

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 243/GT/2013

Subject: Revision of tariff of Talcher Super Thermal Power Station, Stage-I (1000 MW) for the period from 1.4.2009 to 31.3.2014 after truing up exercise.

Date of Hearing: **1.7.2014**

Coram: Shri Gireesh B Pradhan, Chairperson
Shri M.Deena Dayalan, Member
Shri A.K.Singhal, Member

Petitioner: NTPC, New Delhi

Respondents: WBSEDCL and 18 ors.

Parties present: Shri Ajay Dua, NTPC
Shri A.Basu Roy, NTPC
Shri Navneet Goel, NTPC
Shri Bhupinder Kumar, NTPC
Shri A.S.Pandey, NTPC
Shri A.K.Srivastava, NTPC
Shri R.B.Sharma, Advocate for BRPL & GRIDCO
Ms. Megha Bajpeyi, BRPL

RECORD OF PROCEEDINGS

This petition has been filed by the petitioner, NTPC, for revision of tariff of Talcher Super Thermal Power Station, Stage-I (1000 MW) (hereinafter called 'the generating station') for the period from 1.4.2009 to 31.3.2014 in terms of Regulation 6(1) of the 2009 Tariff Regulations.

2. The representative of the petitioner submitted that the actual capital expenditure (on cash basis) for the period 2009-12 and projected capital expenditure for the year 2012-14 has been claimed in the petition based on the latest estimates and status of works. He also submitted that audited balance sheet for the period 2009-12 has also been submitted. The representative further submitted that additional information as sought for by the Commission has been filed and copies have been served on the respondents. The representative added that rejoinder to the replies filed by respondents MSEDCL, JSEB and GRIDCO have been filed. He however prayed for a weeks' time to file rejoinder to the reply of the respondent, BRPL.

3. The representative of the respondent, TANGEDCO submitted that since copy of the petition has not been received, reply could not be filed. He however prayed for time to file reply after receipt of copy of the petition. In response, the representative of the petitioner submitted that copy of the petition has been served on all the respondents including TANGEDCO and proof of service had already been submitted to the Commission. He however, undertook to handover a copy to the respondent, TANGEDCO in course of the day.

4. The learned counsel for the respondent BRPL mainly submitted as under:

(a) The claim for additional capitalization for the years 2010-11 and 2011-12 is much more than the additional capitalization allowed by Commission's order dated 15.6.2012. Similar variations have been noticed in the figures pertaining to discharge of liabilities.

(b) In respect of the additional capitalization claim for ₹577.65 lakh during 2011-14 under Regulation 9(2)(ii) i.e Change in law, no document has been furnished by the petitioner in justification of the same. The document of the State Pollution Control Board indicates the improper upkeep in restoration of breached ash dyke and emission levels in respect of the four units of Stage-II and not in respect of two units of Stage-I of the generating station.

(c) The expenditure towards supply of electricity within 5 km area which was notified by the Ministry of Power, GOI has been withdrawn. The petitioner has also expressed inability to meet the same from the funds under the Corporate Social Responsibility (CSR). Since the expenditure to be considered under Regulation 9(2) is within the discretionary power of the Commission, the same may be rejected.

(d) As regards disincentive due to non-performance of the generating station and the claim for unrecovered depreciation during the period 2010-13, the option of allowing depreciation after completion of useful life of the generating station, provided that useful life is extended by the petitioner without any further expenditure for the period of un-recovered depreciation may be examined, in line with the observations of the Appellate Tribunal for Electricity in its judgment dated 13.6.2007 in Appeal No. 156/2006.

5. In response, the representative of the petitioner submitted that similar submissions as above made by the respondent JSEB in its reply has been clarified by the petitioner in rejoinder dated 24.6.2014. However, the representative prayed for grant of time to file its rejoinder to the reply of the respondent, BRPL.

6. The Commission after hearing the parties directed the petitioner to submit information on affidavit, on the following, with advance copy to the respondents, on or before 25.7.2014:

(i) A detailed note on the background of modification of ESP along with details of emission levels for which ESP was designed originally vis-à-vis actual emission levels and reasons for high emission levels from the generating station and the prevailing norms of the State Pollution Control Board.

(ii) An expenditure for ₹3948.45 lakh has been claimed for "Raising of Ash Dyke Lagoon/associated Ash slurry pipe works" against the expenditure of ₹3294.85 lakh allowed in order dated 15.6.2012 in Petition No. 228/2009. The reasons for the said increase along with proper justification for the claim shall be submitted. Also, the reason for not claiming any additional capital expenditure in respect of Installation of 4th slurry pump in existing series" during 2009-14 as against the approved expenditure of ₹800.00 lakh shall be clarified.

7. The respondents shall file reply by 8.8.2014, with copy to the petitioner, who shall file rejoinder by 19.8.2014. No extension of time shall be granted under any circumstances and the additional information, reply/rejoinder filed after the due date mentioned above shall not be considered.

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

By order of the Commission

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