

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram :

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri A.H. Jung, Member**

Petition No.122/2006

In the matter of

Approval of provisional tariff for Feroze Gandhi Unchahar Thermal Power Station Stage –III from the date of commercial operation to 31.3.2009.

And in the matter of

National Thermal Power Corporation Ltd.

.....Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited, Lucknow
2. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
3. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
4. Jodhpur Vidyut Vitaran 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, Jammu
10. Chief Engineer, Chandigarh Administration, Chandigarh
11. Uttaranchal Power Corporation Ltd, Dehradun

....Respondents

The following were present

1. Shri S.N. Goel, GM, NTPC
2. Shri A.S. Pandey, NTPC
3. Shri S.Saran, NTPC
4. Mrs. Pranav Kapoor, NTPC

**ORDER
(DATE OF HEARING: 23.1.2007)**

The petition is filed for approval of provisional tariff for Feroze Gandhi Unchahar Thermal Power Station Stage–III (hereinafter referred to as “the generating station”) from the date of its commercial operation based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (herein after referred to as “the 2004 regulations).

2. The power generated from the generating station is to be supplied to the beneficiaries in the Northern Region, the respondents herein. The generating station was synchronized on 28.9.2006, and has been declared under commercial operation on 1.1.2007.

3. The Commission vide its order dated 2.8.2006 in Petition No. 39/2006 had allowed tariff for sale of infirm power @ 120.87 paise/kWh from the date of synchronization to the date of the commercial operation.

4. The petitioner has claimed the following provisional tariff on capital expenditure of Rs. 67362 lakh based on audited accounts as on 30.6.2006 against the approved cost of Rs. 91976 lakh as under:

	(Rs, in lakh)		
	2006-07	2007-08	2008-09
Annual Fixed Charges	12061	14369	14047
Rate for energy charges ex-bus (Paise/kWh)	128.76		

5. We have heard the representative of the petitioner at the hearing. None is present for the respondents. The representative of the petitioner has submitted that the actual expenditure on date of commercial operation, that is, 1.1.2007 is higher than the expenditure till 30.6.2006 on which provisional tariff is being claimed. An affidavit to that effect has also been filed after the hearing. Without going into the details of capital cost at this stage, which will be gone into in accordance with law at the time of final determination of tariff, we allow the following provisional Annual Fixed Charges,

which represent 85% of the Annual Fixed Charges claimed by the petitioner and are subject to adjustment after the tariff is finally determined by the Commission:

(Rs, in lakh)

	2006-07	2007-08	2008-09
Annual Fixed Charges	10252	12214	11940

6. The Annual Fixed Charges for part of the year shall be payable on pro rata basis.

7. The petitioner has claimed energy charges of 128.76 paise/kWh based on following operational norms and fuel prices & GCVs of the fuels procured and burnt during the months of April 2006 to June 2006:

Gross Station Heat Rate	Kcal/kWh	2500
Specific Fuel Oil Consumption	MI/kWh	2.00
Aux. Energy Consumption	%	9.00
Weighted Average GCV of Oil	KCal/l	9900.00
Weighted Average GCV of Coal	KCal/Kg	3629.00
Weighted Average Price of Oil	Rs./KL	25423.00
Weighted Average Price of Coal	Rs./MT	1640.00

8. The operational norms considered by the petitioner are as per provisions of the 2004 regulations. The latest available prices and GCVs for the period April 2006 to June 2006 have been allowed to be applied for computation of base energy charges along with the provision of Fuel Price Adjustment clause which will take care of variation in price and GCV of fuels on month to month basis. Accordingly, the provisional energy charge of 128.76 paise/kWh is allowed.

9. The above provisional energy charge shall be subject to Fuel Price Adjustment (FPA) for variation in GCV and prices of fuels on month to month basis

and also the final tariff to be approved. In order to arrive at the price of secondary fuel oil for a particular month for the purpose of application of FPA, the weighted average price (in case of more than one type of secondary fuel oil) shall be computed on “as on consumed basis” and not on “as on procured basis” during that month. The price so calculated shall be applied to the normative secondary fuel oil consumption.

10. The petitioner shall file the petition for approval of final tariff latest by 31.10.2007. While seeking approval for final tariff, the petitioner shall furnish the details called for vide order dated 2.8.2006 in Petition No.39/2006.

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 this order.

Sd/-
(A.H. JUNG)
MEMBER

sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated the 23rd January 2007