

**Central Electricity Regulatory Commission
New Delhi**

RECORD OF PROCEEDINGS

Petition No. 19/2010

Subject: Petition for in-principle approval for procurement of generator at Rihand Super Thermal Power Station, Stage-I (1000 MW).

Date of Hearing: 10.2.2011

Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri Deena Dayalan, Member

Petitioner: NTPC Ltd

Respondents: UPPCL, JVVNL, AVVNL, JoVVNL, BSES Rajdhani, BSES, Yamuna, NDPL, HPPC, PSEB, HPSEB, PDD (J&K) Jammu, PD Chandigarh and UPCL.

Parties present: Shri S. Saran, NTPC
Shri Ajay Dua, NTPC
Shri Anil Choudhury, NTPC
Shri A.K. Mukherjee, NTPC
Shri Ajith Pratap Singh, NTPC
Shri Manish Garg, UPPCL
Shri K.Prasad, UPPCL

The representative of the petitioner submitted as under:

- (a) M/s BHEL has been informed that it would not be possible for it to repair the rotor and stator of the generators supplied by the OEM (M/s Alsthom).
- (b) The Central Electricity Authority (CEA) has been approached on this issue for their views and the same was being examined by it.
- (c) The cost analysis benefit for procurement of spare generator was submitted along with the original petition in which the average traded power cost of Rs. 7.31 per kwh during 2008-09 was considered. It was found that the net benefit to the beneficiaries would be around Rs.700 crore for one year in case they purchased power from market for 4 months on account of outage of generator due to repair @ Rs. 7.31 per kWh, which was the average cost of power during 2008-09 (in terms of information in the Commission's web-site)

2. The representative of the respondent No.1 UPPCL submitted that the average cost to power assumed was much higher than the prevailing market rates. During November 2010, the average cost of power was Rs.3.91 per kWh (approx) and the Over the Counter (OTC) rates were Rs.4.35 per kWh (approx) for the next three months.

3. On a specific query of the Commission whether the petitioner had undertaken the cost benefit analysis considering the power cost at the rates for its own power, the petitioner replied in the negative.

4. On a further query by the Commission whether the respondent No.1, UPPCL had undertaken the cost benefit analysis without considering the power on account of generator breakdown, the representative of the respondent clarified that in order to undertake the cost benefit analysis, information regarding the repair cost and terminal value of the generator should be provided by the petitioner.

5. The representative of the respondent No.1, UPPCL also suggested that since the petitioner would also be benefited by the improvement in the availability of the generating station, certain percentage of generator cost should be borne by it. The representative added that since 1.1.2008 the generators were working satisfactorily and the availability of the generating station was reasonably good during the last three years.

6. The Commission after hearing the parties directed the petitioner to submit on affidavit, information on the following within 24.2.2011, with advance copy to the respondents:

- (i) Sensitivity analysis of the cost benefit analysis considering the cost of power at its own rate and at various other rates, clearly indicating the assumptions made in the analysis and at the rate at which there was a break even.
- (ii) Comments/views of CEA;
- (iii) Certificate of BHEL that it was not able to repair the rotor and stator of generators;
- (iv) The extent to which the petitioner was ready to share the cost of generator as it would be beneficial for it.

7. The respondents are directed to file its response by 4.3.2011, with copy to the petitioner who shall file its rejoinder, if any, by 11.3.2011.

8. Subject to the above, order in the petition was reserved.

Sd/-
(Dr. N.C.Mahapatra)
Chief Advisor (Law)