

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H. Jung, Member**

Petition No. 19/2005

In the matter of

Revision of rate of infirm power supplied from Ramagundam Super Thermal Power Stations Stage-III approved vide order dated 31.8.2004 in Petition No. 63/2004.

And in the matter of

National Thermal Power Corporation Ltd.

...**Petitioner**

Vs

1. Transmission Corporation of Andhra Pradesh Ltd.,
Hyderabad
2. Tamil Nadu Electricity Board, Chennai
3. Karnataka Power Transmission Corporation Ltd, Bangalore
4. Kerala State Electricity Board, Thiruvananthapuram
5. Electricity Department, Govt. of Pondicherry, Pondicherry....**Respondents**

The following were present

1. Ms. Pranav Kapoor, NTPC
2. Shri V.B. Jain, GM, NTPC
3. Shri I.J. Kapoor, GM, NTPC
4. Shri A.K. Juneja, DGM, NTPC
5. Ms. Alka Saigal, Sr. Manager, NTPC
6. Shri Manoj Mathur, DGM, NTPC
7. Shri C.S. Srinivas, NTPC
8. Shri A. Ravindra, NTPC
9. Shri R. Datt, NTPC
10. Shri K. Gopalakrishnan, KSEB
11. Shri R. Balachandran, KSEB
12. Shri V.G. Pandit, CA, KPTCL

**ORDER
(DATE OF HEARING : 26.4.2005)**

The petitioner seeks revision of rate of infirm power supplied from Ramagundam STPS Stage III approved by order dated 31.8.2004.

2. The petitioner had earlier made an application (No. 63/2004) for fixation of charges for supply of infirm power from Ramagundam STPS Stage-III from the date of synchronization to the date of commercial operation. The Commission vide its order dated 31.8.2004 approved charges for infirm power @ 110.55 paise/kWh, as claimed. The petitioner claimed these charges based on coal linkage provided for Ramagundam STPS Stage-III from SECL, Korba. The following operational parameters were considered for fixation of charges for supply of infirm power:-

Energy Charges for infirm Power		
Description	Units	
Capacity	MW	500.00
Gross Station Heat Rate	kCal/kWh	2550.00
Sp. Fuel Oil Consumption	ml/kWh	4.50
Aux. Energy Consumption	%	8.00
Weighted Average GCV of Oil	kCal/l	10000.00
Weighted Average GCV of Coal	kCal/Kg	3250.00
Weighted Average Price of Oil	Rs./KL	15644.62
Weighted Average Price of Coal	Rs./MT	1228.20
Rate of Energy Charge from Sec. Fuel Oil	Paise/kWh	7.04
Heat Contributed from SFO	kCal/kWh	45.00
Heat Contributed from Coal	kCal/kWh	2505.00
Specific Coal Consumption	Kg/kWh	0.77
Rate of Energy Charge from Coal	Paise/kWh	94.67
Rate of Energy Charge ex-bus per kWh Sent	Paise/kWh	110.55

3. Ramagundam STPS Stage-III was synchronized on 26.9.2004 and has been declared under commercial operation w.e.f. 25.3.2005.

4. It is stated by the petitioner that supply of coal from SECL, Korba to Ramagundam STPS Stage-III is yet to commence. Therefore, the petitioner has been meeting the requirements from the coal supplied by Singreni Coal Fields which also supply coal for Ramagundam STPS Stage I and II. The petitioner has recalculated the rate of infirm power at 93.13 paise/kWh based on the following operational norms and accordingly seeks approval of the revised charges:

Energy Charges for infirm Power		
Description	Unit	
Capacity	MW	500.00
Gross Station Heat Rate	kCal/kWh	2550.00
Sp. Fuel Oil Consumption	ml/kWh	4.50
Aux. Energy Consumption	%	8.00
Weighted Average GCV of Oil	kCal/l	9854.20
Weighted Average GCV of Coal	kCal/Kg	4087.33
Weighted Average Price of Oil	Rs./KL	17993.47
Weighted Average Price of Coal	Rs./MT	1265.59
Rate of Energy Charge from Sec. Fuel Oil	Paise/kWh	8.10
Heat Contributed from SFO	kCal/kWh	44.34
Heat Contributed from Coal	kCal/kWh	2505.66
Specific Coal Consumption	Kg/kWh	0.61
Rate of Energy Charge from Coal	Paise/kWh	77.58
Rate of Energy Charge ex-bus per kWh Sent	Paise/kWh	93.13

5. The petitioner while seeking revision of fixed charges has placed reliance on the observation in the order dated 31.8.2004, according to which the charges for supply of infirm power approved were provisional and subject to adjustment at the time of final determination of tariff.

6. The rate of 93.13 paise/kWh claimed by the petitioner is based on weighted average price and GCV of coal and oil for the months of September 2004 to November 2004.

7. Respondent No.2 TNEB, in its reply has pointed out that the petitioner has considered the weighted average price and GCV of coal and oil after the date of synchronization on 26.9.2004 whereas actually these factors for three months prior to date of synchronization, needed to be considered. It is further stated that the parameters to be considered for revision of charges should be same as in the case of Ramagundam STPS Stage I and II as the source of supply of coal is same. TNEB has worked out the rate of infirm power supplied from Ramagundam STPS Stage-III at 90.69 paise/kWh based on average coal price and GCV for the months of May, June

and July 2004. Kerala State Electricity Board has submitted that price of coal is fixed after considering all expenses connected with the evacuation of coal to Ramagundam I & II. Hence additional coal excavated was available at a small cost. Therefore, the rate can be fixed by giving an incentive along with the expenses incurred for secondary fuel oil. None of the other respondents has filed any reply.

8. Heard the representatives of the parties on admission.

9. In accordance with the Commission's notification on terms and conditions of tariff applicable from 1.4.2004, any revenue (other than recovery of fuel cost) made on account of sale of infirm power is to be taken as reduction in the capital cost of the generating station. The recoveries @ 110.55 paise/kWh on account of sale of infirm power from Ramagundam STPS Stage-III have already been made. Under these circumstances, we do not consider it advisable to revise retrospectively the rate of infirm power supplied. Accordingly, the petition stands dismissed with no order as to costs.

Sd/-
(A.H. JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 10th May 2005