submitted that pursuant to the hearing on 9.7.2009, reconciliation of components allowed under the enhanced O&M expenses had been undertaken. The representative also submitted that the spares which had been capitalized under O&M expenses may be allowed by the Commission. As regards retrospective revision of tariff, the representative submitted that the petition has been filed in terms of the 2004 regulations of the Commission and the order of the Commission dated 29.9.2008 pertaining to Kahalgaon STPS. As regards delay, the representative submitted that the petition has been filed after finalization of accounts and hence the claims for additional capital expenditure may be considered.

5. In response to the submission of the petitioner that the reconciliation of the components had been undertaken, the representative of the first respondent prayed that the same may be intimated to the respondents.

6. The representative of the petitioner has been directed to furnish the necessary details as per the preceding para to the parties.

7. Subject to above, the Commission has reserved order on the petition.

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