

**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.98/2002**

**And in the matter of**

Approval of tariff of Kahalgaon STPS for the period from 1.4.2000 to 31.3.2001

**And in the matter of**

National Thermal Power Corporation Ltd.

Vs

1. West Bengal State Electricity Board, Calcutta
2. Bihar State Electricity Board, Patna
3. Jharkhand State Electricity Board
4. Grid Corporation of Orissa Ltd., Bhubaneswar
5. Damodar Valley Corporation, Calcutta
6. Power Deptt., Govt. of Sikkim, Gangtok
7. Assam State Electricity Board, Guwahati
8. APTRANSCO, Hyderabad
9. Madhya Pradesh State Electricity Board, Jabalpur
10. Tamil Nadu State Electricity Board, Chennai
11. Kerala State Electricity Board, Trivandrum
12. Karnataka Power Transmission Corporation Ltd., Bangalore
13. Uttaranchal Power Corporation Ltd., Dehradun
14. Gujarat Electricity Board, Vadodara
15. Union Territory of Pondicherry, Pondicherry
16. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
17. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
18. Power Department, Union Territory of Chandigarh, Chandigarh..Respondents

**Petition No.37/2001**

**And in the matter of**

Approval of tariff of Kahalgaon STPS for the period from 1.4.2001 to 31.3.2004

**And in the matter of**

National Thermal Power Corporation Ltd.

.....Petitioner

Vs

1. West Bengal State Electricity Board, Kolkata
2. Bihar State Electricity Board, Patna
3. Jharkhand State Electricity Board
4. Grid Corporation of Orissa Ltd., Bhubaneswar
5. Damodar Valley Corporation, Calcutta
6. Power Deptt., Govt. of Sikkim, Gangtok
7. Assam State Electricity Board, Guwahati
8. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
9. Tamil Nadu State Electricity Board, Chennai
10. Kerala State Electricity Board, Trivandrum
11. Karnataka Power Transmission Corporation Ltd., Bangalore
12. Uttar Pradesh Power Corp. Ltd., Lucknow
13. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
14. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
15. Power Department, Chandigarh
16. Madhya Pradesh State Electricity, Jabalpur
17. Gujarat Electricity Board, Baroda
18. Electricity Department, Govt. of Pondicherry, Pondicherry.....Respondents

**The following were present**

1. Shri K.K. Garg, GM (C), NTPC
2. Shri M.S. Chawla, NTPC
3. R. Datt, AGM (Comml.)
4. Shri D.S. Sharma, NTPC
5. Smt. Ranjna Gupta, Mgr. (Comml), NTPC
6. Shri R.Singhal, NTPC
7. Shri R. Mazumdar, NTPC
8. Shri K.K. Pande, GRIDCO
9. Shri R.K. Mehta, Advocate, GRIDCO
10. Shri T.P.S. Bawa, Superintending Engineer, PSEB
11. Shri D. Khandelwal, MPSEB

**ORDER  
(DATE OF HEARING : 25.3.2003)**

Shri K.K. Garg, GM appearing on behalf of the petitioner, NTPC submitted that this petition was filed before the Commission for the determination of impact of

additional capitalisation for the year 1997-98, 1998-99 and 1999-2000 and for the determination of tariff for the year 2000-2001 based on Govt of India project specific tariff notification. He further submitted that the petition was last heard on 28.11.2002. And the Commission in its order dated 13.12.2002 observed that the revised cost estimate had not yet been approved by the competent authority. Therefore, the petition had to be kept pending till such time the revised cost estimates were approved.

2. Shri Garg stated that Standing Committee of Ministry of Power had considered the issues of project cost overrun and time overrun and recommended revised project cost of Rs.2035.2 crores to PIB. The Commission observed that Kahalgaon STPS was put into commercial operation in 1996. Since then about 7 years lapsed but the revised cost estimate had not yet been approved by the competent authority. In the absence of approval of the competent authority the Commission again directed that petition be kept pending till such time the revised cost estimates were approved by the competent authority.

3. Shri D.D. Chopra, Counsel for UPPCL submitted that the operational norms adopted by the petitioner for calculation of energy charges were much higher as compared to the norms prescribed by CERC in tariff notification dated 26.3.2001. He further submitted that the specific fuel oil consumption was 7 ml/kwh as against normative figure of 3.5 ml/kwh and actual consumption of 0.58 ml/kwh at Anpara TPS for 2001-02. Shri D. Khandelwal of MPSEB stated that Chhatisgarh State Electricity Board (CSEB) should also be impleaded in this matter. Shri Garg opposed this

contention and stated that since CSEB was not drawing power from this plant, it should not be impleaded. He further submitted that assets and liabilities of MPEB were bifurcated between MPSEB and CSEB with effect from 15.4.2001 as per Govt of India order. It is our considered view that CSEB should also be impleaded in this matter. Accordingly, we direct that notice be issued to CSEB to appear before the Commission on the next date of hearing to apprise the Commission in this regard.

4. On the issue of the O&M expenses Shri Khandelwal submitted that CERC notification had provided for base year to 1999-2000, considering actual O&M expenses from 1995-96 to 1999-2000 excluding abnormal expenses if any. He further submitted that the petitioner had not adopted this methodology. Shri Kandelwal on the point of operational parameters stated that earlier also in the petitions pertaining to Korba STPS and Vindhyachal STPS he had submitted that the variable charges should be based either on norms or actual whichever was lower.

5. On the issue of additional capitalisation, Shri Khandelwal submitted that as per CERC notification dated 26.3.2001 it should not be allowed on the basis of anticipated capital expenditure. He further raised the point regarding the value of spares. He stated that the spares in working capital were charged at 40% of the O&M expenses by the petitioner, whereas these should be charged on the basis of actual expenditure. On the issue of interest on loan Shri Khandelwal submitted that in order to reduce the burden of interest on beneficiaries the repayment of loan should be made in time.

6. The Commission observed that the Petition No.37/2001 Kahalgaon STPS for the period 2001-2004 was linked to Petition No.98/2002 for the period 2000-2001. The final tariff for the period 2001-2004 could be determined only after determination of tariff in Petition No.98/2002 for the period 2000-2001. Therefore, the Commission directed that Petition No.37/2001 should also be kept pending along with Petition No.98/2002.

7. The petitioner is given liberty to approach the Commission and get the petition revived as and when the approval of Central Government to the revised cost estimates is issued.

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

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

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

New Delhi dated the 6<sup>th</sup> May, 2003