

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.281/GT/2018

Subject : Petition for determination of final tariff for the period 29.6.2010 to 31.3.2014 in respect of Sewa-II Power Station

Petition No.322/GT/2018

Subject : Petition for determination of final tariff for the period 2014-19 in respect of Sewa-II Power Station.

Petitioner : NHPC Ltd.

Respondents : PSPCL & ors

Date of hearing : **27.8.2019**

Coram : Shri P.K.Pujari, Chairperson
Dr. M.K. Iyer, Member
Shri I.S. Jha, Member

Parties present : Shri Rajiv Shankar Dwivedi, Advocate , NHPC
Shri Piyush Kumar, NHPC
Shri M.G.Gokhale, NHPC
Shri V.N.Tripathi, NHPC
Shri Dhanush C.K, NHPC
Shri R.B.Sharma, Advocate, BRPL & BYPL
Shri Mohit K. Mudgal, Advocate, BRPL & BYPL
Ms. Sanya Sood, Advocate, BRPL & BYPL
Shri Sanjay Srivastava, BRPL

Record of Proceedings

During the hearing, the learned counsel for the Petitioner mainly submitted as under:

(a) The COD of the generating station is 24.7.2010. The Commission vide its order dated 6.9.2010 in Petition No. 57/2010 had allowed tariff for the period 2009-14 on basis of anticipated capital cost of ₹983.61 crore as on 1.3.2010.

(b) Petition No. 251/GT/2014 was filed by the Petitioner for the period 2009-14 & 2014-19 and the same was disposed of by the Commission vide order dated 27.1.2017 due to non- availability of the approved RCE by MOP, GOI.

(c) No DIA has been appointed in this case as the COD of the generating station was prior to the guidelines dated 2.8.2010 issued by the Commission for vetting of capital cost of hydro projects by DIA.

(d) The RCE amounting to ₹1108.83 crore (including IEDC & IDC) has been appraised by CEA, Standing Committee and PIB. PIB has also recommended the time overrun of 34 months.

(e) The Board of the Petitioner's Company has approved the RCE of the generating station in its Board meeting held on 10.8.2018.



2. The learned counsel for the Respondents, BRPL & BYPL submitted the following:

(a) The vetting of capital cost by DIA is only after COD of the station and hence the guidelines specified by the Commission on 2.8.2010 is applicable. The Petitioner may be directed to file the report of DIA to facilitate the vetting of the capital cost as well as time & cost overrun.

(b) The Commission in Petition Nos. 57/2010 & 251/GT/2014 had only made reference on time overrun without its condonation. Accordingly, the time overrun ought to be considered strictly in terms of the principles enunciated by the Tribunal in its judgment dated 27.4.2011 in Appeal No. 72 of 2010 (MSPGCL vs MERC & ors).

(c) Since the RCE is yet to be approved by MOP, GOI, the determination of final tariff of generating station is subject to submission of RCE.

(d) The claim for additional capitalization under Regulations 14(3)(i), 14(3)(iii), 14(3)(v) & 14(3)(viii) are liable to be rejected on prudence check as the details furnished by the Petitioner are sketchy and do not justify the expenditures incurred by the Petitioner.

(e) Reply filed in the matter may be considered.

3. In response to the above, the learned counsel for the Petitioner clarified that the Petitioner has submitted all documents in accordance with the provisions of the 2014 Tariff Regulations. He submitted that the actual work in respect of additional capitalization was completed prior to cut-off date and form part of the original scope of work for which proper justification has been furnished. Accordingly, the learned counsel prayed that tariff of the generating station may be determined as prayed for in the above Petitions.

4. The Commission after hearing the parties reserved order in these Petitions.

By order of the Commission

Sd/-
(B.Sreekumar)
Dy. Chief (Law)

