

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

**IA No. 37/2003 in  
Petition No. 32/2003**

**In the matter of**

Fixation of Two Part Tariff of Electricity from Agartala Gas Turbine Power Project (84 MW) of NEEPCO for the year 2003-2004.

**And in the matter of**

North Eastern Electric Power Corporation Ltd.	...	<b>Petitioner</b>
<b>Vs</b>		
Assam State Electricity Board and others	....	<b>Respondents</b>

**The following were present:**

1. Shri Parag P. Tripathi, Sr. Advocate, NEEPCO
2. Shri Sudhir Mishra, Advocate, NEEPCO
3. Shri Malcom D. Ray, ED(Comml.), NEEPCO
4. Shri Akhtar Hussein, Sr. Manager (E), NEEPCO
5. Shri B. Maharana, M(F), NEEPCO
6. Shri Deboni Dey, Sr. Manager (F), NEEPCO
7. Shri V. Vekanna, AM(F), NEEPCO
8. Shri Pankaj Singh, Advocate, NEEPCO
9. Shri M.K. Adhikary, ASEB
10. Shri B.K. Misra, MS, EREB
11. Shri H.K. Sharma, ASEB
12. Mrs. Rinchen O. Bhutia, Advocate, Power Department, Govt. of Sikkim

**ORDER  
(DATE OF HEARING: 25.8.2003)**

The petitioner had undertaken to file the following additional details within five weeks after 25.8.2003.

- (i) Year-wise details of IDC for the period of construction,
- (ii) Amount of initial spares capitalised in the project cost,
- (iii) Consolidation statement of balance sheet and profit and loss statement, duly certified by statutory auditors,
- (iv) Allocation and reconciliation of the gross block as per books of accounts of the petitioner, duly reconciled with the audited annual accounts for the years 1997-98 to 2002-2003,
- (v) Year-wise FERV up to 31.3.2003, with detailed working,
- (vi) Supporting loan documents as per Form 10 attached to the petition,
- (vii) Details of rescheduling of loans, if any, duly supported with necessary approval,
- (viii) Reconciliation of the amount of loan shown in Form 6, 7 and 12,
- (ix) The total loan amount, date and amount of sanction/drawal of foreign loan (the Deutsche loan) exchange rate (Rs./Euro rate) applicable on the date of drawal, date of commercial operation and as on 31.3.2003,
- (x) Date of sanction/drawal of GOI loan,
- (xi) Cumulative repayment of individual loans up to 31.3.2003,
- (xii) Cumulative depreciation up to 31.3.2003 as per books of accounts of the petitioner, duly reconciled with their audited annual accounts,
- (xiii) Copy of sanction for release of equity by Government of India date of release and total equity released by government of India up to 31.3.2003 as per books of accounts of the petitioner duly reconciled with their audited annual accounts, and
- (xiv) The spares consumption over the period of last 5 years.

2. The petition be processed for fixing a date of hearing on the petitioner's submitting the above noted details.

**IA NO. 37/2003**

3. The petitioner has filed the main petition for approval of two-part tariff for the electricity supplied to the respondents from Agartala Gas Turbine Power Project (AGTPP) for the year 2003-2004. Through the present IA, the petitioner has prayed for an order for provisional two-part tariff, till final determination of tariff by the Commission. It was submitted that ABT was proposed to be implemented in the North Eastern Region with effect from 1.10.2003 and accordingly approval of two-part tariff was essential for effectiveness of the ABT regime.

4. In our order dated 1.10.2003 in Petition No. 42/2003, we have directed implementation of ABT in the Region with effect from 1.11.2003. However, at this stage, it is not possible to consider final determination of final tariff since certain details as per para 1 above are awaited from the petitioner. Therefore, we have considered an interim arrangement on two-part tariff based on tariff claimed in the petition.

5. The petitioner has claimed the two-part tariff as per the following details culled out from the petition:

	(Rs. in Crore)
Capital Cost (on the date of Commercial Operation)	308.56
Interest on Loan	4.81
Depreciation	18.07
O&M Expenses	10.22

ROE	26.39
Interest on working capital	2.87
	=====
<b>TOTAL FIXED CHARGES</b>	<b>62.36</b>
	=====

6. The energy charge for AGTPP has been claimed as under:

(a)	Station Heat Rate (Kcal/kWh)	3580.00
(b)	Auxiliary Energy Consumption (%)	1.00
(c)	Weighted Average price of gas Rs/1000 SCM)	2100.00
(d)	Weighted average GCV of Gas (Kcal/SCM)	9092.34
(e)	Energy charge Rs./kWh sent out (paise/kWh)	83.57

7. The capacity charges claimed by the petitioner are based on the project cost of Rs.322.35 crore. However, the revised cost estimates are yet to be approved by the Central Government. We also find that there is time over-run of 24 months in completion of the project, which may have its implication on the capital cost on account of IDC. Although the petitioner has furnished the reasons for delay in the completion of the project, a view on the issue is yet to be taken by the Commission. On consideration of these facts, we allow 85% of the fixed charges as per para 5 above, that is, Rs.53.01 Crore for the year 2003-2004, on provisional basis till final determination of tariff by the Commission. As regards

the energy charges, the petitioner shall be entitled to claim these charges @ 83.52 paise/kWh on provisional basis. The provisional energy charges allowed are based on price and GCV of gas given in the petition and operational norms of “station heat rate”, “auxiliary energy consumption”, etc. as per the Commission’s notification dated 26.3.2001, as amended.

8. This disposes of IA No. 37/2003

Sd/-  
**(K.N. SINHA)**  
**MEMBER**

Sd/-  
**(ASHOK BASU)**  
**CHAIRMAN**

New Delhi dated the 10<sup>th</sup> October 2003