

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 151/MP/2012**

Subject: Petition for relaxation of provisions in regard to Additional Capitalization from the date of commercial operation up to the cut-off date for determination of tariff of Bhilai Expansion Power Plant (2x250 MW) and also for exercise of inherent powers to do substantial justice.

Date of Hearing: 22.11.2012

Coram: Dr. Pramod Deo, Chairperson  
Shri S. Jayaraman, Member  
Shri V. S Verma, Member  
Shri M. Deena Dayalan, Member

Petitioner: NTPC SAIL Power Company Private Ltd

Respondents: Electricity Department UT of Dadra & Nagar Haveli and 3 others

Parties present: Shri M. G. Ramachandran, NTPC-SAIL  
Shri G. Basu, NTPC- SAIL  
Shri S. D Jha, NTPC-SAIL  
Shri Abhinav Jindal, NTPC- SAIL

**RECORD OF PROCEEDINGS**

The petitioner, NTPC-SAIL has filed this petition under Regulation 6 of the Central Electricity Regulatory Commission (Terms and conditions of Tariff) Regulations, 2009 for relaxation of provision in regard to additional capitalization from the date of commercial operation up to the cut-off date for determination of tariff of Bhilai Expansion power plant (2x250 MW) and also for exercise of inherent powers to do substantial justice.

2. During the hearing, the counsel for the petitioner submitted that the norms relating to the cut-off date for additional capitalization be relaxed, since the petitioner has not been able to complete the entire capital work before the close of the financial year of 2011-12 due to delay in supply of material by contracting agencies and execution of

project related activities by the agencies for reasons beyond the control of the petitioner, as under:

- a) Construction of Township Packages for Bhilai Expansion Power Plant was awarded to M/s Engineering Project (India) Limited on 23.10.2009. However, after site preparation and excavation, the work came to halt due to heavy and unprecedented monsoon. Though the work again started in October 2010 there were several disputes and differences between the contractor and the sub-contractor and the petitioner had to cancel the award and re-tender the partially executed work leading to substantial delay. There is no extra cost implication on account of the delay.
- b) The delay in the construction of the boundary wall was due to non-receipt of clearance from Bhilai Municipal Corporation, as mentioned in the documents submitted *vide* affidavit dated 3.8.2012.
- c) Besides the works which have been deferred for capitalization beyond cut-off date as mentioned in Annexure-B at Sl. No. 11 of the petition, there are certain works which have been completed but the final payments are held up on account of closing of contracts delayed beyond the deadline. The Commission may allow such payments in terms of Regulation 9 (viii) of the 2009 Tariff Regulations.

3. The Commission admitted the petition and directed the issuance of notice to the respondents.

4. The petitioner is directed to serve the copy of the petition on the respondents, who may file their reply by 14.12.2012. The petitioner may file its rejoinder, if any, by 21.12.2012.

5. Matter to be listed for hearing on 08.01.2013.

By order of the Commission

Sd/-  
(T. Rout)  
Joint Chief (Law)