

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 332/2009

Subject : Petition for approval of tariff of Badarpur Thermal Power Station (705 MW) for the period from 1.4.2009 to 31.3.2014

Date of Hearing : 4.10.2011

Coram : Dr. Pramod Deo, Chairperson
Shri S. Jayaraman, Member
Shri. V.S. Verma, Member
Shri M. Deena Dayalan, Member

Petitioner : NTPC Limited

Respondents : North Delhi Power Ltd.
BSES Rajdhani Power Ltd.
BSES Yamuna Power Ltd.
New Delhi Municipal Council
Military Engineering Services

Parties present : Shri. Mahabir Singh, NTPC
Shri. Ajay Dua, NTPC
Shri Shyam Kumar, NTPC
Shri. Balaji Dubey, NTPC
Shri. Vivek Kumar, NTPC
Shri Naveen Anand, NTPC
Adv. Dushyant Manocha, BRPL & BYPL
Shri. Abhishek Srivastva BYPL
Shri Hari Dass Maity, BYPL

RECORD OF PROCEEDINGS

This petition has been filed by the petitioner, NTPC for approval of Renovation and Modernization of Badarpur Thermal Power Station (herein referred to as "the generating station") in terms of regulation 10(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter 'the 2009 regulations').

2. The representative of the petitioner submitted as under:-

- (a) The Commission vide its order dated 12.5.2011 in Petition no 324/2009 approved an expenditure of Rs 741 crore for implementation of R&M scheme and life Extension work for the generating station in terms of Regulation 10 of the 2009 regulations.

- (b) The Cost Benefits Analysis in respect of R&M scheme of the generating station and the benefits that would accrue to the generating station and the beneficiaries under the R&M scheme were considered and approved by the Commission in the said order dated 12.5.2011.
- (c) The Commission may determine the tariff of the generating station accordingly.
3. The representative of the respondents 1 to 4 submitted as under:-
- (a) Even though R&M amount of Rs 741 crore has been approved by the Commission, the petitioner has claimed an additional expenditure of Rs 115 crore (i.e. total Rs. 856 crore) without any justification.
- (b) Reply on behalf of the respondents have been filed, which may be considered for determination of tariff of the generating station.
4. On a query by the Commission as to why the expenditure on R&M should be allowed during the period 2009-14 since benefits are to accrue during the next tariff period, the representative of the petitioner clarified that pursuant to the approval of R&M schemes by the Commission in the order dated 12.5.2011, the R&M schemes are being implemented and hence the same should be allowed.
5. The Commission after hearing the parties directed the petitioner to submit on affidavit information on the following on or before 28.10.2011 with advance copy to the respondent:-
- (a) Explanation as to why the expenditure on R&M should be allowed in the current tariff period i.e. 2009-14, since the benefit of R&M in respect of Station Heat Rate and capacity to 216 MW (from 210 MW) is to be passed on to the beneficiaries in the next tariff period, based on the revised phasing of expenditure.
- (b) Confirmation as to whether the amount of Rs 138.5 crore for integrated closed cycle operation and Rs 22.00 crore for installation of integrated RO plant would be capitalized and the assets put to use during the period 2009-14.
- (c) The revised estimate for the 14 no. of packages approved by CEA based on the current price level or at the projected price level at the time of capitalization of the schemes instead of CEA approved prices at the price level of Dec' 2006 and similarly, the revised estimate for R&M schemes other than CEA approved packages are to be submitted.
6. Respondents are directed to file reply by 4.11.2011 with copy to the petitioner, who may file its rejoinder by 11.11.2011.
7. Matter shall be listed for hearing on 15.11.2011.

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