

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
DELHI****Petition No. 23/99
IA No. 15 & 16/2000**

Coram

1. Shri S. L. Rao, Chairman,
2. Shri D.P. Sinha, Member
3. Shri G.S. Rajamani, Member
4. Shri A.R. Ramanathan, Member

In the matter of :

Petitions filed by National Thermal Power Corporation Ltd., for seeking approval of generation tariff with application for Interim Order for generation tariff.

In the matter of :

M/s National Thermal Power Corporation Ltd., (NTPC)
7, Institutional Area,
NTPC Bhawan,
Scope Complex,
Lodi Road,
New Delhi – 110 003. Petitioner

AND

Haryana Vidyut Nigam Prasaran Nigam Ltd., (HVPN) Respondent

Following were present:

1. Shri Shyam Wadhwa, GM(Comm.), NTPC Petitioner
2. Shri T.R. Sohal, DGM (Comm.), NTPC -do-
3. Shri R.K. Arora, XEN/Tariff, HVPN Respondent

ORDER

(DATE OF HEARING : 2nd AUGUST, 2000)

The petitioner, NTPC filed a petition for approval of terms and conditions and tariff for supply of power to the Respondent, HVPNL, from Gas Turbine Unit I (GT-I), Faridabad Gas Power Project which was in commercial operation w.e.f. 1.9.99. An interlocutory application was also filed for direction for payment of provisional tariff. After hearing the parties, we had approved Petitioner's proposal for provisional tariff as contained in the application, subject to condition that it shall be retrospective adjustment after approval of the final tariff, by the Commission.

2. The Petitioner has now filed an interlocutory application (No.15/2000) seeking permission for amendment to the main petition since, according to the petitioner, the second Gas Turbine Unit (GT-II) of Faridabad Gas Power Project has been declared on commercial operation from 1.1.2000, necessitating

upward revision of the tariff. The Petitioner has filed a revised calculations of tariff and under these circumstances, seeks amendment to the main petition.

3. Another interlocutory application (No.16/2000) seeking interim direction for billing and payment of provisional tariff for supply of power from Faridabad Gas Power Project with two Gas Turbine Units (GT-I and GT-II) presently in operation, subject to final adjustment retrospectively in the light of Commission's decision on the main petition.

IA No.15/2000

4. We have heard Shri Shyam Wadhera, GM, NTPC for the Petitioner and Shri R.K. Arora, Executive Engineer, HVPNL for the Respondent on IA 15/2000. Respondent has opposed the amendment of the petition sought by the Petitioner. Therefore, IA No.15/2000 is allowed. The petitioner may file the amended petition with a copy to the Respondent who may file its reply within three weeks after receipt of the petition. The Petitioner may file its rejoinder within two weeks thereafter.

IA No.16/2000

5. The petitioner has based its calculations for tariff by taking heat rate of 2900 K.cal/kwh as the Net Calorific Value, though as per Government of India's notification dated 30.3.92, the heat rate of 2900 K.cal/kwh corresponds to Gross Calorific value. This may necessitate reduction of variable charges and accordingly it has been stated on behalf of the Respondent that the variable charges should be worked out on the basis of Gross Calorific value of 2900 K.cal/kwh norms. We find merit in the contentions raised on behalf of the Respondent. It has been further contended on behalf of the Respondent that fixed charges during the connectivity period i.e. the period from which Steam Turbine Unit is synchronised till the date of declaration of commercial operation of the Steam Turbine Unit, may be disallowed. We are not inclined to accept this contention raised by the Respondent, as we have not been shown any basis for such a contention. We find it irrational to disallow payment of fixed charges once GT-I and GT-II of the Project have been declared into the commercial operation.

6. We have observed that the Petitioner has charged the depreciation from first year itself and that the depreciation is being charged even when there is no repayment of loan. We have further noted that O&M charges are being increased every year and the basis of allocation of approved cost between GT-I and GT-II in the ratio of 40:30 has not been furnished.

7. On consideration of these facts, we direct that the petitioner shall be paid 90% of the provisional tariff for GT-I and GT-II claimed by it in IA 16/2000. This is, however, subject to retrospective adjustment after final tariff for the project is determined by the Commission. IA 16/2000 stands disposed of accordingly.

8. At the hearing, it has been stated on behalf of the Respondent that the results of Performance Guarantee Tests, have not been made available to the Respondent. We direct that the Petitioner shall furnish the results of Performance Guarantee Tests for GT-I and GT-II to the Respondent within two months. In case the Respondent is not satisfied with the results of Performance Guarantee Tests, it may bring to the notice of the Commission. This direction, however, is without prejudice to our direction for payment of provisional tariff as contained in para 7 above..

(A.R. Ramanathan)
Member

(G.S. Rajamani)
Member

(D.P. Sinha)
Member

(S.L. Rao)
Chairman

New Delhi dated the 2nd August, 2000.