

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**CORAM:**

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member

**IA No. 17/2003  
in  
Petition No. 1/2003**

**In the matter of**

Provisional Tariff for Unit-I of Talcher STPS Stage II

**And in the matter of**

National Thermal Power Corporation Ltd.

.... **Petitioner**

**Vs**

1. Tamil Nadu Electricity Board,
2. Karnataka Power Transmission Corporation Ltd.
3. Transmission Corporation of Andhra Pradesh
4. Kerala State Electricity Board
5. Electricity Department, Govt. of Pondicherry,  
Pondicherry

.... **Respondents**

**The following were present:**

1. Shri K.K. Garg, GM(C), NTPC
2. Shri M.S. Chawla, AGM(C), NTPC
3. Shri Rachna Mehta, NTPC
4. Shri R. Dhar, NTPC
5. Shri Manoj Mathur, NTPC
6. Shri K.J. Alva, KPTCL
7. Shri K. Gopalakrishnan, KSEB

**ORDER  
(DATE OF HEARING: 10.7.2003)**

The Interlocutory application in Petition No. 1/2003 filed by the petitioner for approval of provisional tariff, is listed for hearing after notice.

2. Shri K.K. Garg, General Manager appearing on behalf of the petitioner, NTPC submitted that the commercial operation of Unit I Talcher STPS Stage II

could not take place on 1.7.2003. He further submitted that the Unit I of Talcher STPS Stage II is, now, likely to be declared under commercial operation in August 2003.

3. Shri Garg explained that the approval of the cost of project was accorded by the Board of NTPC. He stated that the project cost as per techno-economic clearance of CEA dated 23.10.1997 was Rs.6532.61 crore. The anticipated completion cost of the project is stated to be Rs.6738.74 crore (inclusive of IDC and Financing Charges), and provisional tariff had been claimed based on this cost. He further submitted that since the actual capital expenditure of Unit I would be available only after Unit I is declared under commercial operation, therefore, for the purpose of provisional tariff, the anticipated capital cost of Rs.6738.74 crore may be considered.

4. It has been stated by the petitioner that the apportioned cost of Unit I was Rs.2190.09 crore, that is, 32.5% of the total estimated cost of the project. Accordingly, the petitioner has claimed fixed charge of Rs.426.55 crore per annum.

5. Shri K.J. Alva, KPTCL submitted that the petitioner may be awarded only 70% of the anticipated cost of project of Rs.6738.74 crore as provisional tariff. This contention was supported by Shri Gopalakrishnan, KSEB.

6. As per the Commission's notification dated 26.3.2001 in case of multi-unit stations, cost of a particular unit is to be considered on proportionate basis. Talcher STPS Stage II comprises of 4 units. Therefore, 25% of the total cost of Rs.6738.74 crore is considered for provisional tariff. On consideration of the above recorded facts, we allow Rs.278.90 crore as the annual fixed charges for Unit I of Talcher STPS Stage II on provisional basis from the actual date of commercial operation, subject to adjustment after determination of final fixed charges. The fixed charges allowed by us represent 85% of the apportioned estimated completion cost for Unit I. In addition, the petitioner shall be entitled to energy charges approved vide order dated 11.3.2003 during the period of stabilisation. Subsequent to stabilisation period, the base energy charges may be revised to 40.50 paise/kwh sent out corresponding to the following operational parameters:

(i)	Station Heat Rate (k Cal/kwh)	2500
(ii)	Secondary fuel consumption (ml/kwh)	3.5
(iii)	Auxiliary energy consumption (%)	8.6

7. Shri Garg, NTPC submitted that the Commission in its order dated 11<sup>th</sup> March 2003, directed the petitioner to provide duly audited statement of accounts up to the date of commercial operation and to file the amended petition by 25.7.2003. The compliance of the above direction of the Commission may not be possible because commercial operation of Unit-I could not take place on 1.7.2003

as scheduled earlier, which is now likely to be declared under commercial operation in August 2003. He, therefore, requested that petitioner may be allowed to file the amended petition by 31.12.2003 along with the duly audited statement of accounts up to the date of commercial operation. In view of the above, the request is allowed. The petitioner is directed to provide duly audited statement of accounts up to the date of commercial operation and to file the amended petition by 31.12.2003 on the formats notified by the Commission, with advance copy to the respondents who may file their reply, by 16.1.2004 with advance copy to the petitioner, who may file its rejoinder, if any, by 31.1.2004. In view of this, the petition need not be listed for hearing on 9.9.2003. While filing the revised petition, the petitioner shall place on record the approval of the competent authority for original approved cost anticipated project cost and the scheduled dates of commercial operation.

9. The case shall be processed for hearing after the amended petition has been filed by the petitioner.

10. This order disposes of IA No.17/2003.

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

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

New Delhi dated the 17<sup>th</sup> July, 2003