

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Review Petition No. 136/2002  
in Petition No. 56/2002**

**In the matter of**

Review of Order dated 25.9.2002 in Petition No. 56/2002 (Heat Rate Norms)

**And in the matter of**

Assam State Electricity Board	....	<b>Petitioner</b>
<b>Vs</b>		
1. North Eastern Electric Company Ltd., Shillong		
2. Meghalaya State Electricity Board, Shillong		
3. Department of Power, Tripura		
4. Govt. of Arunachal Pradesh, Itanagar		
5. Electricity Department, Govt. of Manipur, Imphal		
6. Power and Electricity Department, Mizoram		
7. Department of Power Nagaland	.....	<b>Respondents</b>

The following were present:

1. Shri D.N. Deka, ASEB
2. Shri K. Goswami, ASEB

**ORDER  
(DATE OF HEARING: 14.02.2003)**

The petitioner, Assam State Electricity Board (ASEB) filed under Section 12 of the Electricity Regulatory Commissions Act, 1998 read with Section 114 and Order 47 of the Code of Civil Procedure, seeks review of order dated 25.9.2002 in

Petition No. 56/2002. The application for review is listed for admission without notice to the respondents.

2. The Commission's order of 25.9.2002 in Petition No. 56/2002 had decided the operational norms for smaller gas turbine stations with gas turbine of capacity of 50 MW and below. The petitioner feels aggrieved specifically on account of Station Heat Rate decided by the Commission in the said order dated 25.9.2002 for Assam Gas Based Power Project (AGBPP) and Agartala Gas Turbine Power Project (AGTPP). The Commission had ordered that the following norms of Station Heat Rates, applicable in respect of AGBPP and AGTPP.

**AGBPP**

Open Cycle Operation	-	3225 Kcal/kWh
Combined Cycle Operation	-	2250 kCal/kWh

**AGTPP**

Open Cycle Operation	-	3580 Kcal/kWh
----------------------	---	---------------

3. In general, the Station Heat Rate norms decided by the Commission for other gas based stations having gas turbine of the capacity of 50MW and below with natural gas as the fuel, in the said order of 25.9.2002 are as hereunder:

Open Cycle operation	-	3125 Kcal/kWh
Combined Cycle operation	-	2030 Kcal/kWh

4. The petitioner, who is one of the beneficiaries of AGBPP and AGTPP, feels aggrieved on account of the Station Heat Rate Norms in respect of these two stations, which are comparatively more liberal than general norms on the subject decided by the Commission. It has been urged on behalf of the petitioner that the Heat Rate Norms for AGBPP and AGTPP have been decided after applying degradation factor. Respondent No.1, NEEPCO, the owner of the two power projects had never sought Heat Rate Norms based on guaranteed value with degradation factor. It is further averred that Respondent No.1 had earlier submitted a proposal for provisional tariff in respect of these two power projects before NEREB Forum for consideration. These tariff proposals were based on Station Heat Rate of 2900 Kcal/kWh both for AGBPP (For Open Cycle Operation of GTG) and AGTPP, probably based on tariff notification dated 30.3.1992 issued by the Central Government, Ministry of Power as amended. According to the petitioner, Respondent No.1 could not be allowed liberal Station Heat Rate norms than what it had claimed. It is contended that the Commission's order is discriminatory as lower Station Heat Rate norms have been prescribed for other stations.

5. We have considered the matter very carefully. There is no gainsaying the fact that the Station Heat Rate Norms in respect of AGBPP and AGTPP are different as compared to general norms decided in the order dated 25.9.2002 on the considerations discussed in the order. We, however, take note of the fact that Respondent No.1 had filed Petitions No. 5/2000 and 6/2000 for approval of tariff in

respect of AGTPP and AGBPP respectively. In those petitions, the Respondent No.1 had submitted that it was charging provisional single part tariff @ 190 paisa/kWh and 225 paisa/kWh for the power supplied from these two stations. It was categorically stated therein that the provisional single part tariff was arrived at based on the norms contained in Ministry of Power Notification dated 30.3.1992, which, inter-alia, prescribed Station Heat Rate of 2900 Kcal/kWh and 2000 Kcal/kWh in respect of gas based stations operating in open cycle and combined cycle respectively. The fact of the matter is that in these petitions also, Respondent No.1 had sought approval for tariff based on Ministry of Power notification dated 30.3.1992. Therefore, the issue needs a detailed examination whether in the face of these facts, Respondent No.1 could be allowed higher Station Heat Rate norms, than what it had claimed in the other proceedings. Under these circumstances, we find that the petitioner has been able to make out a, *prima facie*, case for admission of the petitioner for review of order dated 25.9.2002 on these grounds.

6. The petitioner has further listed some other grounds in support of review of the order. It is stated that ambient condition of Kathalguri and Ramachandra Nagar where AGBPP and AGTPP are located, are more or less at par with these conditions in other parts of the country. As such, according to the petitioner, these two power projects do not deserve any special consideration. We find that this issue forms part of the suo-motu petition heard by the Commission and has been discussed adequately in the order of 25.9.2002. Therefore, we do not find much

strength in the argument for the purpose of review. Another ground that is urged by the petitioner is that the generator, Respondent No.1 in the present case, should not be permitted to pass on the costs associated with procurement and installation of inefficient machines to the beneficiaries, liable to pay tariff, more particularly when Respondent No.1 was aware of the norms prescribed by the Central Government when the machines for these two power projects were selected for installation. In our opinion, these issues may not be of much relevance at this stage and recede into background, when we have already found the prima facie case in favour of the petitioner as mentioned in para 5 above.

7. We, therefore, direct that notice on review petition be issued to the respondents for the reasons recorded in Para 5 above. The petitioner is directed to serve copy of the petition on the respondents by 5.3.2003. The respondents may file their reply by 31.3.2003, with advance copy to the petitioner who may file its rejoinder, if any, by 10.4.2003.

8. List the review petition on 29<sup>th</sup> April 2003.

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

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

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

New Delhi dated the 24<sup>th</sup> February 2003