

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

Coram:

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member
3. Shri K.N. Sinha, Member

**Petition No.44/2001**

**In the matter of**

Approval of tariff for Dadri GPS (829.78 MW) for the period 1.4.2001 to 31.3.2004.

**Petition No. 45/2001**

**And in the matter of**

Approval of tariff for Anta GPS for the period 1.4.2001 to 31.3.2004.

**Petition No.46/2001**

**And in the matter of**

Approval of tariff for Auriya GPS for the period 1.4.2001 to 31.3.2004.

**And in the matter of**

**National Thermal Power Corporation Ltd.**

**.... Petitioner**

**Vs**

**Uttar Pradesh Power Corporation Ltd.**

**....Respondents**

The following were present:

1. Shri K.K. Garg, GM, NTPC
2. Shri T.R. Sohal, AGM, NTPC
3. Shri A.K. Poddar, SM, NTPC
4. Shri A. Dua, Manager, NTPC
5. Shri M.S. Chawla, AGM (Comml.), NTPC
6. Shri S.K. Samvi, SM(Comml.), NTPC
7. Shri Balaji Dubey, Sr. Law Officer, NTPC
8. Shri R.Singhal, Manager, NTPC
9. Shri G.M. Agrawal, Dy. CE(Comml.), RRVPNL
10. Shri J.S. Bawa, AE(ISP), RRVPNL
11. Shri T.K. Srivastava, EE, UPPCL
12. Shri T.P.S. Bawa, SE, PSEB
13. Shri D.D. Chopra, Advocate, UPPCL
14. Shri R.K. Arora, HVPNL

**ORDER**  
**(DATE OF HEARING 21.3.2003)**

Shri K.K. Garg, appearing on behalf of the petitioner, NTPC submitted that the petitioner had filed revised petitions for approval of tariff and also the additional information as per the Commission's order dated 12.12.2002 in Petition No. 38/2001 and 39/2001. He further submitted that the gas supply to these three stations was not adequate, therefore, the target availability of 80% could not be achieved. He prayed that the target availability of 80% should be relaxed and considered on the basis of availability of machines as ordered in case of Kawas GPS and Gandhar GPS, pending disposal of the matter before the Hon'ble High Court of Delhi. Shri Garg explained that all these stations had dual fuel firing capability. In case of Dadri GPS, the second fuel was HSD whereas in case of Anta and Auraiya, it was Naptha. He stated that the petitioner had storage capacity of 3000 KL at Anta and Auraiya plants whereas in the case of Dadri GPS, the storage capacity was 18000 KL. We direct the petitioner to file the details relating to approved liquid fuel storage capacity at each of the power stations and actual storage maintained explaining the reasons and giving justification for providing for different storage capacities at different stations. NTPC further stated that full fixed charge was payable to NTPC in the previous tariff period at 62.79% PLF (Actual PLF plus deemed generation). Earlier NTPC was facing shortage of gas but with the improvement in supply of gas, they have been able to achieve a PLF of 71% at Dadri, 73.5% at Auraiya and 74.7% at Anta.

2. Shri Garg further submitted that the details of O&M expenses furnished by the petitioner did not include cost of spares, which were replaced free of cost by the manufacturer in the past. The petitioner now had to incur expenditure on procurement of such spares after the expiry of warranty period of 10 years and therefore, an

additional provision for O&M expenses on account of procurement of spares was required to be made. Without recording any view on the matter, we direct the petitioner to file details of the notional cost of the spares supplied by the manufacturer free of cost along with the equipment/machinery as also the firmed up future requirements of spares.

3. It was stated on behalf of the petitioner that in terms of the Commission's order dated 21.12.2001 and CERC's tariff notification dated 26.3.2001, the capacity on gas fuel and liquid fuel was required to be declared separately and as such two separate fuel price escalation formulas had to be specified for gas and liquid fuel. In this context it was pointed out that prices and GCV in respect of gas for the month of Jan 2001 & March 2001 are available in petition. Commission also require information for the liquid fuel (HSD/Naptha) for the respective stations in the prescribed form No.17.

4. The petitioner, NTPC, was asked to explain whether there was any agreement with SEBs for supply of power on liquid fuel and whether the SEBs were reluctant to buy the power generated by using liquid fuel. Shri Garg submitted that the dual fuel firing and storage facility was provided at these stations after agreement with the beneficiaries. However, it was noticed that generally SEBs were reluctant to buy power on liquid fuel because of its high cost.

5. On the issue of O&M expenses, the petitioner, NTPC was asked to explain the abnormal increase in repair and maintenance charges in 1998-99, increase in power charges, increase in insurance and professional expenses etc. The petitioner clarified only one point relating to increase in insurance charges. Shri Garg stated that the increase in insurance was not on account of revaluation of assets in the gross block but

because of the revaluation of the assets for deciding the premium to be paid. We, therefore, direct the petitioner to file detailed information as also the reasons for abnormal increases in O&M expenses under different heads above.

6. We further direct the petitioner to submit the details of loan on prescribed formats.

7. Shri R.K. Arora, on behalf of HVPNL submitted that there was abnormal increase in the employee cost on account of wage revision which was not uniform in these power stations. He further pointed out that there was an expenditure to the tune of Rs.3.652 lakh under “other expenses”, for which no details had been provided. Shri R.K. Arora, HVPNL stated that the petitioner was raising energy charges on composite basis despite the fact that under ABT, the capacity was being declared separately for gas and liquid fuel. Though HVPNL was not buying the power generated by using the liquid fuel but was made to pay for such power in the composite billing for the time being. He further stated that petitioner was at liberty to allocate the cost for each power plant out of total allocation for its own plants and therefore, use of liquid fuel could be on equitable basis.

8. Shri R.K. Arora, HVPNL, pointed out that in the asset-wise depreciation, under some head, depreciation at the rate of 18% had been charged on the temporary structures, which was not justified as power station was commissioned earlier. Shri G.M. Agarwal on behalf of RRVPNL supported the contentions and further submitted that energy charges should be in the same proportion in which the gas was received by each of these stations of petitioner.

10. Shri T.P.S. Bawa, PSEB submitted that there was reduction in O&M expense in case of Anta, whereas there was increase in Auraiya and Dadri GPS during the same period. He also raised the point of consumption of power in colony, which according to him should not be allowed in the O&M expenses. Shri Garg on behalf of NTPC, submitted that colony was included in the power house and consumption of electricity for colony was part of O&M expenses. We, therefore, directed the petitioner to furnish details about the power charges claimed as a part of O&M expenses.

11. The information/details asked for shall be filed by the petitioner within two weeks, duly supported by affidavit with advance copy to the respondents.

12. List this petition for hearing on 12.6.2003.

**Sd/-**  
**(K.N. SINHA)**  
**MEMBER**

**Sd/-**  
**(G.S. RAJAMANI)**  
**MEMBER**

**Sd/-**  
**(ASHOK BASU)**  
**CHAIRMAN**

New Delhi dated the 6<sup>th</sup> May, 2003