

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Shri Ashok Basu, Chairman
2. Shri K.N. Sinha, Member
3. Shri Bhanu Bhushan, Member

**Review Petition No.42/2004
In
Petition No.46/2001**

In the matter of

Review of order dated 4.3.2004 in petition No.46/2001 for approval of tariff from 1.4.2001 to 31.3.2004 of Auraiya Gas Power Station

And in the matter of

National Thermal Power Corporation Ltd.**Petitioner**

Vs

1. Uttar Pradesh Power Corporation Ltd., Lucknow
2. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
3. Delhi Transco Limited, New Delhi
4. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
5. Punjab State Electricity Board, Patiala
6. Himachal Pradesh State Electricity Board, Shimla
7. Power Development Department, J&K, Srinagar
8. Electricity Department, Union Territory of Chandigarh, Chandigarh
9. Uttaranchal Power Corporation Ltd., Dehradun **Respondents**

The following were present:

1. Shri M.G. Ramachandran, Advocate, NTPC
2. Shri K.V. Balakrishnan, Advocate, NTPC
3. Shri V.B.K. Jain, NTPC
4. Shri I.J. Kapoor, NTPC
5. Shri T.R. Sohal, NTPC
6. Shri Balaji Dubey, Dy. Mgr Law, NTPC
7. Shri S.K. Samvi, SM (C), NTPC
8. Smt. Taruna Bachel, NTPC
9. Shri D.G. Salpekar, Sr, Mgr, NTPC
10. Shri A.K. Juneja, DGM
11. Smt. Rachna Mehta, NTPC
12. Shri K.B. Singh, NTPC
13. Shri A. Sardana, NTPC
14. Shri K. Nageswara Rao, NTPC
15. Shri R. Datt, NTPC

**ORDER
(DATE OF HEARING 19.8.2004)**

The application for review of order dated 4.3.2004 in petition No.46/2001 [Approval of tariff from 1.4.2001 to 31.3.2004 of Auraiya Gas Power Station (GPS)] in which the petitioner had sought review on the grounds summarised below was heard on 20.7.2004 on admission:

- (a) The petitioner had claimed energy charges @ 96.27 paise/kWh, but the Commission in the order dated 4.3.2004 indicated the petitioner's claim on account of energy charges as 94.56 paise/kWh.
- (b) The difference in fuel cost for one month claimed by the petitioner and that allowed by the Commission was stated to be on account of differences in operational parameters and price, though the differences were on account of difference in fuel cost only.
- (c) Though the order deals with the tariff for the period 1.4.2001 to 31.3.2004, it is stated in Para 75 that "annual fixed charged for the period 1.4.1999 to 31.3.2004 allowed in this order are summed up as below".
- (d) The Commission decided the tariff based on capital cost of Rs.72091 lakh whereas the tariff should be worked out based on capital cost of Rs.72414.64 lakh.
- (e) Spares supplied free of cost during the warranty period had not been considered towards O&M cost.
- (f) For calculating the interest on loan either the actual loan repayment or the normative repayment should be considered, but the Commission while approving tariff has considered higher of the two.

- (g) Exclusion of payment of incentive and *ex gratia* towards normalisation for computing O&M charges.
- (h) Consideration of spares for the purpose of Interest on Working Capital at 1% of the capital cost without escalation and not 40% of the O&M cost as claimed in the petition.

2. So far as the grounds at sub-paras (a) and (c) are concerned, it was noticed that the errors pointed out by the petitioner were the errors of ministerial nature, the correction of which did not have any impact on tariff. Therefore, these errors were corrected by order dated 26.7.2004. The issues at sub-paras (b), (e), (f), (g) and (h) were not pressed by the representative of the petitioner and, therefore, did not survive for adjudication. The petition for review was admitted on the ground listed at sub-para (d) above. We had issued notice to the respondents for hearing on 19.8.2004. However, none appeared before us on the date fixed.

3. The petitioner had earlier filed Petition No.32/2002 for approval of tariff in respect of Auraiya GPS from 1.4.1997 to 31.3.2001 and had claimed additional capitalisation of Rs.5.0122 crore under the head “New Works” as per details given below:

Financial Years	(Rs. in crore)				
	1997-98	1998-99	1999-2000	2000-2001	Total
New Works	2.5327	1.6912	0.2223	0.5661	5.0122

4. The Commission found additional capitalisation worth Rs.3.2703 crore. However, while computing the capital cost, the Commission had considered the

additional capitalisation of Rs.3.2703 lakh (against Rs.3.2703 crore), the details of which are given below:

Financial Years	1997-98	1998-99	1999-2000	2000-2001	Total
New Works	2.3313	0.7046	0.1400	0.0944	3.2703

5. It, therefore, follows that there was a computation error while considering tariff for the period 1.4.1997 to 31.3.2001 in petition No.32/2002. The same capital cost was adopted for computation of tariff in Petition No.46/2001 wherein the petitioner had sought approval of tariff for the period 1.4.2001 to 31.3.2004. In this manner, the computation error committed in the order in Petition No.32/2002 continued in the order dated 4.3.2004 in Petition No.46/2001.

6. We are satisfied that in the interest of justice, the computation errors need to be rectified. The respondents to whom the notice was issued after admission of the review petition have also not opposed rectification of the mistake as none appeared before us when the petition was heard. Accordingly, we direct that tariff in Petitions No.32/2002 and 46/2001 shall be worked out afresh. With this order the review petition stands disposed of.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 31st August, 2004