

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**

**Review Petition No.42/2004
In
Petition No.46/2001**

In the matter of

Review of order dated 4.3.2004 in petition No.46/2001 for approval of tariff from 1.4.2001 to 31.3.2004 of Auraiya Gas Power Station

And in the matter of

National Thermal Power Corporation Ltd.

....**Petitioner**

Vs

1. Uttar Pradesh Power Corporation Ltd., Lucknow
2. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
3. Delhi Transco Limited, New Delhi
4. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
5. Punjab State Electricity Board, Patiala
6. Himachal Pradesh State Electricity Board, Shimla
7. Power Development Department, J&K, Srinagar
8. Electricity Department, Union Territory of Chandigarh, Chandigarh
9. Uttaranchal Power Corporation Ltd., Dehradun **Respondents**

The following were present:

1. Shri V.B.K. Jain, NTPC
2. Shri I.J. Kapoor, NTPC
3. Shri K.K. Samvi, NTPC
4. Shri S.D. Jha, NTPC
5. Shri D.G. Salpekar, NTPC
6. Shri R. Singhal, NTPC
7. Shri T.R. Sohal, NTPC
8. Shri Shankar Saran, NTPC

ORDER
(DATE OF HEARING 20.7.2004)

The petitioner in the present application seeks review of certain aspects of the order dated 4.3.2004 in petition No.46/2001 (tariff for Auraiya GPS for the period 1.4.2001 to 31.3.2004). The application was listed for hearing on admission.

2. The Commission in its order dated 4.3.2004 in Petition No.46/2001 had approved tariff for Auraiya GPS (663.6 MW) for the period 1.4.2001 to 31.3.2004. The petitioner, feeling aggrieved by certain aspects of the said order dated 4.3.2004 has sought review and consequently revision of the fixed charges. The issues raised in the application for review are summarised below:

- (a) It is pointed out that the petitioner in petition No.46/2001 had claimed energy charges @ 96.27 paise/kWh. However, the Commission in the order dated 4.3.2004 has indicated the petitioner's claim on account of energy charges as 94.56 paise/kWh.
- (b) The difference in fuel cost for one month claimed by the petitioner and that allowed by the Commission is stated to be on account of differences in operational parameters and price. In the present application for review, it has been stated that the differences were on account of difference in fuel cost only and thus there is an error apparent on the face of record.
- (c) Para 75 of the order dated 4.3.2004 summarises the annual fixed charges payable by the respondents to the petitioner. Though the order deals with the tariff for the period 1.4.2001 to 31.3.2004, it is stated in Para 75 that "annual fixed charged for the period 1.4.1999 to 31.3.2004

allowed in this order are summed up as below". Accordingly, "1.4.1999" in para 75 should be read as "1.4.2001".

- (d) The Commission has decided tariff based on capital cost of Rs.72091 lakh whereas the tariff should be worked out based on capital cost of Rs.72414.64 lakh.
- (e) Spares supplied free of cost during the warranty period have not been considered towards O&M cost.
- (f) For calculating the interest on loan either the actual loan repayment or the normative repayment should be considered. But the Commission while approving tariff has considered higher of the two.
- (g) Exclusion of payment of incentive and ex-gratia towards normalisation for computing O&M charges.
- (h) Consideration of spares for the purpose of Interest on Working Capital at 1% of the capital cost without escalation and not 40% of the O&M cost as claimed in the petition.

3. Shri V.B.K. Jain, General Manager, who appeared for the petitioner, did not press the issues at (b), (e), (f), (g) & (h) for the reason that these issues have already been decided by the Commission in other proceedings. Therefore, these issues get disposed of as not pressed. So far as the issues at (a) and (c) are concerned, the errors pointed out by the petitioner are of clerical nature and correction of these errors has no effect on the tariff earlier allowed by the Commission. Therefore, in exercise of our general powers, we proceed to rectify the typographical mistakes pointed out. Accordingly, para 5 of the order dated 4.3.2004 shall read as under:

“5. In addition, the petitioner has claimed Energy Charges @ 96.27 paise/kWh (with NoX) for the period from 1.4.2001 to 31.3.2004.”

4. Similarly, the opening part of para 75 of the order dated 4.3.2004 shall read as under:

“75. The annual fixed charges for the period 1.4.2001 to 31.3.2004 allowed in this order are summed up as below:”

5. This leaves only one issue for further consideration and that is regarding consideration of the capital cost - sub-para (c) of para 2 above. Earlier, the petitioner had filed a petition (No.32/2002) for approval of tariff in respect Auraiya Gas Power Station for the period from 1.4.1997 to 31.3.2001. In that petition, the petitioner had claimed additional capitalisation under the head “New Works” as under:

(Rs. in crore)

Financial Years	1997-98	1998-99	1999-2000	2000-2001	Total
New Works	2.5327	1.6912	0.2223	0.5661	5.0122

6. While allowing additional capitalisation for the period 1.4.1997 to 31.3.2001, the additional capitalisation was considered as “Rs. in lakh” and the following amount was allowed:

(Rs. in lakh)

Financial Years	1997-98	1998-99	1999-2000	2000-2001	Total
New Works	2.3313	0.7046	0.1400	0.0944	3.2703

7. According to the petitioner, the above has resulted in error in computation while considering tariff for 1.4.1997 to 31.3.2001 in petition No.32/2002. The capital cost as

considered by the Commission in petition No.32/2002 was considered for the purpose of computation of tariff in petition No.46/2001 for the period 1.4.2001 to 31.3.2004.

8. We have perused the records pertaining to petitions No.32/2002 and 46/2001. We find that the additional capitalisation allowed under the head "New Works" for the period 1.4.1997 to 31.3.2001 was inadvertently considered as "Rs. in lakh" instead of "Rs. in crore". The mistake pointed out by the petitioner appears to be a genuine mistake and is proposed to be rectified. In the normal course, we could have rectified the mistake in exercise of the inherent powers of the Commission of rectification of clerical/ministerial errors. However, as the correction of the mistake will affect the tariff already approved, we propose to give an opportunity to the respondents. Accordingly, we admit the petition and direct that notice returnable on 19.8.2004 be issued to the respondents limited to the question of rectification of the mistake in regard to computation of capital cost for the purpose of tariff. We further direct the petitioner to serve copy of the present review petition, along with a copy of this order latest by 5.8.2004.

**Sd/-
(BHANU BHUSHAN)
MEMBER**

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

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

New Delhi dated the 26th July, 2004