

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 3/RP/2014

Subject : Review of the Commission's order dated 14.11.2013 in Petition No. 57/TT/2012 approving Fees and Charges for Unified Load Despatch & Communication Scheme (POWERGRID portion i.e. Communication system portion and SLDC system retained by the petitioner after formation of POSOCO) in Western Region for the period 2009-14 block

Date of Hearing : 13.2.2014

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

Petitioner : PGCIL

Respondents : NTPC Ltd. & 13 others

Parties present : Shri S.S. Raju, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.M. Mondal, PGCIL

Record of Proceedings

The representative of the review petitioner submitted that the following errors have crept in the Commission's order dated 14.11.2013 in Petition No. 57/TT/2012:-

- (a) Since the date of commercial operation of Unified Load Despatch System of Western Region on 1.2.2006 (tariff block 2004-09), interest on working capital was being allowed @1% of the capital cost along with escalation @6% per annum. The same norm for working capital was followed for the other ULDC



assets from the date of respective dates of commercial operation beginning with tariff period from 2002-03. In the absence of any specific tariff norms applicable for ULDC assets, same principle with reference to working capital component should have been applied for determination of fees and charges for current tariff period also. In the order dated 14.11.2013, spares forming part of the working capital component has been calculated @15% of the operation and maintenance cost for calculation of interest on working capital. As a result of this sudden change in the method of calculation, the petitioner has been subjected to huge loss on account of working capital;

- (b) In the absence of any specified format, the details of the actual and projected operation and maintenance expenditure as available from the books of accounts was submitted to the Commission. The petitioner was not given an opportunity to give further details. The detailed justification of the O&M expenditure for 2009-14 which was not submitted earlier is being furnished along with the instant review petition;
- (c) The review petitioner requests to review the order dated 14.11.2013 in Petition No. 57/TT/2012 on the issues of Interest on Working Capital and Operation and Maintenance Expenses as mentioned in the review petition.

2. The Commission observed that the petitioner while filing the petition should have given all the details of operation and maintenance expenses.

3. The Commission directed to issue notice to all the respondents, who may file respective replies, by 27.2.2014, with advance copies to the petitioner. The petitioner shall file rejoinder, if any, one week thereafter. The review petition shall be listed for hearing on 13.3.2014.

By order of the Commission

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

