

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 247/2010

**Coram: Dr. Pramod Deo, Chairperson
Shri M.Deena Dayalan, Member**

Date of Order: 9.11.2011

In the matter of

Grant of provisional tariff for sale of 425 MW of power from Korba Super Thermal Power Station, Stage-III, from the anticipated commercial operation of Unit-I to 31.3.2014.

AND

In the matter of

NTPC Ltd, New Delhi

.....**Petitioner**

Vs

- (1) Madhya Pradesh Power Trading Company Ltd, Jabalpur
- (2) Maharashtra State Electricity Distribution Co. Ltd, Mumbai
- (3) Gujarat Urja Vikas Nigam Ltd, Vadodara
- (4) Chhattisgarh State Power Distribution Co. Ltd, Raipur
- (5) Electricity Department, Govt. of Goa, Goa
- (6) Electricity Department, Administration of Daman & Diu, Daman
- (7) Electricity Department, Administration of Dadra and Nagar Haveli, Silvassa

...Respondents

ORDER

The petitioner, NTPC Ltd, has filed this petition for approval of tariff for sale of 425 MW of power from Korba Super Thermal Power Station, Stage-III, (500 MW) ("the generating station") from the anticipated commercial operation of Unit-I to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as "the 2009 Regulations").



2. The Ministry of Power, Government of India vide its letter dated 9.12.2010 has allocated 425 MW of power from the generating station to the respondents above and the balance 75 MW of power from the generating station has been allocated to be sold outside the long term PPA by the petitioner in terms of the National Electricity Policy for market development. The petitioner has submitted that the annual fixed charges shall be recovered from the respondents in the ratio of power allocated to them by the Ministry of Power, Government of India.

3. Subsequently the petitioner by affidavit dated 20.6.2011 has submitted that the generating station has been declared under commercial operation on 21.3.2011.

4. 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.

5. Since the generating station has been declared under commercial operation with effect from 21.3.2011, we consider to grant provisional tariff for sale of 425

MW of power from the generating station from 21.3.2011 to 31.3.2014, based on the petition filed in terms of Regulation 5(1) of the 2009 regulations.

6. 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.”

7. In exercise of power under Clause 4 of Regulation 5 of the 2009 regulations, we hereby grant provisional tariff in respect 425 MW of power from the generating station from 21.3.2011 to 31.3.2014, pending determination of the final tariff, based on the following parameters:

- (a) Capital cost of Rs 216186.00 lakh for the installed capacity of 500 MW as on the date of commercial operation of the generating station has been considered as claimed by the petitioner.
- (b) The projected additional capital expenditure for 2009-14 claimed by the petitioner within the original scope of work and up to the cut-off date of the generating station has been considered.
- (c) Cost of secondary fuel (annual) based on cost of oil for preceding three months as submitted in the petition and the operational parameters as per provisions of the 2009 regulations has been considered.
- (d) Other parameters as per provisions of the 2009 regulations have been considered.
- (e) Tariff has been calculated and *pro rated* on the saleable quantity of 425 MW of power from the generating station from 21.3.2011 to 31.3.2014.

8. The annual fixed charges for the period claimed by the petitioner on annualised basis for 425 MW is as under:



<i>(₹ in lakh)</i>			
2010-11	2011-12	2012-13	2013-14
21.3.2011 to 31.3.2011			
42301.00	44809.00	46078.00	45903.00

9. Based on the above parameters and after carrying out prudence check, we allow the provisional annual fixed charges for the period 2010-14 in respect of the generation station as under:

<i>(₹ in lakh)</i>			
2010-11	2011-12	2012-13	2013-14
21.3.2011 to 31.3.2011			
40185.95	42568.55	43774.10	43607.85

10. The provisional annual fixed charges allowed as above is subject to truing -up in terms of Regulation 6 of the 2009 regulations.

11. 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.

12. The provisional tariff determined by this order shall remain in force until further orders or till the final tariff is determined by the Commission, whichever is earlier.

13. 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/-
[DR.PRAMOD DEO]
CHAIRPERSON