

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 70/GT/2013

Subject : Approval of tariff of Vindhyachal Super Thermal Power Station Stage – IV (1000 MW) from the date of commercial operation upto 31.3.2014

Petition No. 297/GT/2014

Subject : Approval of tariff of Vindhyachal Super Thermal Power Station Stage – IV (1000 MW) from the date of commercial operation upto 31.3.2014

Date of hearing : 13.1.2015

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

Petitioner : NTPC Limited

Respondents : MPPMC Limited & 6 Others

Parties present : Shri Ajay Dua, NTPC
Shri T. Vinodh Kumar, NTPC
Shri Rajesh Jain, NTPC
Shri Parimal Piyush, NTPC
Shri Anurag Naik, MPPMCL
Shri Arvind Banerjee, CSPDCL

Record of Proceedings

Both the petitions were taken up for hearing on 13.1.2015.

2. During the hearing, the representative for the petitioner submitted as under:

- (i) These petitions have been filed for revision of tariff based on truing-up of actual additional capital expenditure incurred for the period 2009-14, in respect of the generating stations.
- (ii) Additional information sought for by the Commission has been filed vide affidavit dated 17.12.2014 and advance copies have been served on the respondents.
- (iii) Rejoinders to reply filed by the respondents MSEDCL, MPPMCL and CSPDCL have been filed in the mater.

3. The representative of the respondent, CSPDCL submitted as under:

- (i) There is a delay in commissioning of Unit-I by 7.6 months and Unit-II by 14.4 months of the generating station. Therefore, cost overrun due to delay should not be passed on to beneficiaries.

- (ii) There is a huge variation in actual cost and estimated cost in respect of items like Cost of land, Steam Generator equipment, Rolling stock & Locos and Start-up fuel and pre-commissioning expenses.
- (iii) As this generating station is an expansion project and plant facility and township for this expansion project and would be accommodated in the land acquired during Stage-I of the project. In terms of the MoM of the Board of Directors of the petitioner, the cost escalation may not be allowed.
- (iv) Since the project is a Mega Power Project, the tax holidays and/ or other concessions derived by the petitioner shall be passed on to the beneficiaries.

4. On a specific query by the Commission, as to whether additional land has been acquired by the petitioner, the representative of the petitioner clarified that the additional land acquired was for the purpose of ash dyke disposal.

5. On a further query by the Commission, as to the variations in respect of items like Steam Generator equipment, Rolling stock & Locos etc, the representative of the petitioner, clarified that since it was due to the estimates made during the year 2000. He also submitted that the cost incurred in the generating station is within the benchmark as specified by the Commission.

6. As regards Start-up fuel & pre-commissioning expenses the representative of the petitioner submitted that the sufficient justification is provided in its rejoinder dated 1.1.2015. Further as regards, the tax holidays and/ or other concessions, it is clarified that the same has been considered in the capital cost as claimed by the petitioner.

7. The representative of the respondent, MPPCL submitted as under:

- (i) The O&M expense in terms of proviso to Regulation 19, of the 2009 Tariff Regulations, states that the norms shall be multiplied by the multiplying factor of 0.9 & 0.85 for additional units in the same generating station, accordingly, the same may be considered.
- (ii) The Commission in its order dated 23.6.2014 has allowed Gross Station Heat Rate (GSHR) of 2424.44 k/Cal/kWh for the purpose of provisional tariff. However, it is prayed that GSHR to 2420.68 k/ Cal/ kWh may be considered as on Energy Charge Rate.

8. The Commission after hearing the parties directed the petitioner to submit, additional information, on affidavit, with advance copy to the respondents, on or before 16.2.2015 on the following:

- (i) Detailed break-up of time overrun of 7 months & 14 months for Unit-I & Unit-II in a tabular form on the basis of each and every reason of delay giving number of working days/ months lost, activities suffered due to particular reason, documentary evidence where it is necessary such as signing of Fuel Supply Agreement (FSA), delay in approvals from Railways, completion of cooling tower, etc. with detailed justification with PERT chart.
- (ii) Details of land cost of ₹144.53 crore along with reasons for abnormal increase from original estimated cost.
- (iii) Basis of computation of original estimates of ₹25.91 crore and details of actual expenditure of ₹143.36 crore on start-up fuel along with details of consumption of coal and secondary fuel oil and their price, units generated, activities undertaken and revenue earned from sale of infirm power up to COD as per the format enclosed in Annexure 1.

- (iv) Auditor certified statement showing capital cost claimed for the tariff period 2009-14.
- (v) Detailed calculations of IDC, FC & FERV along with soft copies to be furnished.
- (vi) Yearly statement of FERV upto respective dates of COD;
- (vii) Revised Form-5B/ Statement of IDC & FC since, the amount of IDC & FC capitalised upto COD as per Form-5B is not matching with the statement of IDC & FC submitted;
- (viii) Revised Form-5B/ Form-9A needs to be furnished as IDC & FC as per these two forms are at variance;
- (ix) Revised liability flow statement (showing additions and liability positions during each period and as on COD of each units separately) and the liability position as per the submitted liability statement is not matching with that as per Form-9A, the respective forms shall be revised accordingly;
- (x) Details of locos & MBOA's received at and transferred from the generating station along with the following details:
 - a. Name of asset
 - b. Original value of asset capitalized (value in actual rupee term)
 - c. Depreciation recovered in books (value in actual rupee term)
 - d. Year when the asset was originally put to use
 - e. Gross value at the time of transfer (value in actual rupee term)
 - f. Name of transferring/ receiving station
 - g. Year of transfer
 - h. How these inter-unit transfers have been treated for the purpose of tariff at the receiving station
- (xi) Number of locomotives received by way of inter-unit transfer / purchased at the generating station and how many of them were transferred back.
- (xii) Certify reasons for the assets received by way of inter-unit transfers from Mauda STPS has been actually transferred back to Mauda STPS;
- (xiii) The details of other inter-unit transfers during various years prior to COD, if any;
- (xiv) Asset wise IDC included in the additional capital expenditure claimed for respective years/periods.

9. The respondents shall file their replies on or before 23.2.2015 with advance copy to the petitioner. No further extension of time shall be granted for any reason whatsoever. In case the information/reply/rejoinder is not filed within the said date, the matter shall be considered based on available records. The parties are directed to complete their pleading within due date

10. Subject to above, the Commission reserved its order in the petition.

By Order of the Commission

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