

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri A.H. Jung, Member**

**Petition No. 67/2006**

**In the matter of**

Approval of one time tariff for Ratnagiri Gas and Power Private Limited(RGPPL) during interim period pending the implementation of revival of the project with LNG as fuel.

**And in the matter of**

Ratnagiri Gas and Power Private Limited(RGPPL) .... **Petitioner**

Vs

Maharashtra State Electricity Distribution Company Ltd .... **Respondents**

**The following were present:**

1. Shri C.K.Mondal, RGPPL
2. Shri SK Satpathy, RGPPL
3. Shri SB Agrawal, RGPPL
4. Shri AK Saxena RGPPL
5. Shri RK Sharma, RGPPL
6. Shri Praveen Saxena, RGPPL
7. Shri MD Sangani, MSEDCL
8. Shri Amit Sharma, Advocate, MSEDCL
9. Ms Alpana Dheke, Advocate, MPDCL

**ORDER  
(DATE OF HEARING: 26.9.2006)**

The petitioner has filed the present petition for approval of variable cost @ 607 paise/kWh and capacity and incidental charges @ Rs 33.03 crore/month for sale of power generated at Ratnagiri Gas and Power Project (the generating station) to Maharashtra State Electricity Distribution Company Limited (MSEDCL) during October 2006 to March 2007.

2. RGPPL is a joint venture of NTPC, GAIL, MSEB Holding company, ICICI, IDBI, SBI and Canara Bank. The company has taken over the 2150 MW power project of Dabhol Power Company. In support of the claim that the generating station will be supplying power in more than one State the petitioner has produced a certificate dated 14.3.2006 from Ministry of Power to the effect that the generating station is an inter-state thermal power plant of a capacity of 1000 MW or more.

3. While clarifying the proposal made in the petition for approval of one time tariff instead of filing a regular tariff petition as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, the representative of the petitioner stated that the viability of the project is on LNG, the long time sourcing of which is yet to be firmed up by Gas Authority of India Ltd (GAIL). However, due to acute shortage of power in the State of Maharashtra, the respondent is interested in buying power on base load basis with naphtha as fuel, during the period in question. The petitioner stated that the present petition is, therefore, to be considered for sale of 'infirm' power and he shall file a separate affidavit to confirm this. The representative of the petitioner further stated that any revenue (other than the recovery of fuel cost) earned by sale of power proposed in the petition, would reduce the capital cost for determination of final tariff.

4. The petitioner's claim of variable cost of 607 paise/kWh is based on the cost of imported naphtha and the petitioner has considered heat rate of 2000 kcal/kWh and auxiliary power consumption @ 3.5%, with loading pattern at 70% of base load. These parameters considered by the petitioner are at variance with the Commission's norms on the subject. Further, the terms and conditions for determination of tariff

notified by the Commission do not contain provisions for incidental charges claimed by the petitioner. The petitioner stated that the naphtha prices have recently come down and the energy cost would be Rs 4.80 per unit and incidental charges may work out at 87 paise per unit.

5. Learned counsel for the respondent, MSEDCL assisted by Shri M.D. Sangani stated that the State is in need of power during October 2006 to March 2007 to meet the power shortage, and that the price of about Rs 5.50 per unit should be acceptable.

6. Considering the peculiar circumstances under which the petitioner is making efforts for revival of the generating station, we feel that for this type of short-term arrangement for sale of infirm power from the generating station, it may be reasonable for the parties to mutually discuss the proposal. Without being quoted as a precedent, we direct that both parties should hold consultations so that a mutually agreeable and reasonable rate of energy charges and incidental charges is arrived at, after taking into consideration all the relevant aspects like heat rate, auxiliary power consumption, operating schedules and other charges on fuel, etc. Let this exercise be completed within two weeks. The petitioner shall file the outcome of the deliberations as also the affidavit as per para 3 above latest by 10.10.2006.

7. List this petition on 17.10.2006 for further directions.

Sd/-  
**(A.H. JUNG)**  
**MEMBER**

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

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

**New Delhi dated the 26<sup>th</sup> September 2006**