

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 25/GT/2013 (Docket No. 53/GT/2012)

Subject: Revision of tariff of Kawas Gas Power Station (656.20 MW) for the period from 1.4.2009 to 31.3.2014-Truing up.

Date of Hearing: **19.3.2013**

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

Petitioner: NTPC Ltd., New Delhi

Respondents: MPPMCL and 6 others

Parties Present: Shri Ajay Dua, NTPC
Shri S.K.Sharma, NTPC
Shri K.K.Narang, NTPC
Shri Vivek Kumar, NTPC
Shri Rohit Chhabra, NTPC
Shri S.Saran, NTPC
Shri V.Ramesh, NTPC
Shri Manoj Dubey, MPPMCL

RECORD OF PROCEEDINGS

The petition has been filed by the petitioner, NTPC for approval of tariff of Kawas Gas Power Station, (656.20 MW) ('the generating station') for the period 2009-14 1.10.2011 to 31.3.2014, based on the proviso to Regulation 6(1) of the CERC (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations') after the truing up.

2. During the hearing the representative of the petitioner submitted as under:
 - (a) The tariff of the generating station for the period from 1.4.2009 to 31.3.2014 was determined by Commission's order dated 30.12.2011 in Petition No. 285/2009.
 - (b) In accordance with the proviso to Regulation 6(1) of the 2009 Tariff Regulations, this petition has been filed for revision of tariff, for truing up.
 - (c) As per revised projections, major R&M works are scheduled to be completed in the year 2013-14 which shall result in life extension of 10 years with effect from 1.4.2014 for the Gas Turbines.

(d) Reply has been filed by the respondent, MPPMCL and liberty may be granted to the petitioner to file rejoinder.

(e) The tariff of the generating station for the period 2009-14 may accordingly be determined in terms of the claims made in the petition.

3. The learned counsel for the respondent no.1, MPPMCL submitted as under:
- (i) The projected additional capitalization claimed earlier during the years 2010-11 and 2011-12 was ₹86.33 crore and ₹326.29 crore respectively, whereas, the actual capitalization during the said years as per Form-9 in this petition is shown as 'Nil'. In view of this, the projected capital expenditure for the years 2012-13 and 2013-14 may not be allowed.
 - (ii) The Commission in its order dated 30.12.2011 has considered the life extension of the project by 15 years and allowed depreciation accordingly. Hence, the contention of the petitioner to recover depreciation considering the life extension of 10 years is incorrect and may not be allowed.
 - (iii) On account of wrong projections of R&M work and the projected amount not being incurred by the petitioner, the addition tariff charged may be directed to be reimbursed with interest.
4. In response, the representative of the petitioner submitted as under:
- (a) R&M of one GT has been completed and the other would be completed during 2013.14. The claim for expenditure has been made as per Regulation 9(2)(vi) of the 2009 Tariff Regulations. Based on this, life extension has been considered as 15 years and recovery of depreciation is accordingly considered.
 - (b) Two weeks time to file rejoinder may be granted.
5. The Commission accepted the prayer of the petitioner and granted time upto **9.4.2013** to file rejoinder to the reply of respondent, MPPMCL. Subject to this, order in the petition was reserved.

By order of the Commission

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