

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 31/2001

And in the matter of

Approval of generation tariff for Kawas GPS in Western Region for the period from 1.4.2001 to 31.3.2004

Petition No. 33/2001

And in the matter of

Approval of generation tariff for Gandhar GPS in Western Region for the period from 1.4.2001 to 31.3.2004

And in the matter of

National Thermal Power Corporation Ltd. Petitioner

Vs

Madhya Pradesh State Electricity Board and others Respondents

The following were present:

1. Shri K.K. Garg, GM, NTPC
2. Ms. Alka Saigal, NTPC
3. Shri Sravan Kumar, NTPC
4. Shri D. Khandelwal, SE, MPSEB
5. Shri Deepak Shrivastava, EE, MPSEB

**ORDER
(DATE OF HEARING 17.3.2003)**

Shri K.K. Garg, Genl. Manager appearing on behalf of the petitioner, NTPC submitted that one of the issues before the Hon'ble Commission was grant of relaxation of target availability for recovery of full capacity (fixed) charges for

Kawas GPS and Gandhar GPS, on account of shortage/non-availability of gas, during the period 1.4.2001 to 30.6.2002, from 80% to 65% as already ordered by the Commission in respect of these two stations in the Petition No. 86/2002 with effect from 1.7.2002, the date of implementation of ABT in Western Region. He submitted that due to shortage/non-availability of gas during the period 1.4.2001 to 30.6.2002, 80% target availability for recovery of full capacity (fixed) charges could not be achieved and, therefore, it needed to be relaxed to 65%. On the issue whether the machine availability for the period 1.4.2001 to 30.6.2002 could be certified by WREB, Shri Garg submitted that actual gross generation and backing down due to lack of system demand was being certified by Member Secretary, WREB. He clarified that since the data regarding availability of machines for the period from 1.4.2001 to 30.6.2002 was not available with WREB, it could now be made available to WREB for the purpose of certification based on the records available at the power stations belonging to the petitioner.

2. Shri D. Khandelwal, SE, on behalf of MPSEB submitted that petitioner's plea for shortage/non-availability of gas as a ground for relaxation in target availability was not tenable as the Commission has already held that the risk regarding availability of fuel should be borne by the generator. Shri Garg clarified that the Commission vide its order dated 15.12.2000 on review of its earlier order dated 4.1.2000 on ABT has provided for relaxation in target availability on case-to-case basis on consideration of special circumstances. Before taking a final view on the issue, we consider it appropriate to hear the Member Secretary, WREB.

Accordingly, we direct that notice be issued to Member Secretary, WREB for appearance before the Commission on the next date of hearing to apprise the Commission of the position in this regard.

3. Shri Garg further submitted that the details of O&M expenses furnished by the petitioner did not include the cost of spares because the spares in the past were replaced free of cost by the manufacturer as warranty spares. He submitted that now the petitioner had to incur expenditure on procurement of such spares after the lapse of warranty period of 10 years and, therefore, an additional provision for O&M expenses on account of procurement of spares needed to be made. Shri Khandelwal stated that as the Commission was in the process of determination of tariff, the issue of warranty spares raised by the petitioner was a new issue and, therefore, should not be allowed to be raised at this stage. He further submitted that the petitioner could have raised this issue when the Commission was in the process of reviewing tariff norms. Without recording any view on the matter, we direct the petitioner to furnish the notional cost of the spares supplied by the manufacturer free of cost along with machinery and their firmed up future requirement of spares, within two weeks of issue of this order with advance copy to the respondents who may file their views, if any, before the next date of hearing, with advance copy to the petitioner.

4. The petitioner is, further directed to file detailed break up of fuel cost and corresponding Gross Calorific Value (GCV) on the formats prescribed by the Commission while submitting details of cost of spares, etc.

5. List this petition for further hearing on 29.5.2003.

Sd/-
(K.N. SINHA)
MEMBER

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

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 23rd April, 2003