

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 34/RP/2023

In

Petition No. 237/GT/2020

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V, Member

Shri Harish Dudani, Member

Date of Order: 12.01.2025

IN THE MATTER OF

Review of Commission's Order dated 26.07.2023 in Petition No. 237/GT/2020 for truing up of tariff of Ramagundam STPS Stage-I&II (2100 MW) for the period from 1.4.2014 to 31.3.2019.

AND

IN THE MATTER OF

NTPC Limited,
NTPC Bhawan, Core-7, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi-110 003

..... **Petitioner**

Vs

1. APEPDCL (AP Eastern Power Distribution Company Ltd.)

Corporate Office

P&T Colony, Seethammadhara,

Visakhapatnam – 530 013 - (AP)

2. APSPDCL (AP Southern Power Distribution Company Ltd.)

Corporate Office

Back Side Srinivasa Kalyana Mandapam

Tiruchhanur Road, Kesavayana Gunta,



Tirupathi – 517 503 (AP)

3. TSSPDCL (Telangana State Southern Power Distribution Company Ltd)
formerly AP Central Power Distribution Company Ltd.
Mint Compound, Corporate Office
Hyderabad – 500 063.
4. TSNPDCL (Telangana State Northern Power Distribution Company Ltd.)
formerly Andhra Pradesh Northern Power Distribution Company Ltd.
H.No. 2-5-31/2, Vidyut Bhavan, Nakkalagutta,
Hanamkonda, Warangal – 506 001
5. Tamil Nadu Generation & Distribution Corporation Limited,
144, Anna Salai, Chennai – 600 002
6. Bangalore Electricity Supply Company Limited,
Krishna Rajendra Circle, Bangalore - 560 009
7. Mangalore Electricity Supply Company Limited,
MESCOM bhavana, Corporate Office, Bejai, kavoor cross road,
Mangaluru, 575004, Karnataka
8. Chamundeshwari Electricity Supply Corp. Limited,
Corporate Office, No. 29, Vijayanagar,
2nd stage, Hinkal, Mysore – 570 017
9. Gulbarga Electricity Supply Company Limited,
Main road, Gulbarga, Karnataka.
Gulbarga – 585 102
10. Hubli Electricity Supply Company Limited,



Corporate office, P.B. Road, Navanagar,
Hubli – 580 025

11. Kerala State Electricity Board,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004

12. Electricity Department, Govt. of Puducherry,
137, Netaji Subhash Chandra Bose Salai,
Puducherry- 605001

13. Electricity Department, Govt. of Goa,
Vidyut Bhavan ,3rd Floor,
Panaji, Goa -403001

.....Respondents

Parties present:

Shri Anand Sagar Pandey, NTPC
Shri Shahrab Zaheer, NTPC

Order

Petition No. 237/GT/2020 was filed by the Review Petitioner, NTPC Limited, for the truing-up of the tariff of Ramagundam STPS, Stages-I&II (2100 MW) for the period 2014-19 in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short 'the 2014 Tariff Regulations') and the Commission vide order dated 26.7.2023 (in short, the 'impugned order') had disposed of the said petition. Aggrieved by the impugned order dated 26.7.2023, the Review Petitioner has filed the Review Petition on the ground that there is an error apparent on the face of the record on the following issue:

a) GCV of coal considered for the purpose of Interest on Working Capital.



Hearing dated 4.4.2024

1. During the hearing, the learned counsel for the Review Petitioner made detailed oral submissions in the matter. Accordingly, the Review Petition was admitted, and notice was served to the Respondents. The Commission also directed the Petitioner to submit the following additional information:

(i) The GCV of the domestic coal submitted by the Petitioner on 'as billed' basis for the periods January 2014, February 2014, and March 2014 as 4455Kcal/Kg, 4515 Kcal/Kg and 4502 Kcal/Kg, respectively. The Petitioner is directed to furnish the 'as received' GCV for the said period duly audited and certified and the reason for variation between as billed and as received GCV thereon.

2. In compliance with the above directions, the Petitioner, vide affidavit dated 4.4.2024, has submitted the additional information sought by the Commission.

Hearing dated 29.8.2024

3. The matter was heard again on 29.8.2024. During the hearing, the learned counsel for the Review Petitioner submitted that the additional information sought by the Commission vide ROP of the hearing dated 4.4.2024 has been filed, and since no reply has been filed by the Respondent and pleading and arguments have been completed, the order may be reserved.

4. Despite notice, no one appeared for the Respondents. The Commission, after hearing the representative of the Review Petitioner, directed the Petitioner to submit the following additional information:

(i) The Excel sheet of back calculation of the weighted average GCV as claimed by the Petitioner linked with the particulars submitted in form-15.



5. Subject to the above, the Commission reserved its order in the matter. In compliance with the above directions, the Petitioner, vide affidavit dated 29.8.2024, has submitted the Excel sheet of calculation of the weighted average GCV as claimed.

6. Based on the submissions of the Petitioner and the documents available on record, we proceed to examine the issues raised in the petition as detailed in the subsequent paragraphs.

Submission of the Petitioner:

7. The Petitioner has submitted that the Commission in Para 110 of the order dated 26.7.2023 in Petition No. 237/GT/2020 has considered the GCV of coal for the purpose of IOWC as 3859.29 kcal/kg, which has been arrived at by net coal quantities as per Form-15 of the petition and the monthly GCVs as submitted by the Petitioner. The relevant para from the order is reiterated below:

“110. The Petitioner has calculated GCV 3754 kCal/kg which represents average of GCVs of preceding three months. The weighted average GCV for three months based on the net coal quantities as per Form-15 of the petition and the monthly GCVs as submitted by the Petitioner (in table at paragraph 103 above) works out to 3859.29 kCal/kg.”

8. In this regard, the Petitioner has submitted that as per the above methodology, the weighted average GCV considering net coal quantities as per form-15 of the petition and the monthly GCVs as submitted by the Petitioner comes out to be 3757.02 kcal/kg whereas the same has been considered by the Commission as 3859.29 kcal/kg. Accordingly, the same is an error apparent on the face of the order.

9. The Petitioner vide affidavit dated 30.6.2021 in Petition No. 237/GT/2020 had submitted the additional details on the GCV on an ‘as received’ basis, which was sought by the Commission in other similar matters for the months of January 2014, February 2014, and



March 2014. Further, the quantities of coal supplied during these months (domestic + imported) are as per form-15 of the petition. Thus, the weighted average GCV of coal for the months Jan 2014 to Mar 2014 comes out to be 3757.02 Kcal/Kg as below:

	Jan 2014	Feb 2014	Mar 2014
GCV, as submitted by the petitioner, vide affidavit dated 30.6.2021 for the month as received basis (Kcal/kg)	R1	R2	R3
	3712	3759	3790
Net coal supplied as per form 15 during the month (domestic + imported) (MT)	Q1	Q2	Q3
	1104084.79	1181065.04	1436160.15
Simple Average of GCV (Kcal/kg)	$(R1 + R2 + R3)/3$		
	3754		
Weighted average of GCV (Kcal/kg) (As per Hon'ble CERC methodology as stated in para 110 of order)	$(R1*Q1 + R2*Q2 + R3*Q3) / (Q1+Q2+Q3)$		
	3757.02		

10. However, the Commission has calculated the weighted average GCV of coal for the months of January 2014 to March 2014 as 3859.29 kcal/kg, which needs to be corrected. The erroneous calculation has led to a reduction of the fuel cost component and energy charge rate in a receivable component in IOWC computation.

11. In view of the above, the Petitioner has submitted that there is an apparent error on the face of the record in the GCV considered for IOWC computation in the Order for the instant Petition, and the same needs to be rectified accordingly.

Analysis and Decision



12. We have examined the submission of the Petitioner in the review petition in the light of the submission made in the Tariff Petition No.237/GT/2020, based on which the Commission took the decision in the order dated 26.7.2023 of considering the weighted average GCV as 3859.29 kcal/kg. The weighted average GCV was computed as per the data submitted by the Petitioner as per Form-15 in the petition.

13. The Commission vide ROP of hearing dated 4.4.2024 has directed the Petitioner to furnish the details of 'as received' GCV for the periods January 2014, February 2014, and March 2014 duly audited and certified and the reason for variation between as billed and as received GCV thereon. Further, the Commission, vide ROP of hearing dated 29.8.2024, directed the Petitioner to furnish the Excel sheet of back calculation of the weighted average GCV as claimed by the Petitioner linked with the particulars submitted in Form-15.

14. In compliance with the above directions, the Petitioner vide affidavit dated 26.6.2024 has submitted that:

- (i) The Gross Calorific Value (GCV) data on both 'as billed' and 'as fired' basis was submitted for the months of January 2014, February 2014, and March 2014 in Form-15.
- (ii) The Commission, in the hearing of other station petitions, indicated that for the purposes of computation of interest on working capital, the GCV of coal on an 'as received' basis is to be considered for the period January – March 2014. The Review Petitioner further stated that the Commission has also directed the Petitioner to furnish the GCV details on an 'as received' basis for the said period, i.e., months of January 2014 to March 2014. Accordingly, the petitioner vide affidavit dated



30.6.2021 in Petition No 237/GT/2020 has inter-alia submitted details on an 'as received' basis GCV as below:

S. No	Month	Wt Avg. GCV of coal received (EM/AD basis) (kcal/kg)	Wt. Avg. Total Moisture (TM) (in %)	Wt Avg. Equilibrated Moisture (EM/AD) (in %)	Wt Avg. GCV of coal received (TM basis) (kcal/kg)
1	January 2014	3987	13.54	7.15	3712
2	February 2014	3939	12.17	7.97	3759
3	March 2014	4017	12.34	7.09	3790
Average					3754

(iii) As given in Form-15, during the period, the coal is received at the station from both domestic sources as well as from imported sources. The total supplied quantity during the months as per form-15, and the weighted average GCV of coal received (TM basis) is as below:

S.N.	Month	Quantity of coal supplied during the month (MT)	Wt Avg. GCV of coal received during the month (TM basis) (kcal/kg)	
A	B	C	D	E = CxD
1	January 2014	1104048.79	3712	4098229108
2	February 2014	1181065.04	3759	4439623485
3	March 2014	1436160.15	3790	5443046969
Total		3721273.98		13980899562
Weighted average GCV for the period Jan 2014 to Mar2014 (E/C) (kcal/kg)			3757.02	

(iv) As billed, GCV at the mine end is measured on an Equilibrated Moisture (EM) basis without considering moisture content in the coal, whereas GCV at the station end is



taken on a Total Moisture (TM) basis. One of the reasons for the gap is the presence of surface moisture in the coal, as received, leading to a difference in GCV measured on a TM basis at the unloading end with respect to the GCV measured at EQ basis at the loading end.

(v) The coal supplied by coal companies is heterogeneous in nature, i.e., the quality and size of coal may vary from one point to another point. Also, due to transportation and time-lapse, the quality of coal may diminish. The samples of mine end and station end are collected from different places and at different points of time and, therefore, may result in different values.

15. Subsequent to the above, the Petitioner was listed for the final hearing on 29.8.2024. The Commission, vide ROP of the hearing dated 29.8.2024, had directed the Petitioner to furnish the Excel sheet comprising back calculation of the weighted average GCV as claimed by the Petitioner linked with the particulars as submitted in Form-15.

16. In compliance with the above direction, the Petitioner submitted an Excel sheet via an affidavit dated 29.8.2024 detailing the calculation of the weighted average GCV as claimed. However, upon review, it has been observed that the submitted Excel sheet lacks proper linkage to the information provided in Form-15. Specifically, the methodology used to derive the month-wise weighted average GCV of coal for the corresponding months, linked with the quantities of coal supplied as reported in Form-15, has not been clearly demonstrated. Despite these submissions, there remains a lack of clarity regarding the GCV of domestic coal as received by the Petitioner. This critical information, which is essential for verifying the claimed calculations, has not been furnished by the Petitioner.



17. The Commission is of the view that the methodology followed for computing the weighted average GCV in the impugned order dated 26.7.2023 is as per the provisions of the 2019 Tariff Regulations. Further, it is clarified that the weighted GCV of coal has been computed by the Commission considering the normative transit loss of 0.20% applicable for pit head station, whereas the Petitioner has considered normative transit loss of 0.43%, 0.37% and 0.36% for January 2014, February 2014 and March 2014 for domestic coal. Therefore, in the absence of the proper data as sought by the Commission, vide its RoP of hearing dated 29.8.2024, we find no reason to change the computation of the weighted average GCV of coal, and further, the calculations made were as per the provisions of 2019 tariff Regulations. Therefore, no changes are being considered in the computation of the weighted average GCV of coal.

18. Hence, the contention of the petitioner that there is an error apparent on the face of the order regarding the GCV considered for IOWC computation is not tenable. Thus, we find no error apparent on the face of the record, and review on this ground is not allowed.

19. Review Petition No. 34/RP/2023 is disposed of in terms of the above.

Sd/
(Harish Dudani)
Member

Sd/
(Ramesh Babu V.)
Member

Sd/
(Jishnu Barua)
Chairperson

