

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H.Jung, Member**

Petition No. 83/2005

In the matter of

Approval of tariff of Rihand Super Thermal Power Station, Stage-II, unit-I (500 MW) for the period 1.8.2005 to 31.3.2009.

And in the matter of

National Thermal Power Corporation

Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited, Lucknow
2. Jaipur Vidyut Vitran Nigam Ltd., Jaipur
3. Ajmer Vidyut Vitran Nigam Ltd. Ajmer
4. Jodhpur Vidyut Vitran Nigam Ltd., Jodhpur
5. Delhi Transco Ltd., New Delhi
6. Haryana Vidyut Prasaran Nigam Ltd., Panchkula
7. Punjab State Electricity Board, Patiala
8. Himachal Pradesh State Electricity Board, Shimla
9. Power Development Department, Govt. of J&K, Srinagar
10. Power Deptt. Union Territory of Chandigarh, Chandigarh
11. Uttranchal Power Corporation Ltd., Dehradun

Respondents

The following were present:

1. Shri VBK Jain, NTPC
2. Shri I.J.Kapoor, NTPC
3. Shri M.Saxena, NTPC
4. Shri S.D.Jha, NTPC
5. Shri G.K.Dua, NTPC
6. Shri G.S.Agesh, NTPC
7. Shri R.K.Arora, EXN, HSEB
8. Shri V.K.Melhotra, DTL
9. Shri V.K.Garg, DTL
10. Shri B.K.Paliwal, DTL
11. Shri P.K.Gupta, DTL
12. Shri V.K.Gupta, Consultant, PSEB

ORDER
(DATE OF HEARING 13.9.2005)

The petition has been filed for approval of provisional tariff for Unit-I (500 MW) of Rihand Super Thermal Power Station Stage-II (Rihand STPS-II) for the period from 1.8.2005 to 31.3.2009, based on the terms and conditions of tariff contained in the Commission's notification dated 29.3.2004.

2. Rihand STPS- II comprises of 2 units of 500 MW each. The power generated from the generating station is to be supplied to the beneficiaries in the Northern Region, the respondents herein. The first unit of Rihand STPS-II, synchronized on 31.1.2005 was to be declared under commercial operation on 1.8.2005 and application was accordingly made for approval of provisional tariff.

3. The Commission vide its order dated 10.3.2005 had allowed infirm power @ 87.71 paise/kWh from the date of synchronization to the date of commercial operation of Unit –I of Rihand STPS-II.

4. The petitioner has claimed tariff on expenditure of Rs.1381.77 crore, based on audited expenditure as on 31.1.2005. This is about 40.82% of the CEA approved cost of Rs. 3384.77 crore for Stage II (2 x 500 MW).

5. We heard the representatives of the parties present at the hearing. It was stated that the first Unit of Rihand STPS-II was declared under commercial operation on 15.8.2005. The representatives of the PSEB and HSEB raised certain issues regarding the capital cost of the generating station. Without going into the details of capital cost at this stage, we allow Rs. 22925.35 lakh for the period starting from

15.8.2005 as the annual fixed charge, on provisional basis for Unit-I. The provisional fixed charge being approved by us represents only 85% of the fixed charge claimed by the petitioner, corresponding to the expenditure of Rs. 1381.77 crore, because of a doubt about the admissibility of advance against depreciation claimed. The question of capital cost shall be gone into in accordance with law at the time of final determination of tariff.

7. The petitioner has claimed the energy charges of 84.01 paise/kWh for the period 1.8.2005 to 31.3.2006, which is the weighted average energy charge for 180 days of stabilization period and 63 days period beyond stabilization during 2005-2006. However, considering the price and GCV of coal and secondary fuel oil given in the petition, the energy charges of Rs. 85.24 paise/kWh shall be applicable from 15.8.2005 to 12.2.2006, that is, during the stabilization period and thereafter @ 78.31 paise/kWh up to the date of commercial operation of Unit-II. The prices and GCV of coal and secondary fuel oil for the months December 2004 to February 2005, the operational and other parameters considered for arriving at the energy charges are given hereunder:

Sl. No.	Parameters	During stabilization period of 180 days from COD of Unit-I	Subsequent to stabilization period up to COD of Unit-I
(i)	Special oil consumption (ml/kWh)	4.5	2
(ii)	Auxiliary consumption (%)	8	7.5
(iii)	Heat rate (Kcal/Kwh)	2550	2450
(iv)	Coal cost (Rs/MT)	1078.03	1078.03
(v)	Oil cost (Rs./KL)	15262.29	15262.29
(vi)	GCV of Coal (Kcal/kg)	3776.67	3776.67
(vii)	GCV of oil (Kcal/lt)	9650	9650

8. The base energy charge as above are allowed provisionally and shall be further subjected to fuel price adjustment for variation in price and GCV of fuels.

9. The petitioner is directed that a certificate, duly signed by the Auditors, certifying the following data shall be submitted at the time of filing of petition for approval of regular tariff:

(a) Total quantity and amount spent on purchase of fuel up to the date of commercial operation;

(b) Total quantity and amount of fuel actually consumed up to the date of commercial operation;

(c) Balance quantity and amount of fuel as on the date of commercial operation; and

(d) Amount of fuel in stock as on the date of commercial operation as per (c) above not capitalized on the date of commercial operation.

10. In case of more than one type of fuel, information in respect of each type of fuel shall be furnished and such information shall be required on the respective date of commercial operation of each Unit, that is, Unit-I and Unit-II.

11. With the above, the petition stands disposed of. The petitioner has paid the initial filing fee of Rs. 20,000/-. The balance of the Court fee of Rs. 80,000/- shall be deposited by the petitioner within two weeks of issue of this order.

sd/-	Sd/-	Sd/-	Sd/-
(A. H. JUNG) MEMBER	(BHANU BHUSHAN) MEMBER	(K.N.SINHA) MEMBER	(ASHOK BASU) CHAIRMAN

New Delhi, dated 21st September, 2005