

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 12/RP/2020
in
Petition No. 249/GT/2016

Coram:

**Shri P.K.Pujari, Chairperson
Shri I.S.Jha, Member
Shri Arun Goyal, Member**

Date of order: 10th July, 2020

In the matter of

Review of Commission's order dated 9.1.2020 in Petition No. 249/GT/2016 with regard to the determination of tariff of Teesta-III Hydro Electric Project (1200 MW) for the period from the actual COD (28.2.2017) to 31.3.2019

And

In the matter of

Teesta Urja Ltd
2nd Floor, Vijaya Building,
17, Barakhamba Road,
New Delhi-110001

...Petitioner

Vs

1. PTC India Limited
15, Bhikaji Cama Place,
New Delhi- 110066
2. Energy and Power Department
Government of Sikkim
Kazi Road, Gangtok- 737101
3. Punjab State Power Corporation Limited
The Mall, Patiala- 147001
4. Uttar Haryana Bijli Vitran Nigam Limited
Vidyut Sadan, Plot No. C16, Sector-6
Panchkula- 134109
5. Dakshin Haryana Bijli Vitran Nigam Limited
Vidyut Sadan, Vidyut Nagar, Hisar- 125005
6. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6, Panchakula- 134109



7. Ajmer Vidyut Vitran Nigam Limited
Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer- 305004
8. Jaipur Vidyut Vitran Nigam Limited
Vidyut Bhawan, Janpath,
Jaipur- 302005
9. Jodhpur Vidyut Vitran Nigam Ltd.,
New Power House, Industrial Area,
Jodhpur-342003
10. Rajasthan Urja Vikas Nigam Limited
Vidyut Bhawan, Janpath
Jyoti Nagar, Jaipur- 302005
11. Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14, Ashok Marg,
Lucknow- 226001

.....Respondents

Parties Present:

Shri Tarun Johri, Advocate, TUL
Shri Swati Jindal, TUL
Ms. Swapna Seshadri, Advocate, PSPCL & HPPC
Ms. Ritu Apurva, HPPC
Shri Vishrov Mukerjee, Advocate, PTC
Ms. Raveena Dhamija, Advocate, PTC

INTERIM ORDER

The Petitioner, Teesta Urja Ltd (TUL), has filed this Review Petition against the Commission's order dated 9.1.2020 in Petition No. 249/GT/2016 whereby the tariff of Teesta-III Hydro Electric Project (1200 MW) ('the generating station') for the period from the actual COD (28.2.2017) to 31.3.2019 was determined in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations").

2. Aggrieved by the said order, the Petitioner has sought review of the said order dated 9.1.2020 on the ground of error apparent on the face of the order, raising the following issues:



- (a) *Error in the claimed additional capital expenditure amount indicated in para 86 of the order;*
- (b) *Error in the cut-off date considered;*
- (c) *Error in the closing capital cost amount;*
- (d) *Error in the treatment of depreciation;*

3. The Commission heard the learned counsel for the Petitioner on 'admission' through Video Conferencing on 25.6.2020. Review Petition is admitted on the issues raised in paragraph 2(d) above. The Commission directed to issue notice to the Respondents. The learned counsel for the Respondent PSPCL & HPPC took notice on behalf of the said Respondents and prayed for grant of time to file its reply in the matter.

4. As regards other issues raised by the Petitioner in paragraph 2 above, the same is disposed of as detailed in the subsequent paragraphs:

(A) Error in the claimed additional capital expenditure amount indicated in para 86 of the order

5. The Petitioner has submitted that in paragraph 86 of the Commission's order dated 9.1.2020 in Petition No. 249/GT/2016, a clerical error has occurred while mentioning the additional capital expenditure claimed by the Petitioner as Rs.8929.08 lakh for the period from 23.2.2017 to 27.2.2017 for Units- II, III & IV of the generating station. It has submitted that the correct amount of additional capital expenditure claimed by the Petitioner is Rs 38929.08 lakh and the same has been indicated in para 6 and 85 of the said order. Accordingly, the Petitioner has prayed that in order to avoid any ambiguity future, the Commission may amend paragraph 86 of the said order, by correcting the additional capital expenditure claimed by the Petitioner as Rs.38929.08 lakh instead of Rs 8929.08 lakh.



6. The submissions are considered. The Commission in paragraph 86 of the said order dated 9.1.2020 had indicated the following:

“Inter-unit Additional capital expenditure

86. The Petitioner has claimed additional capital expenditure of ₹8929.08 lakh for the period from 23.2.2017 to 27.2.2017 for Units- II, III & IV. It is noticed that the said expenditure has been incurred during the period between 23.2.2017 and 28.2.2017 and as such shall be capitalized on 28.2.2017, along with IDC on the loan portion of such expenditure till 28.2.2017. In view of this, the additional capital expenditure of Rs.38929.08 lakh has not been allowed for the period from 23.2.2017 to 27.2.2017. Accordingly, the additional capital expenditure for the period from 28.2.2019 to 31.3.2019 has been considered as under.”

Xxx

7. It is noticed that in the revised tariff filing form (Form-I) submitted the Petitioner vide affidavit dated 18.10.2018 in the main petition, the Petitioner has claimed the additional capital expenditure of Rs 38929.08 lakh during the period from 23.2.2017 to 27.2.2017. This amount has also been indicated as the additional capital expenditure amount claimed by the Petitioner for the said period in the table under paragraphs 6 and 85 of the order dated 9.1.2020. However, in paragraph 86 of the said order, this additional capital expenditure amount was inadvertently mentioned as Rs 8929.08 lakh for the period from 23.2.2017 to 27.2.2017. This in our view is an error apparent on the face of the order and review on this ground is allowed. Accordingly, in line 1 of paragraph 86 of the order, the amount of additional capital expenditure claimed by the Petitioner for the period from 23.2.2017 to 27.2.2017 is corrected as Rs.38929.08 lakh.

(B) Error in the cut-off date considered

8. The Petitioner has submitted that the Commission in paragraphs 87 and 118 of the order dated 9.1.2020 in Petition No. 249/GT/2016 has inadvertently mentioned the cut-off date of the project for the purpose of additional capital expenditure as 31.3.2019. The Petitioner has also submitted that in terms of Regulation 3(13) of the



2014 Tariff Regulations, the cut-off date for the purpose of additional capital expenditure is 31.3.2020 and the same may be corrected in the said paragraphs of the order.

9. The submissions are considered. The relevant portions of Paragraphs 87 and 118 of the said Order dated 9.1.2020 is extracted hereunder:

“87.....Accordingly, the completion cost of the project has been restricted to ` 1333733.66 lakh. The cut-off date of the project is 31.3.2019. Accordingly, the additional capital expenditure which can be allowed from the COD of the generating station up to the cut-off date with respect to the balance works/ assets under the original scope of work.....”

118. The COD of the generating station is 28.2.2017. The project cost as on cutoff date of the generating station (31.3.2019) allowed as above is ₹133620.30 lakh...”

10. Regulation 3(13) of the 2014 Tariff Regulations provides as under:

“Cut-off Date’ means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation”

11. Considering the fact that the COD of the generating station is 28.2.2017, the cut-off date of the generating station, in terms of the above regulation is 31.3.2020. Hence, the cut-off date mentioned as 31.3.2019 in paragraphs 87 and 118 of the said order is in our view an error apparent on the face of the order and the same is rectified as 31.3.2020. Review on this ground is disposed of accordingly.

(C) Error in the closing capital cost amount

12. The Petitioner has submitted that in paragraph 110 of the Order dated 9.1.2020 in Petition No. 249/GT/2016, the Commission has allowed the closing capital cost of Rs.133360.30 lakh for the period from 1.4.2018 to 31.3.2019. It has however pointed out that in paragraph 115 of the said order, the closing capital cost in the depreciation calculation table has been inadvertently mentioned as Rs.13360.30 lakh



for the period from 1.4.2018 to 31.3.2019 which is apparent clerical error. The Petitioner has therefore prayed that closing capital cost may be corrected as Rs.133360.30 lakh (arrived at by addition of the opening capital cost and projected additional capitalization).

13. The submissions have been considered. From the table under paragraph 101 of the order dated 9.1.2020, it is noticed that the closing capital cost allowed for the period 1.4.2018 to 31.3.2019 is Rs.1333620.30 lakh (not Rs.133360.30 lakh & paragraph 110 as stated by Petitioner). However, in the table under paragraph 115 of the said order pertaining to the computation of depreciation, the closing capital cost was inadvertently mentioned as Rs.133620.30 lakh for the period 2018-19 (not Rs. 13360.30 lakh as stated by Petitioner). Further, it is noticed that the Commission while determining the O&M expenses in paragraph 118 of the order dated 9.1.2020, has inadvertently mentioned the project cost of Rs.133620.30 lakh allowed as on 31.3.2019. This in our view is an error apparent on the face of the order and the same is rectified by this order. Accordingly, the closing capital cost in the table under paragraph 115 and allowed project cost as on 31.3.2019 in paragraph 118 of the order for the period 1.4.2018 to 31.3.2019 is corrected as Rs.1333620.30 lakh.

14. There is however no revision in the tariff determined by order dated 9.1.2020 in Petition No. 249/GT/2016 consequent upon rectification of the errors as above.

15. The Petitioner is directed to serve the copy of the Review Petition along with this order on the Respondents by **14.7.2020**. The Respondents shall file their replies on or before **24.7.2020**, with advance copy to the Petitioner, who shall file its rejoinder, if any, by **31.7.2020**. The parties shall ensure strict compliance of the due date mentioned above for filing of reply/rejoinder.



16. Matter shall be listed for hearing in due course for which separate notice will be issued to the parties.

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S.Jha)
Member

Sd/-
(P.K. Pujari)
Chairperson

