

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 271/2010

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri M.Deena Dayalan, Member**

Date of Hearing: 29.10.2013

Date of Order: 13.5.2014

In the matter of

Approval of generation tariff of Muzzafarpur TPS, Stage-I, Unit-II (110 MW) of Kanti Bijlee Utpadan Nigam Ltd for the period from 15.10.2010 to 31.3.2014.

And

In the matter of

Kanti Bijlee Utpadan Nigam Ltd, New Delhi

.....**Petitioner**

Vs

Bihar State Electricity Board, Patna

.....**Respondent**

Parties present:

Shri Manoj Kumar, KBUNL
Shri Saurabh Mehra, KBUNL
Shri S.K.Sharma, KBUNL

ORDER

The petitioner, Kanti Bijlee Utpadan Nigam Ltd (KBUNL), a Government company, is a subsidiary of NTPC Ltd and was set up as a joint venture company with the respondent, BSEB to take over the assets and business of the generating station which consists of two units of 110 MW capacity each, from 8.9.2006 which was under shut down since October, 2003. The entire power generated from the generating station, is supplied to the respondent.



2. The project was in depleted condition at the time of transfer and the generating station was in a position to generate power only at 10% to 15% of its capacity. As there was acute shortage of power being faced by the respondent, BSEB, only selective refurbishment works for restoration of generation from Unit-II was taken up and the commercial operation of the Unit-II was declared on 15.10.2010, without doing any major R&M work.

3. The petitioner in this petition has prayed for approval of tariff for Unit-II (110 MW) of the generating station for the period from 15.10.2010 to 31.3.2014 with relaxed operational norms and O&M expenses. The petitioner also prayed that it may be permitted to file separate petitions for determination of tariff after completion of R&M of Unit-I and thereafter completion of R&M of Unit-II of the generating station. Subsequently, the petitioner filed Interlocutory Application (I.A.No.15/2011) on 4.7.2011 for amendment of Appendix-I of the petition taking into consideration the audited accounts for the period from 1.4.2010 to 14.10.2010 and the same was allowed.

4. Thereafter, the petitioner by letter dated 31.10.2011 prayed for grant of provisional tariff based on the status of the Renovation & Modernization (R&M) in the Units-I & II of the generating station in terms of Regulation 5 (4) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011.

5. The Commission after hearing the parties, by order dated 23.2.2012, granted provisional tariff for Unit-II of the generating station for the period from 15.10.2010 to 31.3.2014, pending determination of final tariff of the generating station. The provisional tariff allowed in the said order was based on the relaxed operational norms, keeping in view the interest of the sole

beneficiary and the cash flow problems faced by the petitioner and were subject to review. The annual fixed charges allowed on provisional basis by the said order, is as under:

<i>(₹ in lakh)</i>			
2010-11 <i>(15.10.2010 to 31.3.2011)</i>	2011-12	2012-13	2013-14
7909.12	8052.50	8140.99	8245.48

6. The Energy Charges Rate of 241.257 paise/kWh for the period from 2010-11 to 2013-14 was allowed.

7. While so, it is observed that Unit-II of the generating station is under shut down and has been taken up for R&M works by the petitioner with effect from 29.3.2012 and the same was expected to be completed by April, 2014. During the hearing of the petition on 29.10.2013, the representative of the petitioner clarified that the R&M works in respect of Unit-II of the generating station was expected to be completed by April, 2014. Accordingly, the Commission reserved its orders in the petition.

8. We have examined the submissions of the petitioner. As stated, Unit-II of the generating station has been granted provisional tariff for the period from 15.11.2010 to 31.3.2014, based on relaxed norms in the absence of R&M. The said unit was taken up for R&M on 29.3.2012 which was expected to be completed by April, 2014. Since the unit is under shut down due to R&M and since tariff can be determined only after completion of R&M and based on revised norms, there is no reason to keep this petition pending for determination of final tariff of the said unit. Accordingly, we dispose of this petition with liberty to the petitioner to approach the Commission with a fresh petition for determination of tariff of the said unit of the generating station after completion of R&M.

9. In view of the above, the provisional tariff granted by order dated 23.2.2012 is subject to adjustment after determination of final tariff of the said unit of the generating station based on the petition to be filed by the petitioner.

10. The petition is disposed of in terms of the above. The filing fees deposited by the petitioner in respect of this tariff petition, shall be adjusted against the tariff petition to be filed in terms of the liberty granted above, after deduction of ₹3.00 lakh towards this petition considered as 'Miscellaneous Petition'.

Sd/-
[M.DEENA DAYALAN]
MEMBER

Sd/-
[GIREEH B.PRADHAN]
CHAIRPERSON