

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. Shri D.P. Sinha, Member
2. Shri G.S. Rajamani, Member
3. Shri K.N.Sinha, Member

Petition No.56/2001

In the matter of

Incentive for 2000-2001 for Kawas GPS (656.20 MW)

Petition No.57/2001

And in the matter of

Incentive for 2000-2001 for Korba STPS (2100 MW)

Petition No.58/2001

And in the matter of

Incentive for 2000-2001 for Vindhychal STPS State -I (1260 MW)

And in the matter of

National Thermal Power Corporation Ltd.

.... Petitioner

VS Madhya Pradesh State Electricity Board &

Others ... Respondents The following were present:

1. Shri K.K. Garg, GM (Comml), NTPC
2. Shri S.K. Sharma, Sr. Mgr. (Comml), NTPC
3. Shri Rohit K. Singh, Advocate, MPSEB

4. Shri D.K. Shrivastava, **EE**, MPSEB
5. Shri D. Khandelwal, SE, MPSEB
6. Shri S.N. Chauhan, CSEB
7. Shri M.H. Parviz, Controller, KPTCL

**ORDER (DATE OF HEARING
21-12-2001)**

In these petitions the petitioner, NTPC has prayed for approval of incentive for the year 2000-01 as per Annexure-I attached to the respective petition in respect of Kawas GPS, Korba STPS and Vindhyachal STPS Stage-I located in Western Region. The present respondents are the beneficiaries of these stations.

2. The tariff and terms and conditions for supply of electricity from these stations were notified by Ministry of Power as noted below:-

- a) Kawas GPS - Notification dated 30-4-1994 read with Notification dated 19-6-1995.
- b) Korba STPS - Notification dated 2-11-1992 read with Notification dated 19-6-1995.
- c) Vindhyachal STPS Stage-I - Notification dated 2-11-1992 read with Notification dated 19-6-1995.

These notifications are attached as Annexure-4A and 4B to the respective petition.

3. Clause 4 of the notification makes a provision for payment of incentive/disincentive to/by the petitioner in case where the actual generation level in kWh/KW/year (AGN) as certified by Northern Regional Electricity Boards and the Central Electricity Authority in a financial year exceeds the normative upper limit of operating range in kWh/KW/year (NGU) as per the following formula.

Incentive (I) (Rs.)

$$=(\text{Energy (Kwh) corresponding to AGN} - \text{Energy (Kwh) corresponding to NGU}) \times (\% \text{PLF corresponding to AGN} - \% \text{PLF corresponding to NGU}) \times 0.01.$$

4. The tariff notifications further stipulate that for the purpose of incentive/disincentive the actual generation level achieved in any financial year will include the quantum of backing down as certified by Northern Regional Electricity Board due to lack of system demand and other conditions not attributable to the petitioner, as certified by CEA as deemed generation. The tariff notifications issued by Ministry of Power have been continued upto 31-3-2001 on ad-hoc basis by virtue of Clause 6 of those notifications read with the Commission's order dated 21-12-2000 in petition No.4/2000, and other related petitions. Incentive payable in respect of these stations up to 1999-2000 has already been determined by the Commission, therefore, the proposal in the present petitions relate to determination of incentive for the year 2000-01.

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5. WREB has certified the gross generation as under:

<u>Station</u>	<u>Gross Generation</u>	<u>High frequency backing down</u>
Kawas GPS	4696.295 Mils	265.203 MUs
KorbaSTPS	16252.628 MUs	188.559 MUs
Vindhyachal STPS Stage-I	9409.809 Mus	126.329 MUs

6. The replies to these petitions have been field on behalf of MPSEB (Respondent No.1) and MSEB (Respondent No.2). It has been urged on behalf of these respondents that for the purpose of incentive power consumption on account of colony and construction should not be allowed as the beneficiaries are already paying full fixed charges. It is also urged that petitioner has not passed on the credit due to them on account of disincentive in case of Gandhar GPS. MSEB in its reply has also stated that the petitioner did not back down at high frequency as per the directions of WRLDC. It is further stated that tariff notification dated 30-4-1994 in respect of Kawas GPS was valid up to 31-3-1998. Similarly, in case of other two stations also, the tariff notifications expired during 1997. Therefore, no claim for incentive for the year 2000-01 should arise since after expiry of these notifications the payments were being made to the petitioner on provisional basis. Under these circumstances it has been prayed that the petitions for incentives may be deferred and the petitioner be directed to

*file a petition for determination of tariff for these stations from the date of expiry of the notifications issued by the Central Government.

7. We have heard Shri K.K. Garg, GM(Comm) on behalf of the petitioner and Shri Aditya Kumar Singh , Advocate on behalf of MPSEB. None is present on behalf of the other respondents.

8. We in the first instance deal with the preliminary objection raised on behalf of the respondents that determination of incentive be deferred till such time the tariff is re-determined by the Commission after expiry of validity of the original notifications. We do not find any force in this contention raised on behalf of the respondents. The Commission in its order dated 21-12-2000 has continued up to 31-3-2001 the terms and conditions of tariff notified by Ministry of Power. The incentive claimed by the petitioner is payable in terms of these notifications issued by Ministry of Power. As we have already noted, incentive is payable based on the gross generation of power independent of other terms and conditions notified by Ministry of Power. Therefore, re-determination of tariff for the period after expiry of validity of the original notifications will not have any effect on the incentive payable. Accordingly, we do not see any point in deferring payment of incentive till such time the tariff is re-determined, though in separate petitions directions have been given by us to the petitioner for filing of fresh petitions in respect of those stations where the tariff notification issued by Ministry of Power expired during 1997.

9. As regards the contentions regarding payment of incentive on colony supply and construction power supply, we may notice that at the time of hearing of petitions No.11/99 and other related petitions, similar objection was taken on behalf of these respondents. The Commission did not find any merit on the issues raised and, therefore, rejected the contention. The relevant extracts from the order dated 31-7-2001 are reproduced below :-

"In view of the submission made by NTPC on affidavit that energy charges on account of consumption of electricity in the colony are borne by NTPC, no further discussion on the issue is considered necessary. The respondents are being paid for the consumption of electricity. As regards consumption of power for construction of the project, the expenditure incurred towards construction has to form part of the project cost. In case the consumption of power is computed towards the project cost, after capitalization it will add to the capital cost of the project, which will again be recoverable from the beneficiaries throughout the entire life of the plant. We are of the view that the system adopted by NTPC is more economical in the long run. We, therefore, do not find merit in this issue raised on behalf of some of the respondents."

For the reasons already stated in the order dated 31-7-2001, we do not propose to take cognizance of the objection raised.

10. So far as the issue regarding incentive/disincentive for Gandhar GPS is concerned, we may mention that in compliance with the direction given by the Commission in its order dated 31-7-2001, the petitioner has already filed a petition for incentive/disincentive in respect of this station. The same is pending before the Commission. WREB in its certificate of gross generation has given the details of backing down at high frequency for each of the projects and this

^meets the point raised on behalf of the respondents on this issue. However, we direct that the excess generation at high frequency shall not be taken into account for the purpose of incentive.

11. In view of the above findings, the incentive payable by the beneficiaries to the petitioner shall be as under:-

(amount in Rs. Cr.)		
Kawas GPS	Korba STPS	Vindhyachal STPS Stage-I
18.255	80.218	35.386

12. The amount of incentive determined by us shall be apportioned among the respondents in the ratio of energy drawals and shall be payable after adjustment of the amount already recovered by the petitioner on month-to-month basis.

13.. This order disposes of the petitions in question.

(K.N. Smha)
Member

(G.S. Rajamani)
Member

(D.P. Sinha)
Member

New Delhi dated: 02 January, 2002

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri D.P. Sinha, Member**
2. **Shri G.S. Rajamani, Member**
3. **Shri K.N. Sinha, Member**

**Review Petition No. 76/2001
in Petition No.
28/2001**

In the matter of
Review of Commission's Order dated 4-6-2001 in Petition No. 28/2001

And in the matter of

National Thermal Power Corporation Ltd. **Petitioner**

Vs

Transmission Corporation of Andhra Pradesh and others ..

Respondents

And in the matter of

Grid Corporation of Orissa Ltd. **Review Petitioner**

The following were present:

1. Shri R.K. Mehta, Advocate for GRIDCO

**ORDER (DATE OF HEARING
4-12-2001)**

In terms of the notification dated 26.3.2001, the utilities were required to file petitions for determination of tariff with effect from 1.4.2001, based on the terms and conditions contained in the said notification. The notification, inter-alia, provides for payment of unscheduled inter-change charges under certain circumstances. Under the notification dated 26.3.2001, the payment of capacity charges is relatable to "availability", though prior to 1.4.2001, the capacity charges were payable on "drawal" basis. The final determination of tariff by the Commission based on the notification dated 26.3.2001 with effect from 1.4.2001 was likely to take some time in view of the interim

orders passed by certain High Courts based on the appeals filed by the utilities. The Commission, therefore, issued a notification dated 4.4.2001, that with effect from 1.4.2001, the billing of charges shall continue to be done on the same basis as on 31.3.2001 for a period of 6 months i.e. up to 30.9.2001 which presently stands extended to 31.12.2001, subject to adjustment in the light of final determination of tariff by the Commission. In other words, drawal of energy is to be the basis for billing of charges.

2. In view of the Commission's notification dated 4.2.2001, in our order dated 4.6.2001 in Petition No. 28/2001, we had directed the Member Secretaries of all the Regional Electricity Boards to prepare Regional Energy Accounts on "drawal" basis. A further direction was given to keep an accurate account of unscheduled inter-change charges to facilitate expeditious settlement and subsequent adjustment which may be necessary on account of difference in charges based on drawal and capacity basis, when the tariff is determined in accordance with the notification dated 26.3.2001.

3. The petitioner Grid Corporation of Orissa Limited filed an application to seek modification of the order dated 4.6.2001 for a direction that Availability Based Tariff (which stands incorporated in the terms and conditions contained in the notification dated 26.3.2001) shall be implemented prospectively and not with retrospective effect since its retrospective implementation would cause a serious prejudice to the petitioner on account of its inability to programme its drawals from the grid. The application has been treated as a review petition. We have heard Shri R.K. Mehta, Advocate on admission.

4. The actual implementation of ABT is presently stayed because of the interim orders of some of the High Courts based on the appeals filed by utilities, though the

Commission has given categorical directions for its implementation in the Eastern Region, of which the present petitioner is a constituent, w.e.f. 1.4.2001. Accordingly, we are not in a position to give any further directions on the issue raised in the present review petition. The date from which ABT is actually implemented will depend upon the orders of the superior courts that are in seisin of the matter in the pending appeals.

5. In view of this, in our opinion the present petition is not maintainable and is accordingly dismissed at admission stage.

(K.N. SINHA)
MEMBER


(G.S. RAJAMANI)
MEMBER


(D.P. SINHA)
MEMBER

New Delhi dated 4th December, 2001

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

1. **Shri D.P. Sinha, Member**
2. **Shri G.S. Rajamani, Member**
3. **Shri K.N.Sinha, Member**

**Review Petition No.55/2001 in
Petitions No.111/2000 & 118/2000**

In the matter of

Review Petition against Commission's Order dated 14-6-2001 in Petition No.111/2000 and 118/2000 on "Grant of Transmission License -Procedure, Terms and Conditions of License etc."

And in the matter of

Power Grid Corporation of India Ltd.

Petitioner

VS National

Grid International Ltd. & Others The following

Respondents

were present:

1. Dr. Surat Singh, Advocate for Powergrid
2. Shri S. Garg, DGM (IPTC), Powergrid
3. Shri S.K. Jain, Powergrid
4. Shri Sanjay Rai, Powergrid

**ORDER (DATE OF HEARING
12-9-2001)**

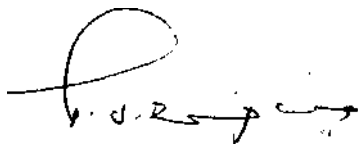
This application for review has been filed by Powergrid Corporation of India Ltd. seeking review of directions contained in the Commission's Order

dated 14-6-2001 in Petition No.111/2000 and 118/2000 since converted into a notification dated 24-8-2001.

2. After arguing the matter at some length and under instructions from the officers of the petitioner present at hearing, Dr. Surat Singh, learned counsel for the petitioner sought permission to withdraw the petition, with liberty to approach the Commission for appropriate relief in case the petitioner faces any difficulty.

3. The petitioner is permitted to withdraw the petition. Liberty is granted to the petitioner to file appropriate petition in accordance with law where a deviation in procedure is required with proper justification in respect of the cases where action was initiated before issue of the notification, for which ' power to relax* has been provided.

4. The petition stands dismissed as withdrawn.



K.N. Sit
sr

New Delhi dated the 12th September, 2001.



(rC.N. Sinha)
Member

(G.S. Rajamani)
Member

.(B^TSinha)
Member

