

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 269/GT/2014

Subject : Determination of tariff for Rajiv Gandhi Combined Cycle Power Project, Kayamkulam (359.58 MW) for the period 2014-19.

Petitioner : NTPC

Respondents : KSEB Limited

Date of hearing : **12.7.2016**

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

Parties present : Shri Ajay Dua, NTPC
Shri Rohit Chhabra
Shri B. S. Rajput, NTPC
Shri Bhupinder Kumar, NTPC
Shri T. Vinodh Kumar, NTPC
Ms. Suparna Srivastava, Advocate, KSEB

Record of Proceedings

This petition has been filed by the petitioner, NTPC for approval of tariff for Rajiv Gandhi Combined Cycle Power Project, Kayamkulam (359.58 MW) ("generating station") for the period 2014-19 in terms of the 2014 Tariff Regulations.

2. During the hearing, the representative for the petitioner made detailed submissions in the matter and submitted that the additional information sought for by the Commission has been filed and copies served on the respondents. Accordingly, he prayed that tariff of the generating station may be approved as claimed in the petition.

3. In response, the learned counsel for the respondent, KSEB mainly submitted as under:

- (i) The excessive increase in working capital is attributed due to the increase in working capital is attributed due to the increase in the price of Naptha during the months of January 2014 compared to the Naptha price in January 2013. However, the Naptha price has reduced drastically by more than 50% now;
- (ii) Due to the excessive variable cost of power generated from the generating station, KSEB has not been scheduling power from the plant;
- (iii) The average PLF of the generating station during the last three years only be considered for arriving the 30 days fuel cost and 15 days fuel stock for the purpose of arriving the working capital requirement;
- (iv) The petitioner may be directed to adopt the actual cost based on the actual schedule for arriving at the working capital;



(v) Accordingly, the norms on working capital may be relaxed for the generating station.

4. On a specific query by the Commission as regards the installation of Multi-fuel firing facility for GTs, the representative of the petitioner clarified that necessary action has been taken to arrange RLNG and put the asset to use. It is further submitted that expenditure of ₹3000 lakh has been projected for capitalization in the year 2018-19. He also submitted that discussions are being held with the respondents to facilitate the completion of the said work.

5. The Commission after hearing the parties directed the petitioner to file the following additional information on affidavit, by 5.8.2016, with advance copy to the respondents as under:

- (i) Brief note on the latest status of the gas transportation pipeline work to bring gas from Kochi LNG terminal to the generating station;
- (ii) Detailed break-up of projected expenditure of ₹30.00 crore on multi fuel firing system;
- (iii) Brief note on the proposed enhancement of installed capacity from 359.58 MW to 1050 MW along with the justification of additional capital expenditure of seal steam modification in the light of enhancement of capacity of the generating station;
- (iv) Approval from competent authority regarding the project additional capital expenditure of ₹34.06 crore in 2014-19.

6. The respondents shall file their replies, if any by 12.8.2016 with advance copy to the petitioner who shall file its rejoinder, if any, by 19.8.2016. No extension of time shall be granted for any reason whatsoever. In case the additional information/ reply/ rejoinder is not filed within the said date, the matter shall be decided as per the available records.

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

By Order of the Commission

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

