

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 454/GT/2014

- Subject** : Revision of tariff for the period 2009-14 with respect to capital expenditure including additional capital expenditure incurred during the financial years 2009-10 to 2013-14 in respect of Khandong Hydro Electric Project Stage-II (1 x 25 MW) of North Eastern Electric Power Corporation Limited.
- Date of hearing** : 3.2.2015
- Coram** : Shri Gireesh. B. Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
- Petitioner** : NEEPCO Ltd, Shillong
- Respondents** : Assam Power Distribution Company Ltd & 8 Others
- Parties present** : Shri Rana Bose, NEEPCO
Shri Paresh Ch. Barman, NEEPCO

Record of Proceedings

This petition has been filed by the petitioner, NEEPCO for revision of tariff of Khandong Hydro Electric Project Stage-II (2 x 25 MW) (“the generating station”) for the period 1.4.2009 to 31.3.2014 for trueing up exercise in respect of capital expenditure including additional capital expenditure incurred based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (“the 2009 Tariff Regulations”).

2. The representative of the petitioner made detailed submissions during the hearing and prayed that the tariff of the generating station may be revised for 2009-14. He also submitted that the rejoinder to the reply filed by the respondent, Assam Power Distribution Company Ltd has been submitted and the same may be considered.

3. None appeared on behalf of the respondents.

4. On a specific query by the Commission as to whether the Board of Directors of NEEPCO has approved the RCE submitted to the Central Government, the representative of the petitioner clarified that the revised cost was approved by the competent authority as per delegation of financial powers followed in NEEPCO.

5. The Commission directed the petitioner to seek the approval of the Board of Directors to the Revised Cost Estimate submitted to the Central Government and place same on record. The petitioner was also directed to submit the circular/ notification regarding the delegation of financial powers being followed in NEEPCO. The above information shall be submitted on affidavit within 3 months.

6. The Commission further directed the petitioner to submit additional information, on affidavit with advance copies to respondents on or before 9.3.2015 on the following:

(a) Reasons for claiming expenditure for ₹0.95 lakh for 'Rising spindle cast carbon steel gate valve' during 2011-12, but capitalized during the year 2012-13;

(b) A detailed note 'furnishing reasons for initially capitalizing expenditure of ₹258.82 lakh in books during 2011-12 towards Stator and later de-capitalizing the same in books during 2012-13. In this background, clarification shall be submitted as to:

(i) Whether the stator was capitalized on accrual basis with no corresponding cash out go. If yes, then why in the previous truing petition no un-discharged liability was shown by the petitioner during 2011-12.

(ii) When was job completion certificate obtained as petitioner has not capitalized the expenditure during 2013-14 subsequent to de-capitalization of the asset during 2012-13.

(c) Annexure-XIII at page 68 of the petition pertaining to position of discharged and un-discharged liabilities shall be certified by Auditor;

7. The information as above shall be filed by the petitioner within the due date mentioned and the parties are directed to complete the pleadings within the said date. In case no additional information/ reply / rejoinder are filed within the due date mentioned, the matter shall be decided based on available records.

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

By Order of the Commission

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