

CENTRAL ELECTRICITY REGULATORY COMMISSION

RECORD OF PROCEEDINGS

Review Petition No. 67/2009

Review of order dated 3.2.2009 in Petition No. 31/2008, in respect of revision of fixed charges for the period 2004-09 after considering the impact of additional capital expenditure for the years 2004-05,2005-06 and 2006-07 for Talcher TPS (460 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**

Petitioner: NTPC

Respondents: GRIDCO

Parties present: (1) Shri. V.K.Padha, NTPC
(2) Shri. B.Kar, NTPC
(3) Shri V. Kumar, NTPC
(4) Shri R.B.Sharma, Advocate, GRIDCO

The petitioner, NTPC Limited, has filed this application seeking review of the order dated 3.2.2009 in Petition No.31/2008 under which the fixed charges for the period 2004-09 in respect of Talcher Thermal Power Station were revised after considering the impact of the additional capital expenditure incurred during 2004-05, 2005-06 and 2006-07.

2. The representative of the petitioner submitted that it had sought review of the order dated 3.2.2009 for computation of interest on working capital based on fuel price for the month of July 2007, August and September 2007 and for correction of some ministerial errors. The representative also submitted that the Commission while revising the fixed charges for the generating station based on the revised operating norms, with effect from 1.10.2007, had considered the fuel prices for the month of January 2004 to March 2004, instead of July 2007 to September 2007.

3. Learned counsel for respondent submitted that there was no objection to the correction of ministerial errors in the order. The learned counsel objected to the computation of interest on working capital based on the fuel prices for the month of July 2007 to September 2007, and the consequent revision of fixed charges. The learned

counsel pointed out to para 3 of its reply and submitted that para 28 of the order dated 16.1.2004 in Petition No.67/2003 (*suo motu*) quoted by the petitioner could not be considered as it had become inconsequential after notification of the regulations by the Commission and the petitioner has no legal right to approach the Commission with the application for review. The learned counsel also submitted that the information relating to fuel prices for the month of July 2007 to September 2007 submitted by the petitioner in terms of letter dated 20.1.2009 could not be considered in the application for review, as the same was not brought to the notice of the Commission till the hearing of Petition No.31/2008 was concluded on 30.9.2008. The learned counsel further stated that the petitioner had raised the issue of computation of interest on working capital based on fuel prices, in the appeal filed before the Appellate Tribunal against the order dated 3.2.2009. The learned counsel reiterated that the issue of fuel price which was not a subject matter in Petition No.31/2008 cannot be raised by the petitioner in the present application.

4. On a query by the Commission as to the date of filing of the appeal before the Appellate Tribunal, the representative of the petitioner submitted that it had filed the appeal on 30.3.2009 after filing of review petition on 27.3.2009, that is, in a span of three days.

5. In response, the representative of the petitioner submitted that the respondent had objections only to the belated submission of information through letter dated 20.1.2009 pertaining to fuel prices, but not the application of fuel prices for the months of July 2007 to September 2007 for calculation of interest on working capital. The representative further submitted that the computation of interest on working capital based on the fuel prices prevailing for the month of July 2007 to September 2007 be allowed in the light of the order of the Commission dated 14.7.2007 in Petition No.163/2004 pertaining to Tanda TPS.

6. The representative of the petitioner submitted that the information vide letter dated 20.1.2009 had been submitted in a routine manner.

7. The Commission reserved orders on the petition.

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