

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 55/2011**

**Coram: Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**Date of Order: 29.9.2011**

**In the matter of**

Grant of provisional tariff for Simhadri Super Thermal Power Station, Stage-II (2 x 500 MW) of NTPC for the period from the date of anticipated commercial operation of Unit-I i.e from 1.4.2011 to 31.3.2014.

**AND**

**In the matter of**

NTPC Ltd, New Delhi

.....**Petitioner**

Vs

- (1) Andhra Pradesh Power Coordination Committee, Hyderabad
  - (2) A.P Eastern Power Distribution Co. Ltd, Visakhapatnam
  - (3) A.P Southern Power Distribution Co. Ltd, Tirupathi
  - (4) A.P Northern Power Distribution Co. Ltd, Warangal
  - (5) A.P Central Power Distribution Co. Ltd, Hyderabad
  - (6) Tamil Nadu Generation and Distribution Corporation Ltd, Chennai
  - (7) Power Company of Karnataka Ltd, Bangalore
  - (8) Bangalore Electricity Supply Co. Ltd, Bangalore
  - (9) Mangalore Electricity Supply Co. Ltd, Mangalore
  - (10) Chamundeshwari Electricity Supply Corp. Ltd, Mysore
  - (11) Gulbarga Electricity Supply Co. Ltd, Gulbarga
  - (12) Hubli Electricity Supply Co. Ltd, Hubli
  - (13) Kerala State Electricity Board, Thiruvananthapuram
  - (14) Electricity Department, Govt. of Puducherry, Puducherry
- ...Respondents**

**ORDER**

The petitioner, NTPC Ltd, has filed this petition for determination of tariff of Simhadri Super Thermal Power Station, Stage-II (2 x 500 MW) ("the generating station") for the period 2009-14 from the anticipated date of commercial operation of Unit-I and Unit-II of the generating station. The petitioner in its petition has submitted that Unit-I was expected to be under commercial operation from 1.4.2011 and Unit-II was expected to be under commercial operation by 1.10.2011.

Subsequently, by affidavit dated 30.5.2011, the petitioner has submitted that the expected date of commercial operation of Unit-I of the generating station IS 1.7.2011 and that the capital cost as on date of commercial operation of Unit-I would be submitted at the time of truing up.

2. Clauses (1) and (2) of Regulation 5 of the 2009 regulations provides as under:

**“5. Application for determination of tariff.** (1) *The generating company or the transmission licensee, as the case may be, may make an application for determination of tariff in accordance with Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004, as amended from time to time or any statutory re-enactment thereof, in respect of the units of the generating station or the transmission lines or sub-stations of the transmission system, completed or projected to be completed within six months from the date of application.*

(2) *The generating company or the transmission licensee, as the case may be, shall make an application as per **Appendix I** to these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system:*

*Provided that in case of an existing project, the application shall be based on admitted capital cost including any additional capitalization already admitted up to 31.3.2009 and estimated additional capital expenditure for the respective years of the tariff period 2009-14:*

*Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, where applicable.*

3. Since the expected date of commercial operation of Unit-I of the generating station in 1.7.2011 and the petition filed on 4.3.2011 is in terms of Regulation 5(1) of the 2009 regulations, we consider the grant of provisional tariff in respect of Unit-I for the year 2011-12, by this order.

4. Regulation 5 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011 provides as under:

*“(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:*

*Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations.”*

5. In exercise of power under Clause 4 of Regulation 5 of the 2009 regulations, we have decided to grant provisional tariff to the petitioner in respect of Unit-I of the generating station for the year 2011-12, pending determination of the final tariff, as stated in the subsequent paragraphs.

6. Based on the anticipated capital cost of ₹257006.00 lakh, the petitioner has claimed the annual fixed charge of ₹59691.00 lakh for Unit-I (500 MW) of the generating station for the year 2011-12.

7. After carrying out due prudence check, we allow the provisional annual fixed charges of ₹56706.00 lakh for 2011-12 in respect of Unit-I of the generation station based on the capital cost of ₹257006.00 lakh as claimed by the petitioner. The provisional annual fixed charges allowed as above is subject to truing –up in terms of Regulation 6 of the 2009 regulations.

8. The provisional tariff determined on annualized basis as above is applicable *pro rata* to the number of days when the unit is declared under commercial operation.

9. In the event of non-declaration of commercial operation of Unit-II during 2011-12, the provisional annual fixed charges allowed for Unit-I for 2011-12 will be applicable upto the date of commercial operation of Unit-II during 2012-13.

10. Energy Charge Rate in respect of the generating station shall be determined in terms of Clauses 5 and 6 (a) of Regulation 21 of the 2009 regulations, on month to month basis.

11. The petitioner is at liberty to file a separate application for determination of tariff of Unit-II of the generating station in terms of Regulation 5(1) of the 2009 regulations which will be considered in accordance with law.

12. The provisional annual fixed charges allowed above is subject to adjustment as per proviso to Clause (3) of Regulation 5 of the 2009 regulations after the final tariff order has been issued.

**Sd/-**  
**[M.DEENA DAYALAN]**  
**MEMBER**

**Sd/-**  
**[V.S.VERMA]**  
**MEMBER**

**Sd/-**  
**[S.JAYARAMAN]**  
**MEMBER**

**Sd/-**  
**[DR.PRAMOD DEO]**  
**CHAIRPERSON**