

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.354/GT/2018

Subject : Petition for determination of tariff in respect of Teesta Low Dam Power station, Stage-IV for the period from 11.3.2016 (COD of first unit) to 31.3.2019.

Petitioner : NHPC Ltd.

Respondent : WBSEDCL

Date of hearing : 11.2.2020

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

Parties present : Shri Rajiv Shankar Dwiwedi, Advocate, NHPC
Shri S.R. Sarkar, Advocate, NHPC
Shri Mohd. Faruque, NHPC
Shri Prashant Kaul, NHPC
Shri M.G.Ramachandran, Senior Advocate, WBSEDCL
Ms. Anushree Bardhan, Advocate, WBSEDCL
Ms. Tanya Sareen, Advocate, WBSEDCL

Record of Proceedings

During the hearing, the learned counsel of the Petitioner submitted that it has filed additional information as sought for by the Commission. He also submitted that pleadings in the matter have been completed and the Commission may accordingly determine the tariff of the generating station.

2. The learned Senior counsel for the Respondent referred to Annexures 17 & 18 of its reply dated 12.9.2019 and submitted that the Petitioner may be directed to furnish the documents, including deliverables 1 & 2 of the DIA report. The learned counsel for the Petitioner objected this and submitted that all details have been furnished by the Petitioner and documents including the DIA report, form part of the records of the Commission. The Commission after hearing the parties observed that it would undertake prudence check of the information furnished in the matter.

3. The Commission however directed the Petitioner to submit, the following additional information on affidavit, on or before **6.3.2020**, with copy to the Respondent;

- (i) *Proper justification and relevant documents with regard to additional Capital expenditure claimed under Regulation 14 (3) (viii) of 2014 Tariff Regulation for assets / works other than within the original scope of work and within the cut-off date;*
- (ii) *Certificate to the effect that the additional capital expenditure claimed for assets/works other than within the original scope of work upto the cut-off date, has not been included in the completion cost of ₹178252 lakh, as recommended by Revised Cost Committee (RCC);*
- (iii) *Revenue earned from sale of infirm power and its adjustment in the capital cost claimed;*
- (iv) *LD/ Insurance recovered, if any;*
- (v) *R&R cost as on cut-off date;*



- (vi) Breakup of the completion cost of ₹178252 lakh (Hard cost and soft cost) as recommended by RCC;
- (vii) Report of RCC on time and cost overrun of the Project;
- (viii) Revised Cost Estimate (RCE) along with reasons for time overrun as submitted to RCC;
- (ix) Status of final approval of RCE;
- (x) Revised additional capital expenditure claimed for the year 2018-19, on actual basis based on audited balance sheet, as per format specified by the Commission;
- (xi) Initial spares claimed as on COD and as on the cut-off date;
- (xiii) The analysis of Form-5B, duly certified by Auditor reveals that the actual capital cost as on COD of the project does not indicate the correct position and has been prepared on the basis of cost considered in RCE. Accordingly, the Petitioner is directed to furnish the revised Form 5B based on the following:
- (a) Actual capital cost as on COD of each unit.
- (b) Excluding the amount of ₹20051.65 lakh and CWIP of ₹110 lakhs, which is not part of capital cost for tariff purpose and the Revised Cost Committee decided to recommend the proposal of Revised Cost Estimate at completion of TLDP-IV Project amounting to ₹1782.52 crore excluding ₹200.52 crore.
- (c) Based on the actual Interest During Construction (IDC) as the IDC mentioned in 5B (₹54371.66 lakh) is in variance with Form 9E (₹42724.93 lakh).
- (d) Details of freehold land, leasehold land and land under reservoir, since indicated as 'nil' in the footnote of Form 5B.
- (xiv) Statement showing break-up of the capital cost for tariff as on COD of each unit into hard cost and all components of the soft cost, duly certified by Auditor;
- (xv) Soft copies of the Audited balance sheets for each year, since 1st infusion of funds;
- (xvi) The statement of reconciliation, duly certified by Auditor, between undischarged liabilities as per balance sheet as on COD of each unit and that as claimed vide Form 9E and 9F. If the balance sheet as on COD of each unit is not available, then the reconciliation shall be submitted, considering the nearest quarter end balance sheet;
- (xvii) Reconciliation between the actual cash expenditure for every year considered for calculation of normative IDC and the balance sheet of the respective year, duly certified by Auditor;
- (xviii) Documentary evidences with respect to financing charges claimed;
- (xix) Explanation of IDC allocation as on COD of each unit, based on actual figures, along with reconciliation of IDC claimed with IDC as per books of account;
- (xx) Explanation as to whether the rate of interest applied for calculation of IDC includes any kind of penal charges. If yes, the reasons for penal charges and the break-up of the rate of interest, into original rate as per agreement and the penal charge, for the entire period;
- (xxi) Details as regards insurance proceeds/ LD, if any, claimed or received;
- (xxii) Revised Form 7, capturing the details of the project specific loans availed.
- (xxiii) A comprehensive statement comprising of all the project specific and corporate loans availed by the Company, indicating the date-wise disbursement and their allocation into respective project.



(xxvi) Reconciliation between the additional capital expenditure claimed for tariff and that as per books of account, duly certified by Auditor.

4. The Respondent is directed to file its reply on or before **20.3.2020**, with a copy to the Petitioner, who shall file its rejoinder, if any, by **27.3.2020**.
5. Subject to the above, order in the petition was reserved.

By order of the Commission

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

