

**Central Electricity Regulatory Commission
New Delhi**

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

Date of hearing: **28.2.2012**

Petition No.254/2009

Subject: Approval of Tariff for Rihand Super Thermal Power Station Stage-II (1000 MW) for the period from 1.4.2009 to 31.3.2014

Petitioner: NTPC Ltd., New Delhi

Respondents: Uttar Pradesh Power Corporation Limited (UPPCL) and others

Parties Present: Shri V.K.Padha, NTPC
Shri Ajay Dua, NTPC
Shri Navneet Goel, NTPC
Shri Rohit Chabra, NTPC
Shri Sameer Aggarwal, NTPC
Ms. Rakhi Dua, NTPC
Shri R.B.Sharma, Advocate, BRPL
Shri Sanjay Srivastav, BRPL
Shri Naveen Chandra, BRPL

Record of Proceedings

The petitioner, NTPC Ltd. has filed this petition for approval of tariff for Rihand Super Thermal Power Station, Stage-II (1000 MW) (*hereinafter referred to as the 'generating station'*) for the period from 1.4.2009 to 31.3.2014 based on the CERC (Terms and Conditions of Tariff) Regulations, 2009 (2009 Tariff Regulations).

2. During the hearing, the representative of the petitioner submitted as under:

- (i) The date of commercial operation (COD) of the generating station is 1.4.2006. The additional capital expenditure for the period 2004-

09 was approved by the Commission *vide* its order dated 20.4.2011 in Petition No.183/2009. In terms of order of the Commission dated 29.6.2010 in Petition No. 245/2009, the petitioner has filed amended petition *vide* its affidavit dated 18.7.2011.

- (ii) Out of the total projected expenditure of ₹73 crore claimed by the petitioner for 2009-14, an expenditure of ₹42 crore has been claimed towards augmentation of railway siding and associate works, which are within the original scope of work and was delayed on account of land problems and since completed. An expenditure for ₹17 crore has been claimed towards on Dry Ash Handling System and related works in terms of Regulation 9(2)(iii) of the 2009 Tariff Regulations.
- (iii) The issues raised in this petition are similar to issues raised in other tariff petitions by the petitioner in respect of its various generating stations. Additional information as sought for by the Commission and rejoinders to replies submitted by the respondents has been filed and copies served on the respondents.
- (iv) The tariff for the generating station may be determined as prayed for in the petition.

3. The learned counsel for Respondent No.7, BRPL submitted as under:

- (i) Reply has been filed by the respondent in the matter.
- (ii) Other issues raised by this respondent in respect of other generating stations of the petitioner, like non furnishing the list of assets forming part of the project, but not in use, in terms of proviso to Regulation 7(1)(c), disallowance of projected capital expenditure under Regulation 9(2) of the 2009 Tariff Regulations, RLDC charges, water charges, etc may be considered in the present case also. In this connection, the reply filed by the respondent may be considered.
- (iii) The claim of the petitioner for projected additional capital expenditure under Regulations 5, 6 and 7 of the 2009 Tariff Regulations cannot be considered as the said provisions of the 2009 Tariff Regulations do not provide for claim for additional capital expenditure. As, the expenditure claimed do not fall under Regulations 9(1) and 9(2) of the 2009 Tariff Regulations, the claim may be disallowed. Moreover, the claims made by the petitioner are not in accordance with Format-9 specified by the Commission and

documentary evidence in support of its claim has also not been furnished.

- (iv) The supply of power to housing colonies or township by the generating station may be regulated as per the provisions of Regulation 29 of the 2009 Tariff Regulations pertaining to Auxiliary Consumption in sub-station (AC and HVDC sub-station), wherein the energy for auxiliary consumption in case of sub-stations for the purpose of housing quarters and consumption in other equipments are borne out by the transmission licensees and included in the normative O&M expenses.

4. In response to the above, the representative of the petitioner clarified as under:

- (i) The petitioner has made detailed legal submissions *vide* affidavits dated 15.3.2010 and 23.6.2010 with regard to admissibility of the claim towards additional capitalization in terms of Regulation 5, 6, and 7 of the 2009 Tariff Regulations. Referring to the last proviso of Regulation 7(2), it was submitted that there is no reference of Regulation 9 and therefore the claim of the petitioner could be considered.
- (ii) The expenditure claimed is in respect of works which are necessary for efficient operation of the plant and to meet the technical requirements. These works were awarded prior to the cut-off date, but their completion was delayed due to factors which were beyond the control of the petitioner. Hence, may be allowed.
- (iii) Regulation 29 of the 2009 Tariff regulations has no applicability to the present case, as the said provision relate to transmission assets. The claim of the petitioner is covered under Section 2(30) of the Act read with Regulation 26(iv) of the 2009 Tariff Regulations.

5. The Commission, after hearing the parties, reserved its order in the petition.

By order of the Commission

Sd/-
(B.Sreekumar)
Deputy Chief (Law)