

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 274/2010
along with Interlocutory Application Nos. 11/2011 and 14/2011

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

Date of Order: 11.11.2011

In the matter of

Petition for Capital cost approval and determination of generation tariff of the 2 x 525 MW generating units of Maithon Power Limited, for the period from the anticipated date of commercial operation of Unit-I and Unit-II to 31.3.2014.

And

In the matter of

Grant of provisional tariff for 150 MW of Unit-I of Maithon Right Bank Thermal Power Plant for the period 2011-2012.

And

In the matter of

Maithon Power Ltd, NOIDA

.....**Petitioner**

Vs

- (1) North Delhi Power Ltd, New Delhi
- (2) Damodar Valley Corporation, Kolkata
- (3) West Bengal State Electricity Distribution Company Ltd, Kolkata
- (4) Punjab State Electricity Board, Patiala
- (5) Tata Power Trading Company Ltd, Mumbai

...**Respondents**

ORDER

The petitioner, Maithon Power Ltd, has filed this petition on 13.10.2010 for determination of generation tariff for sale of power from Units-I and II (2 x 525 MW) of its generating station at Maithon, from the anticipated commercial operation of Unit-I (25.12.2010) and Unit-II (25.4.2011) till 31.3.2014 in accordance with Sections 62 and 79(1)(b) of the Electricity Act, 2003 (the Act) and the Central



Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as "the 2009 Regulations").

2. Subsequently, the petitioner filed Interlocutory Application (I.A. No.11/2011) and submitted that Unit-I (525 MW) was expected to achieve commercial operation from 15.6.2011. It was also submitted that out of the capacity of 525 MW, capacity of 330 MW was being sold to the respondent No.1, NDPL and BSES Rajdhani Power Ltd, on short term PPA through competitive bidding under Case-I and 45 MW was planned to be sold in open market. The balance capacity of 150 MW is to be supplied to respondent No.2, DVC based on the tariff to be determined by the Commission. In the said application, the petitioner has prayed for grant of provisional tariff for 150 MW of power to be supplied to DVC from the anticipated date of commercial operation of Unit-I (15.6.2011) till 31.3.2012 and for appropriate fuel price adjustment mechanism, in terms of Regulation 5 (4) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011.

3. While so, on 22.6.2011, the petitioner filed another Interlocutory Application (I.A.No.14/2011) and submitted that that Unit-I was expected to achieve commercial operation from 23.6.2011 and Unit-II from 22.12.2011. In the said application, the petitioner prayed for grant of provisional tariff for Units I and II (2 x 525 MW) of the generating station from the anticipated date of commercial operation of Units I and II up to 31.3.2014 and for determination of appropriate fuel price adjustment mechanism in terms of Regulation 5 (4) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011.

4. The matter was heard on 21.7.2011 on the issue of jurisdiction of the Commission to determine tariff of the generating station under Section 62 read with Section 79(1)(b) of the Act for sale of 750 MW of power from the generating station to respondents 1,3 and 4 through respondents No.5, TPTCL. The Commission has reserved its orders on this issue.

5. Meanwhile, the petitioner by its letter dated 9.9.2011 has submitted that Unit-I of the generating station has been declared under commercial operation on 1.9.2011 and has prayed that provisional tariff for supply of power from the generating station to the respondent No.2, DVC may be granted with effect from the date of commercial operation.

6. Unit-I (525 MW) of the generating station has been declared under commercial operation with effect from 1.9.2011. The Unit has the arrangement to supply 150 MW of power to the respondent No.2, DVC which undertakes the functions of distribution to the HT consumers in the State of West Bengal and Jharkhand. Therefore, supply of 150 MW of power to DVC fulfils the conditions of Section 62(1)(a) of the Act. Pending decision on the question of determination of tariff for supply of power to the respondent No.5, TPTCL for further sale to the respondent Nos. 1,3 and 4, we have decided to grant provisional tariff in respect of 150 MW supply of power from the said Unit of the generating station to the respondent No.2, DVC, from 1.9.2011 up to the date of commercial operation of Unit-II of the generating station or 31.3.2012, whichever is earlier.

7. Regulation 5 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011 provides as under:

“(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff

upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:

Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations.”

8. Based on the projected capital cost of ₹203063.00 lakh (on cash basis), the petitioner has claimed the fixed charge of ₹11606.00 lakh for 283 days for supply of 150 MW from Unit-I of the generating station during 2011-12, considering the anticipated COD of Unit-I as 23.6.2011 (i.e 283 days). Since Unit-I was commissioned on 1.9.2011, the provisional tariff is to be allowed for a period of 213 days i.e from 1.9.2011 to 31.3.2012.

9. After carrying out prudence check, we allow the provisional fixed charges of ₹8298.50 lakh for 213 days for supply of 150 MW of power from Unit-I of the generating station to the respondent No.2, DVC for the period from 1.9.2011 to 31.3.2012 (i.e 213 days), based on the capital cost of ₹203063.00 lakh as claimed by the petitioner.

10. The provisional fixed charges allowed for 213 days as above is subject to being -up in terms of Regulation 6 of the 2009 regulations.

11. The provisional tariff determined on annualized basis as above is applicable *pro rata* to the number of days the said unit would run till Unit-II of the generating station is declared under commercial operation or up to 31.3.2012, whichever is earlier.

12. Energy Charge Rate in respect of the generating station shall be determined in terms of Clauses 5 and 6 (a) of Regulation 21 of the 2009 regulations, on month to month basis.

13. The provisional fixed charges allowed above is subject to adjustment as per proviso to Clause (3) of Regulation 5 of the 2009 regulations after the final tariff order has been issued.

14. The interlocutory applications, viz. I. A.Nos.11 and 14/2011 are disposed of in terms of the above. The issue of Commission's jurisdiction to determine tariff of the generating station under Section 62 read with Section 79(1)(b) of the Act, for sale of 750 MW of power from the generating station to respondents 1,3 and 4 through respondent No.5, TPTCL, would be dealt with by the Commission at the time of final disposal of the petition.

Sd/-
[M.DEENA DAYALAN]
MEMBER

Sd/-
[S.JAYARAMAN]
MEMBER

Sd/-
[DR.PRAMOD DEO]
CHAIRPERSON

