

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**RECORD OF PROCEEDINGS**

**Petition No.189/2009**

- Subject: Determination of impact of additional capital expenditure incurred during 2006-07, 2007-08 and 2008-09 at Singrauli Super Thermal Power Station (2000 MW).
- Date of hearing: 13.7.2010
- Coram: Dr. Pramod Deo, Chairperson  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member
- Petitioner: NTPC Ltd
- Respondents: UPPCL, JVVNL, AVVNL, JoVVNL, DTL, NDPL, BSES-BRPL, BSES-BYPL, HPPC, PSEB, HPSEB, PDD -Srinagar, PDD -Chandigarh, and UPCL.
- Parties present: 1. Shri V.K.Padha, NTPC  
2. Shri M.Samui, NTPC  
3. Shri Ajay Dua, NTPC  
4. Shri Manoj Saxena, NTPC  
5. Shri D.G.Salpekar, NTPC  
6. Shri S.K.Jain, NTPC  
7. Shri Manish Garg, UPPCL

This petition has been filed by the petitioner, NTPC, for determination of impact of additional capital expenditure incurred during 2006-07, 2007-08 and 2008-09 at Singrauli Super Thermal Power Station (2000 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 as under:
- (a) The units in respect of Stage I (5 X 200 MW) and Stage-II (2 x 500 MW) of the generating station have already served a life of 20 to 27 years and some important equipments installed in these units have outlived their useful life.
- (b) It has incurred additional capital expenditure on schemes approved by CEA and on certain other works which were required for efficient and successful operation of the generating station and the Commission may consider the same for revision of fixed charges for the generating station.

- (c) Additional information as directed by the Commission has been filed and copy served on the respondents.
3. The representative of the respondent No.1, UPPCL submitted as under:
- (a) Reply to the additional information has been submitted vide affidavit dated 8.7.2010 and copy has been served on the petitioner.
- (b) The claim of the petitioner for Rs 63.46 lakh under Regulation 18 (2)(iv) of the 2004 regulations was primarily in the nature of repairs/renovation and modernization and could not be construed as 'additional works/services' as it was not included in the original project cost.
- (c) No additional asset was created nor was there any improvement in the basic efficiency.
- (d) In a petition pertaining to Kahalgaon STPS, Stage-I (another generating station of the petitioner) the petitioner has admitted that the additional capital expenditure incurred, do not form part of the original project cost and could not be claimed under Regulation 18(2)(iv). This needs to be considered by the Commission.
4. In response, the representative of the petitioner clarified as under:
- (a) Copy of the said reply filed by the respondent UPPCL has not been received. However, it does not propose to file rejoinder.
- (b) The submissions made in the petition pertaining to Kahalgaon STPS, Stage-I, relate to the tariff period 2009-14, tariff for which is determined by the 2009 Tariff regulations specified by the Commission. The present petition pertains to capitalization of additional expenditure for the period 2006-09 as per the 2004 regulations. Hence, the submissions made in a petition governed under different regulations could not be considered in the present petition.
- (c) Expenditure for additional works/services which are necessary for efficient operation of the generating station is incurred from time to time though it does not form part of the original scope of work and is recovered from the respondents, subject to prudence check by the Commission.
6. The Commission after hearing the parties, reserved orders in the petition.

Sd/-  
T.Rout  
Joint Chief (Law)