

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.6/RP/2013**

Subject: Review petition against order dated 3.9.2012 and its Corrigendum dated 2.4.2013 in Petition No 184/2009 regarding approval of revised fixed charges of Talcher Thermal Power Station.

Date of hearing: 24.9.2013

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

Petitioner: NTPC

Respondents: GRIDCO Ltd.

Parties present: Shri Rohit Chhabra, NTPC  
Shri Shailendra Singh, NTPC  
Shri A. Basu Roy, NTPC  
Shri Shyam Kumar, NTPC  
Shri R.B.Sharma, Advocate, GRIDCO

**RECORD OF PROCEEDINGS**

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

- a) The Commission has revised the tariff of the generating station for the period from 2004-09 on account of additional capital expenditure incurred during the period 2007-09 vide its order dated 3.9.2012 and Corrigendum dated 2.4.2013 in Petition No. 184/2009.
- b) In terms of the judgement of the Appellate Tribunal in Appeal No. 82/2009, notional IDC (Interest during Construction) on account of repayment made through internal resources prior to capitalization for 2004-09 shall be admissible for tariff.
- c) The non inclusion of initial spares of `1150 lakh in historical capital for calculating maintenance spares in working capital is calculation error, which may be rectified. Also, the Commission in respect of other generating stations has allowed the same prayer in tariff orders. Hence, the same may be considered in this station also.

2. The learned counsel for the respondent, GRIDCO referred to the reply and submitted as under:

- (i) No ground under which this petition has been filed has been furnished by the petitioner.
- (ii) The review petition has been filed after the expiry of the limitation period on the ground that the back-up calculation sheets were not provided. The delay in obtaining calculation sheets cannot be a ground for condonation of delay.
- (iii) In terms of the 2004 Tariff Regulations, initial spares can be capitalized only once during the life time of the station and otherwise prior to the cut-off date. Initial spares, even if considered, cannot be included in the capital cost of the station.
- (iv) The Commission has dealt with the issue of IDC and denied IDC based on FIFO method and has recalculated the same before applying the average

method in its order. The claim of the petitioner for disallowance of notional IDC for 2004-07 under Petition No 31 of 2008, cannot be considered in this review petition, which relates to the Order of the Commission for the period 2007-09 in Petition No. 184/2009.

- (v) Reply filed in the matter may be referred to.
3. In response, the representative of the petitioner clarified as under:
- (a) The Commission by its order dated 3.9.2012 had condoned the delay in filling the review petition.
  - (b) The petitioner has not claimed IDC based on FIFO method. The petitioner is only seeking implementation of the judgment of the Tribunal in Appeal No. 82/2009, filed by the respondent, wherein the said issue has been decided by the Tribunal. The Tribunal has specifically clarified that Notional IDC arising out of repayments made from internal resources till capitalization of the capital assets under R&M shall be admissible for tariff. Hence, review of order is justified on this point.
  - (c) The Commission in some of the generating stations of the petitioner has been considering initial spares in the historical capital cost while calculating maintenance spares in working capital based upon the judgement of the Appellate Tribunal. The same shall be considered in this generating station also.
  - (d) Through the judgement of the Appellate Tribunal pertains to the additional capitalization for the period from 2004-07, (in Petition No 31/2008), the Commission may consider the same since tariff of the generating station was revised by the Commission for 2004-09 in Petition No 184/2009.
4. The Commission after hearing the parties reserved its order in the petition.

By order of the Commission

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