

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 28/GT/2011

Subject: Approval of tariff of Sipat Thermal Power Station, Stage-I (1980 MW) for the period from 1.10.2011 to 31.3.2014.

Date of Hearing: 5.3.2013

Coram: Shri S. Jayaraman, Member
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member

Petitioner: NTPC Ltd., New Delhi

Respondents: MPPMCL and 6 others

Parties Present: Shri Deepak Paliwal, NTPC
Shri Sachin Jain, NTPC
Shri S.Dewasi, NTPC
Shri Binit Kumar, NTPC
Shri Rohit Chhabra, NTPC
Shri A.Dutta, NTPC
Shri Naveen Goel, NTPC
Shri A.K.Chaudhury, NTPC
Shri Bhupinder Kumar, NTPC
Shri Manoj Dubey, MPPMCL

RECORD OF PROCEEDINGS

The petition has been filed by the petitioner, NTPC for approval of tariff of Sipat Thermal Power Station, Stage-I (3 x 660 MW) ('the generating station') for the period from 1.10.2011 to 31.3.2014, based on the CERC (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations').

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

(a) Unit-I of the generating station was declared under commercial operation on 1.10.2011, Unit-II on 25.5.2012 and Unit-III on 1.8.2012. The Commission by its order dated 6.9.2012 has granted provisional tariff of the generating station for the period from 1.8.2012 to 31.3.2014. Based on the directions of the Commission,

revised claim of tariff as per audited capital cost along with revised projections of additional capital expenditure from the date of commercial operation of Unit-III in terms of the provisions of the 2009 Tariff Regulations.

(b) No replies have been filed by the respondents. Also, the additional information sought for by the Commission has also been filed and copies have been duly served on the respondents.

(c) 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) Certain loans have been taken by the petitioner prior to the sanction of the project. The petitioner may not be permitted to charge interest on these loans prior to the expenditure being incurred for the project. The petitioner may be directed to provide the calculations for the same to the respondent.
 - (ii) The expenditure incurred for the project may be directed to be apportioned to the installed capacity of the project. Also, there are major variations in the site development cost, which needs to be clarified by the petitioner.
 - (iii) Regulation 7 of the 2009 Tariff Regulations do not provide for Working Capital Margin (WCM). Also, the GCV of coal shall be considered in terms of the provisions of the 2009 Tariff Regulations.
 - (iv) This respondent may be granted two weeks time to file a detailed reply in the matter.

4. In response, the representative of the petitioner clarified as under:
 - (a) The loans have been tied up by the petitioner on corporate basis as the project specific loans are not beneficial to the beneficiaries. The details of the expenditure apportioned have been provided and the assets put to use have been capitalized.
 - (b) WCM has been claimed as per the provisions of the 2009 Tariff Regulations and calculations made accordingly.
 - (c) The 2009 Tariff Regulations do not provide for the GCV rate for the generating station and recovery of energy charges are made on month to month basis as specified by the 2009 Tariff Regulations.
 - (d) As regards site development cost variation, the same would be clarified in due course after scrutiny of records, for which time may be granted.

5. The Commission after hearing the parties directed the petitioner to submit clarification on the cost variation for site development, with copies to the respondents. Also, details of the calculations pertaining interest charged on loans along with CD shall be provided to the respondent MPPMCL, on or before 21.3.2013. The respondent, MPPMCL shall file its reply, by 28.3.2013 with copy to the petitioner, who may file its rejoinder by 4.4.2013.

6. Subject to the above, order in the petition was reserved.

By order of the Commission

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