

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.24/2000 IA No.20/2000

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

Proposal for purchase of power by PTC from HIRMA Mega Power Project and sale of such power on back to back basis to SEBs .

In the matter of :

M/s. Power Trading Corporation of India Ltd.,
1115-16, Hemkunt Chambers
89, Nehru Place,
New Delhi-110 019. Petitioner

AND

M/s. Southern Energy Asia -Pacific Ltd.,
(SEAP) and SEBs Respondents

The following were present :-

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|-----|---|-----------------|
| 1. | Shri R.K.Mehta, Advocate |Petitioner |
| 2. | Shri Mahendra Kumar,GM, PTC | -do- |
| 3. | Shri V.L. Dua, AGM PTC | -do- |
| 4. | Shri A.K. Maggu, Sr.Manager, PTC | -do- |
| 5. | Shri Sanjay Kapoor, Country Manager, SEAP |Respondent |
| 6. | Shri Parag P. Tripathi, Sr.Advocate, SEAP | -do- |
| 7. | Ms. Mamta Tiwari, Advocate, SEAP | -do- |
| 8. | Shri Sanjeev Aggarwal, Fin.Analyst, SEAP | -do- |
| 9. | Mr.Victor Choi,Sr.project Analyst, SEAP | -do- |
| 10. | Shri J.P. Chalasani, Asstt. VP, Reliance Power Ltd. | -do- |
| 11. | Shri Sanie Saran, Dy.Manager, Reliance Power Ltd. | -do- |
| 12. | Shri L.N. Nimawat, XEN (P&S), RSEB | -do- |
| 13. | Shri R.K.Arora, XEN/Tariff, HVPN | -do- |
| 14. | Shri.P.R. Mehta, Comm.Officer, GEB | -do- |
| 15. | Shri J.M. Vashishat, CE, PSEB | -do- |

ORDER

(Date of hearing 21-06-2000)

PTC has filed an affidavit at the hearing today, reiterating the names of three independent expert institutions, namely, CEA, ASCI and IGIDR, already nominated by it. In addition, in view of the directions received from Ministry of Power vide letter dated 19.6.2000, the petitioner has nominated following two additional expert institutions:

- (a) Price-water House Coopers
- (b) SBI Caps

2. Ms. Mamta Tiwari, Advocate for respondent No.1 has also filed an application proposing the following names as financial experts:

- (a) SBI Capital Markets Ltd.,
- (b) Arthur Andersen
- (c) Dresdner Kleinwort Benson
- (d) N.M.Rotschild
- (e) Price Waterhouse Coopers

3. We have heard Shri R.K. Mehta, learned counsel for the petitioner and Shri Parag P.Tripathi, Sr.Advocate for respondent No.1. We have also heard the representatives of Rajasthan State Electricity Board, Punjab State Electricity Board, Haryana Vidyut Prasaran Nigam Ltd. and Gujarat State Electricity Board present at the hearing. It has been submitted by the representatives of SEBs that they prefer appointment of CEA as the consultant for the reason that it is an independent non-profit organisation. It has been further submitted on their behalf that in case it is not possible to engage CEA for this job, the task may be entrusted to an Indian institution. As such the SEBs have no objection to the appointment of SBI Capital Markets Limited, in case CEA could not be assigned the job. At the hearing on 13th June, 2000, it was agreed that the experts to be appointed should not have any past association with the project. It has been brought to our notice that CEA was actively involved with the deliberations of the Tariff Committee on tariff for Hirma Thermal Power Project. In view of this background, it was agreed that SBI Caps. be appointed as consultant. We direct accordingly.

4. The petitioner has filed the proposed terms of reference for ready reference. Respondent No.1 has proposed separately the terms of reference for the expert. We direct that the representatives of petitioner and respondent No.1 shall discuss the matter with the staff of the Commission on 22nd June, 2000 and finalise the terms of reference. Based on the terms of reference, SBI Caps. shall be asked to submit its quotation for the work.

5. SBI Caps may associate appropriate technical consultant preferably Indian Consultants. However, the over-whelming objective is the effective discharge of the functions as per the terms of reference and not their place of origin. The Consultants shall evaluate the proposals of the petitioner and shall simultaneously match them with the proposal of Respondent No.1 in order to arrive independently at the most competitive tariff and terms and conditions. They will endeavour to achieve this by consensus between all parties. The function of the Consultant shall be to assist the Bench in assessing the rival contentions of the parties.

6. SBI Caps shall submit their quotation by 30th June, 2000 and the parties shall obtain approval of costs by competent authorities by 5th July, 2000 and inform the Commission of the approvals. The Consultants shall take up the work immediately thereafter and shall submit their report latest by 25th August, 2000. The Consultant shall also report to the Commission on the progress made from time to time on weekly basis. A Copy of this order shall be served on SBI Caps Ltd.

7. We also advise the petitioner and the SEBs concerned to explore the feasibility and viability of the transmission arrangements for this proposed project.

Sd\-	Sd\-	Sd/-	Sd/-
(A.R. Ramanathan) Member	(G.S.Rajamani) Member	(D.P. Sinha) Member	(S.L.Rao) Chairman

New Delhi,
Dated 21.06.2000

