

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 261/2009

Sub: Approval of tariff of Rihand Super Thermal Power Station Stage-I (1000 MW) the period from 1.4.2004 to 31.3.2009.

Date of hearing : 06.09.2011

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

Petitioner : NTPC Ltd.

Respondents : UPPCL, JVVN, AVVN, JdVVN, NDPL, BSES Rajdhani Power Ltd., BSES Yamuna Power Ltd., HPPC, PSEB, HPSEB, Power Deptt. (J&K), Power Deptt. (Chandigarh), UPCL

Parties present : Shri D.H. Saha, NTPC
Shri Ajay Dua, NTPC
Shri B.S. Rajput, NTPC
Shri C.K. Mondal, NTPC
Shri Shankar Savan, NTPC
Shri Sudel Serid, NTPC
Shri Manish Garg, UPPCL
Shri V.P. Singh, Advocate, BYPL and BRPL
Shri Abhishek Srivastava, BYPL
Shri Hari Das Maity, BYPL
Shri Shekhar Saklani, BYPL
Shri Sunil Branwal, BRPL

Record of Proceedings

The present petition has been filed for determination of tariff of Rihand Super Thermal Power Station Stage-I (1000 MW) for the period 2009-14, based on the Central Electricity Regulatory Commission (Terms & Conditions of tariff Regulation, 2009)(herein after referred to as "the 2009 regulations")

2. The representative of the petitioner submitted as under:

(a) The life extension of the project can be ascertained only when comprehensive R&M would be done after the completion of useful life of the plant and it is not possible to say only on the basis of R&M of Electrostatic Precipitators (ESPs).

(b) The projected additional capital expenditure claimed during the period 2009-14 are mainly on R&M of Electrostatic Precipitators (ESPs) under Regulation 9 (1) (V) of the 2009 regulation i.e. Change-in-Law, in terms of the direction of the UP Pollution Control Board (UPPCB). Since the norms of stack

emission is 100 mg/Nm³ and stringent pollution norms are imposed by the States, this expenditure is to be incurred under the head 'Change in law'.

(c) The cost incurred on account of increase in water charges over and above the O&M expenditure may be allowed to be recovered from the beneficiaries.

(d) Additional information as sought for by the Commission has been submitted and rejoinder filed to the replies of the respondent.

3. The representatives of the Respondent No. 1 UPPCL, submitted as under:

(a) Even though CEA had approved the R&M of ESPs during April, 2004 the petitioner has proposed to incur the expenditure only during the years 2012-13 & 2013-14. The time limit for incurring such expenditure should be definite so that the benefit of such huge expenditure is shared by the petitioner with the beneficiaries.

(b) As regards the claim for additional water charges, the petitioner has not submitted any letter from the Govt. of Uttar Pradesh imposing water charges.

4. The learned counsel for respondent No. 7, BYPL submitted that the claim of the petitioner for additional water charges as pass through in tariff on similar lines as tax and duties has been rejected by the Commission in para 19.11 of the Statement of Reasons for the 2009 regulations. Since the 2009 regulations provide for O&M expenses on normative basis which includes water charges, claim of the petitioner for additional water charges be disallowed. The learned counsel further submitted that the receivables in working capital should be allowed for 30 days instead of 60 days as the beneficiaries are given only 30 days time for payment of the bill.

5. The representative of the petitioner while clarifying that it was not possible to specify the period of recovery of the cost of the asset at this stage, submitted that the life extension of the project can be ascertained only when the comprehensive R&M is done after completion of useful life of the plant. He submitted that earlier R&M of ESPs was operational requirement based on the approval of CEA, but ESPs has now become a statutory requirement in the light of the directions issued by the UP State Pollution Control Board. He further submitted that the petitioner would submit the information regarding the specific period during which the cost of ESPs would be served.

6. The Commission directed the Petitioner to submit the reconciliation position of gross block and liabilities (assets / work wise) as on 01.04.2009, on or before 05.10.2011

7. The Commission further directed the Petitioner to submit the details in respect of the period over which the cost of additional capital expenditure in R&M of ESP's shall be recovered on affidavit, on or before 10.10.2011, with advance copy to the respondents, who may file its reply by 25.10.2011.

8. The matter shall be listed for hearing on 03.11.2011.

(T. Rout)
Joint Chief (Law)