

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 228/MP/2018

Coram:

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

Date of Order: 13th March, 2019

In the matter of

Petition for extension of cut-off date of Koldam Hydroelectric Power Project (4 x 200 MW) from 31.3.2018 to 31.3.2020

And

In the matter of

NTPC Limited
NTPC Bhawan,
Core-7, Scope Complex
7, Institutional Area, Lodhi Road,
New Delhi- 110003

.....Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226001

2. Jaipur Vidyut Vitran Nigam Ltd
Vidyut Bhawan, Janpath,
Jaipur- 302005

3. Ajmer Vidyut Vitran Nigam Ltd
Old Power House, Hathi Bhata,
Jaipur Road, Ajmer

4. Jodhpur Vidyut Vitran Nigam Ltd
New Power House, Industrial Area,
Jodhpur

5. Tata Power Delhi Distribution Ltd
Grid Substation, Hudson Road,
Kingsway Camp, Delhi - 110009



6. BSES Rajdhani Power Ltd
BSES Bhawan, Nehru Place, New Delhi - 110019
7. BSES Yamuna Power Ltd
Shakti Kiran Building Karkardooma Delhi- 110092
8. Haryana Power Purchase Centre
Shakti Bhawan, Sector - VI, Panchkula
Haryana - 134109
9. Punjab State Power Corporation Ltd
The Mall, Patiala - 147001
10. Himachal Pradesh State Electricity Board Ltd
Kumar Housing Complex Building-II,
Vidyut Bhawan, Shimla - 171004
11. Power Development Department
Govt. of J&K, Civil Secretariat,
Srinagar
12. Electricity Department
Union Territory of Chandigarh,
Addl. Office Building Sector-9 D,
Chandigarh

.....Respondents

Parties present:

Ms. Poorva Saigal, Advocate, NTPC
Ms. Anushree Bardhan, Advocate, NTPC
Ms. Rajitha Ramachandran, Advocate, NTPC
Ms. Tanya Sareen, Advocate, NTPC
Shri B.B.Parida, NTPC
Shri Nishant Gupta, NTPC

ORDER

The Petitioner, NTPC has filed the present Petition to extend the cutoff date of Koldam Hydroelectric Power Project (4 x 200 MW) (hereinafter referred to as ‘the generating station’) for a period of two years from 31.3.2018 to 31.3.2020 in exercise of the Commission’s power under Regulation 54 (Power to Relax) and Regulation 55 (Power to remove difficulty) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 (‘the 2014 Tariff Regulations’).



2. Koldam HEP is located on river Sutlej in Bilaspur District of the State of Himachal Pradesh and comprises of four units of 200 MW each. The generating station was declared under commercial operation on 18.7.2015 and in terms of Regulation 3(13) of the 2014 Tariff Regulations, the cut-off date of the generating station is 31.3.2018. The tariff of the generating station for the period from 18.7.2015 to 31.3.2019 was determined by the Commission vide order dated 5.4.2018 in Petition No. 107/GT/2015.

3. The Petitioner in this Petition has submitted it had projected total additional capital expenditure of ₹43275.74 lakh for the period 2015-18 in respect of works within the original scope of the work. However, the Commission in its order dated 5.4.2018 had allowed the projected additional capital of ₹40817.09 lakh by limiting the initial spares to 4% of the plant and machinery cost. The Petitioner has further submitted that out of the expenditure of ₹330.43 crore envisaged to incur beyond the cut-off date, the Petitioner could complete and capitalize the works which are within the original scope of work amounting to ₹81.21 crore within the cut-off date. Moreover, an expenditure of ₹102.69 crore pertaining to certain balance works within the original scope, claimed as additional capital expenditure for the period 2015-18 has spilled over beyond the cut-off date for reasons beyond the reasonable control of the Petitioner. Accordingly, the Petitioner has submitted that a total expenditure of ₹351.91 crore (249.21 + 102.69) is getting spilled over beyond the cut-off date, which may be condoned and capitalization of the same may be permitted by relaxation of the cut-off date beyond 31.3.2018 for two years in exercise of the power to relax under Regulation 54 of the 2014 Tariff Regulations.



4. The Petition was admitted on 13.12.2018 and notice was issued to the Respondents. The Commission directed the parties to complete pleadings in the matter by 17.1.2019. None of the Respondents have filed their replies to the Petition.

5. During the hearing, the learned counsel for the Petitioner submitted that some of the capital works amounting to ₹351.91 crore before the cut-off date could not be capitalized on account of certain unavoidable factors like (i) Protection Works on Both sides of River Downstream of Project, (ii) Additional works related to Plunge Pool, (iii) Land Cases / Compensation, (iv) Local Area Development Fund, (v) Administrative Building Internal Roads, Area Development, Boundary Wall and (vi) Township. The learned counsel further submitted that these works are in progress and are likely to be completed by the year 2019-20. Accordingly, the learned counsel submitted that the cut-off date of the generating station may be extended till 31.3.2020 and the Petition may accordingly be allowed.

6. Thereafter, the matter was heard on 27.2.2019. During the hearing, the learned counsel for the Petitioner reiterated the above submissions and stated that certain balance works could not be capitalized before the cut-off date on account of some unavoidable factors beyond the control of the Petitioner. The learned counsel however submitted that expenditure till 31.3.2019 shall be claimed in the truing-up petition, which is to be filed by the Petitioner for the period 2014-19.

Analysis and decision

7. As stated above, the tariff of the generating station for the period from COD i.e. 18.7.2015 till 31.3.2019 was determined by the Commission vide its order dated 5.4.2018 in Petition No. 107/GT/2015. Though the Petitioner, in the said



Petition, had not claimed the capitalization of additional expenditure amounting to ₹33042.73 lakh in respect of some of the works, it was granted liberty by the Commission to claim the same at the time of truing up of tariff. The relevant portion of the order is extracted hereunder:

“75. It is observed that the petitioner has indicated a provision for a total expenditure of ₹33042.73 lakh towards (i) Land cases (₹18540.73 lakh), (ii) Local Area Development Fund (₹10752.00 lakh) and for establishing an Engineering College (₹3750.00 lakh) during the year 2018-19. However, the petitioner has not projected the additional expenditure for capitalization. Hence, the admissibility of the said expenditure has not been considered in this order. The petitioner, if so advised, is at liberty to claim the said expenditure, at the time of truing-up of tariff and the same will be examined on prudence check, in accordance with law.”

8. The Petitioner in this Petition has submitted that total expenditure of ₹35191 lakh towards majority of works like Protection work on downstream of the dam, Plunge pool work, Land compensation, Township construction, admin building internal roads & area development etc., are in progress and are likely to be completed by the year 2019-20. Since majority of the works within the original scope are in progress and are likely to be completed only during the year 2019-20, we find no reason to keep this Petition pending. The Petitioner may however claim the capitalization of expenditure in respect of these works, as and when incurred, in terms of the provisions of the 2019 Tariff Regulations and the same will be considered in accordance with law. With the above observation, the Petition is disposed of.

9. Petition No. 228/MP/2018 is disposed of in terms of the above.

Sd/-
(I.S.Jha)
Member

Sd/-
(Dr.M.K.Iyer)
Member

Sd/-
(P.K.Pujari)
Chairperson

