

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.243/GT/2017

- Subject : Petition for approval of tariff of Bongaigaon Thermal Power Station (750 MW) for the period from date of commercial operation of Unit-I (i.e. 1.4.2016) to 31.3.2019.
- Petitioner : NTPC
- Respondent : Assam Power Distribution Company Limited & ors
- Date of hearing : **2.6.2020**
- Coram : Shri P.K. Pujari, Chairperson
Shri I.S.Jha, Member
Shri Arun Goyal, Member
- Coram : Ms. Swapna Seshadri, Advocate, NTPC
Ms. Ritu Apurva, Advocate, NTPC
Shri Rohit Chhabra, NTPC
Shri Prashant Chaturvedi, NTPC
Shri Indrajit Tahbildar, APDCL
Shri Nil Madhab Deb, APDCL
Shri Parinay Deep Shah, Advocate, FINER (Objector)
Ms. Ritika Singhal, Advocate, FINER (Objector)

Record of Proceedings

The matter was heard through video conferencing.

2. During the hearing, the learned counsel for the Petitioner made the following submissions:

(a) The Investment Approval of the project was accorded by the NTPC Board on 30.1.2008. The RCE of the project has been approved by the NTPC Board on 31.8.2017 for Rs 8149.54 crore at the price level of 1st Quarter 2017.

(b) The Petitioner had filed Petition No. 45/GT/2016 for determination of tariff of Bongaigaon Thermal Power Station (hereinafter called 'the generating station') from anticipated COD of Unit-1 till 31.3.2019. Based on the actual COD of Unit-I (1.4.2016), the tariff of the said unit was determined by Commission's order dated 22.5.2017.

(c) As regards time over-run, the Commission vide its order dated 22.5.2017 had condoned the delay of 1303 days (out of 1886 days) for Unit-1. Against this order, review petition was filed by the Petitioner (Petition No. 29/RP/2017) and the same was rejected by Commission's order dated 23.7.2018. Appeal has been filed by the Petitioner against this order before APTEL and the same is pending.



(d) Unit-2 and Unit-3 were declared under commercial operation on 1.11.2017 and 26.3.2019 respectively. Accordingly, this petition has been amended for revision of tariff based on the admitted capital cost as on 1.4.2016 and the actual capital expenditure incurred during 2016-19, along with audited financial statements as on the COD of Units 2 & 3.

(c) There is a delay of 15 months and 12.8 months in the declaration of COD of Unit-2 and Unit-3 respectively. Some of the reasons for delay namely, violence, curfew, bandh, heavy rainfall, non-availability of RCC Bridge, change of course of Champamati river etc., as submitted in respect of Unit-1 and settled by the Commission in its order dated 22.5.2017 are also applicable for Units 2 & 3. The reasons for the delay in the declaration of COD of Units 2 & 3 which were beyond the control of the Petitioner have been furnished vide affidavit dated 17.12.2018 and the same may be considered.

(d) There has been certain enactments/promulgation of law, Govt. of India Notifications etc., like GST (w.e.f.1.7.2017), Minimum Wage Revision (w.e.f 1.3.2017) and MOE&F Notification regarding Ash Transportation, which has resulted in changes in the inputs and the input cost required for operation and maintenance of power plants. These are change in law events and accordingly the additional expenditure incurred may be allowed in terms of Regulations 8(3) and 8 (7) of the 2014 Tariff Regulations.

(e) Due to various reasons beyond the control of the Petitioner, there is delay in the implementation of FGD system and it is expected that the same would be completed and capitalized during the next tariff period. Hence, relaxed O&M charges, additional Auxiliary Power Consumption and consumption of limestone on account of FGD has not been considered in the tariff calculations. The Commission may allow the expenditure on installation of FGD and relaxed operating norms after capitalization of FGD during the 2019-24 tariff period.

(f) The Commission may allow the design heat rate with applicable operating margin of 2389.32 kcal/kWh as Station Heat Rate in exercise of the 'Power to relax' under the 2014 Tariff Regulations. Also, in view of the coal shortage faced by the generating station, the NAPAF of 83% may be allowed for the years 2016-17 & 2017-18 respectively.

2. The representative of the Respondent APDCL stated that a detailed reply filed by the Respondent on 22.8.2019 may be considered and the tariff of the project may be determined on prudence check, based on the provisions of the 2014 Tariff Regulations.

3. The learned counsel for the Petitioner objected to the learned counsel for FINER (industrial Consumer) participating in the proceedings by making submissions in the matter. She submitted that since tariff of the generating company (and not the distribution company) is only being determined by this Commission, permitting the consumers of the distribution company to participate in the proceedings would set a wrong precedent. In response, the learned counsel for FINER referred to the observations of the Commission in ROP of the hearing dated 18.12.2018 and submitted that FINER may be allowed to participate in the proceedings. The Commission while pointing out that Consumers had been permitted to participate only by filing their



objections/responses, granted liberty to the learned counsel for FINER to file additional submissions, if any. Accordingly, the learned counsel for FINER prayed for some time to file additional submissions in the matter.

4. The Commission after hearing the parties, directed the Petitioner to submit additional information on the following, with copy to the Respondents/Objector FINER on or before **24.6.2020**:

- (i) The details of time overrun of Unit-2 & Unit-3, separately providing the details of the delay in each activity from ‘zero date’ along with reasons thereof;
- (ii) Details of the schedule start date and schedule completion date along with the actual start date and actual completion date for each activity with regard to Unit-2 & Unit-3 from ‘zero date’, as per sample format enclosed as **Annexure-A** herewith. Any other information as considered relevant and necessary may also be submitted;
- (iii) Justification for assuming the estimated cost of the FGD system as 10% of the project cost, the details of packages awarded in respect of FGD system and the details of LOA with M/s BHEL;
- (iv) Documentary evidence in justification of shortage of coal in station along with details of month-wise opening stock of coal, coal received during the month, closing stock of the coal for 2016-19 and the annual contractual quantity of coal along with certified copy of the PAF unit-wise for period from 2016-17 to 2018-19;
- (v) Details of the total amount of inter-unit transfer in and transfer out along with clarification as to whether the same was within the original scope of work of project or not. Also, the details of capitalization and de-capitalization of inter-unit transfer in and transfer out after COD of Unit-1 in the capital cost along with the reconciled amount due to inter-unit transfer in the capital cost shall be furnished;
- (vi) Details in respect of the various Loans (including foreign loan) applicable to the project as per format below:

Date of Drawl	Lender Name	Drawl			Repayment			ROI #	ER (considered on date of interest payment)	Closing ER	Applicable withholding Tax rate	ER (considered for withholding tax)
		Foreign Currency	ER	INR	Foreign Currency	ER	INR					

details of interest resets since date of drawl shall also be included.

- (vii) Certification to the effect that inter-unit transfer out of assets were not claimed for the purpose of tariff at the receiving station;
- (viii) Financing of additional capitalization (Form-10);
- (ix) The amount of contingency, if any, included in the capital cost claimed.



5. The Respondents shall file their replies and the Objector FINER may file its additional submissions, on affidavit, on or before **9.7.2020**, with copy to the Petitioner, who shall file its rejoinder/response by **16.7.2020**. The Commission directed that due date of filing of reply and/or rejoinder and for submitting information should be strictly complied with.

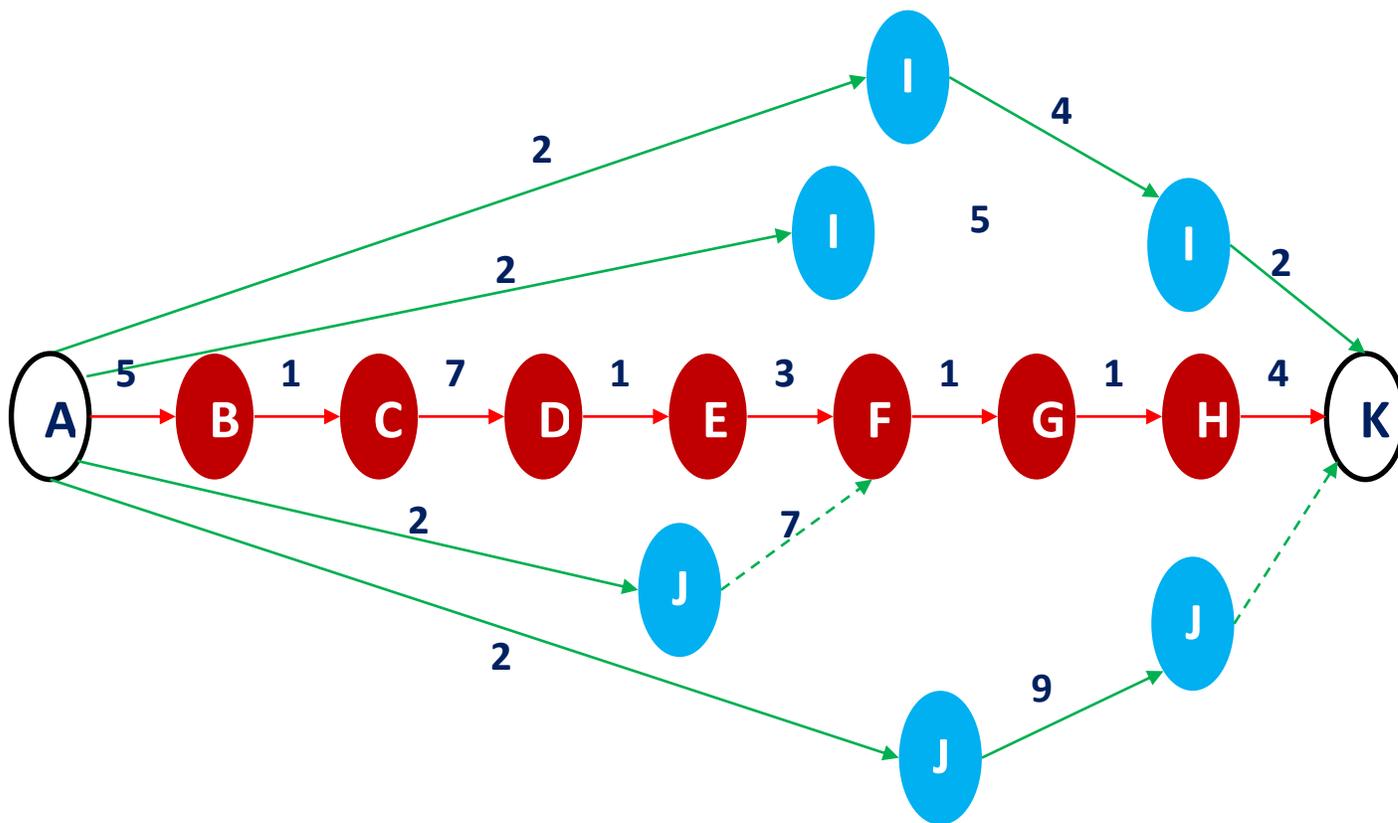
6. Subject to the above, order in the Petition was reserved.

By order of the Commission

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



Annexure-A: Sample CPM chart for Time Overrun



Process	Activity	Schedule Start Date	Schedule Completion Date	Actual Start Date	Actual Completion Date	Schedule Duration (Month)	Actual Duration (Month)	Delay (Days/Month)	Reasons of delay with individual delay (Start and End date)
A	Investment Approval (Zero Date)								
B	Boiler Foundation								
C	Boiler Erection								
D	Boiler Drum Lifting								
E	Condenser Erection								
F	Turbine Erection								
G	Boiler Hydro Test								
H	Turbine Box - Up								
I	TG Erection Schedule								
I1	MGR								



I2	Track hopper/Wagon Tripler								
I3	Coal Handling Plant								
J	Boiler Light-up								
J1	ESP								
J2	Chimney								
J3	Ash Handling System								
K	Steam Blowing								
L	Synchronization & Trial								
M	COD								

Note: This is a sample format. Activity may change from case to case basis.

