

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 89/GT/2011

Subject : Approval of tariff for Mejia TPS, Phase-II, Unit- I & II (2 X 500 MW) from the respective dates of their commercial operation

Petition No. 66/GT/2012

Subject : Approval of tariff for Durgapur Steel Thermal Power Station Units I & II (2 X 500 MW) for the period from the respective dates of their commercial operation for the period applicable 2009-14

Date of hearing : 11.11.2014

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

Petitioner : Damodar Valley Corporation, Kolkatta

Respondents : Delhi Transco Limited & Others

Parties present : Shri Avinash Menon, Advocate, DVC
Shri D.K. Aich, DVC
Shri Amit Biswas, DVC
Shri R.B. Sharma, Advocate, BRPL & JSEB
Shri S.P. Singh, DTL

Record of Proceedings

During the hearing of the above petitions, the learned counsel for the petitioner submitted that detailed arguments have been made by the parties. He also submitted that all information as sought for by the Commission has been filed and copies have been served on the respondents. The learned counsel further submitted that rejoinder to the replies filed by the respondents have been submitted. Accordingly, the petitioner prayed for determination of tariff for the generating station.

2. In response, the learned counsel for the respondent, BRPL, in Petition No. 66/GT/2012 submitted as under:

- (i) Though the respondents BRPL & BYPL had surrendered the power allocated from the generating station, the petitioner has not accepted the same.
- (ii) The three main objects namely, irrigation, power and flood control are independent of each other with separate financial outlays in terms of the provisions of the DVC Act, 1948. The revenues generated by DVC through sale and distribution of electricity cannot be used for other activities like flood control, irrigation, etc. In terms of Regulation 43 (2) (i) of the 2009 Tariff Regulations, the expenditure allocated to the object 'power' to the extent of its apportionment to

generation and inter-State transmission shall form basis of capital cost for the purpose of generation of tariff.

- (iii) The revised sanction cost of ₹5715.62 crore and the original investment approval do not disclose the schedule of commissioning of the project.
- (iv) The reasons furnished by the petitioner as regards the completion of the units of the generating station is attributable to the delay in providing inputs like making land available to the contractor and slackness in project management etc. the problems narrated by the petitioner are only an excuse for the delay, which is entirely attributable to the petitioner.
- (v) The prudence check for Time and Cost overrun may be considered in terms of the principle laid down in the judgment of the Appellate Tribunal for Electricity dated 24.7.2011 in Appeal No. 72/2010 (MSPGCL –v- MERC & Ors.).
- (vi) The claim of the petitioner for Interest on Government Capital and additional interest on notional loan is not permissible. The ROE and Interest on loan shall be allowed as per the provisions of 2009 Tariff Regulations.
- (vii) Reply filed in the matter may be considered.
- (viii) The submissions made above may be considered in Petition No. 89/GT/2011 filed by the petitioner.

3. In response to the above, the learned counsel of the petitioner submitted that the tariff claimed is based on the provisions of the 2009 Tariff Regulations and the various judgments of the Tribunal in respect of the generating station of the petitioner.

4. On a specific query by the Commission, as regards submission of additional details regarding to Time and Cost overrun along with PERT chart, the learned counsel for the petitioner clarified that all information has been submitted and no further details are available with the petitioner for submissions in the matter.

5. The Commission after hearing the parties reserved its order in the matter.

By Order of the Commission

-S/d-
(T. Rout)
Chief (Legal)