

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Record of Proceedings**

**Petition No.12/2009**

Subject : Combining Stage-I (3 × 210 MW) and Stage-II (4× 210 MW) of NLC-Thermal Power Station-II generating station for the limited purpose of scheduling and UI computation and also to consider special treatment of Mines' load in the case of Generating Stations owned by NLC.

Coram : Dr. Pramod Deo, Chairperson  
Shri R.Krishnamoorthy, Member  
Shri S. Jayaraman, Member  
Shri V.S.Verma, Member

Date of Hearing : 20.5.2009

Petitioner : Neyveli Lignite Corporation Limited

Respondents : TNEB, PCKL, KSEB, PED, TCAP, SRLDC, SRPC

Parties present : Shri R. Suresh, NLC  
Shri R Krishnaswami, TNEB  
Shri V.Suresh, SRLDC

The Commission heard the representatives of the parties present.

2. The respondent No.6, SRLDC, in its reply dated 20.4.2009 had submitted that the capacity allocation to the beneficiaries and capacity allocation to mines from each Stage of the generating station were different and that the capacity charges for both the generating stations were also different. As regards the submission of the petitioner in clause 3.2 para 8 of the petition, that supplementing with the other Stage can happen only for a limited period of time and was not expected to take place for a longer period, SRLDC had submitted that the petitioner, in the past, had on many occasions exceeded 105% on individual blocks as well as 101% in a day for both Stages and under such circumstances, supplementing one Stage with the other would happen for a longer duration, in future. It had also been pointed out by SRLDC in its reply that both the Stages of the generating station have separate switchyards.

3. The representative of the petitioner, in response to the submissions of SRLDC submitted that the present application was for combining Stages I and II of the generating station and as such the actual generation above or below the Declared

Capacity was independent of capacity allocations and has no impact whatsoever on the energy and capacity charges payable by the beneficiaries. The representative of the petitioner also submitted that the beneficiaries have nothing to do with separate switchyards for the generating station as it declares the capacity for both Stages entailing payment of capacity and energy charges by beneficiaries as per prevalent practice. The representative of the petitioner further submitted that new methodology proposed by it for UI computation would eventually be a 'zero sum game' as any variation in generation in one Stage of the generating station could be met from the other Stage. The representative of the petitioner however added that though it may not be fully compensated for the variation in generation in one Stage by the other, combining the two Stages of the generating station would certainly bring down the loss on account of UI.

4. The representative of respondent No.1, TNEB, objected to the submission of the petitioner that the new methodology proposed for combining the two Stages of the generating station would be a 'zero sum game' and stated that it would have to pay more capacity charges and energy charges in case both the Stages of the generating stations are combined as proposed by the petitioner. The Commission advised the respondent No.1 to establish that it would have to pay more capacity and energy charges in case the proposal of the petitioner is accepted.

5. The representative of respondent No.6 submitted that the proposed methodology for computation of UI would only result in adjustment of UI which was not the same as "zero sum game" as submitted by the petitioner.

6. On a query by the Commission as to whether the petitioner was incurring any loss on account of the provisions in force, the representative of the petitioner answered in the affirmative. The Commission however, directed the petitioner to furnish relevant details/data to justify its claim.

7. On a query by the Commission on the comments of SLDC that combining Stages I and II of the generating station following the method of averaging would be "bad as per economics", the representative of the respondent No.6 submitted that smaller control area would enable effective planning and improve efficiency compared to larger control area.

8. In response to the query of the Commission on the technical difficulties faced in the combined operation of both Stages, the representative of respondent No.6 replied that there could be technical difficulties, and that the arrangement of scheduling Stage-wise on ex-mine basis and UI accounting on a combined basis would be incorrect. In reply, the representative of the petitioner submitted that it would be difficult to estimate the mines power consumption for all the 96 time-blocks and from its practical experience the mines power consumption was different for different time blocks. The representative of the petitioner further submitted that the proposed change in methodology was only for computation of UI ex-bus in comparison to ex-mines wherein the fluctuating power consumption pattern of mines came into play.

9. The Commission also enquired from the representative of the petitioner as to why it did not declare a different Declared Capacity for different time-blocks instead of seeking a change in the methodology for computation of UI, if it had the knowledge that mines power consumption was different at different time- blocks.

10. Respondent No.6 shall file its submissions in writing, with a copy to the petitioner and other respondents, latest by 15.6.2009 and furnish the month-wise UI accounts of 2008-09 for Stages I and II separately. Respondent No.1 may file its submissions in accordance with para 4 above, with copy to the petitioner, latest by 15.6.2009. The petitioner may submit its comments on the submissions of SRLDC and TNEB, and also the data as per para 6 above, latest by 25.6.2009, with copy to the respondents.

11. Subject to the above, order in the petition was reserved.

Sd/-  
K. S. Dhingra  
Chief (Legal)