

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No.50/GT/2014
with I.A No.17/2014**

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Date of Hearing: 17.6.2014

Date of Order: 23.6.2014

IN THE MATTER OF

Approval of generation tariff of Barh STPS Stage-II (2x660 MW) for the period from the anticipated date of commercial operation of first Unit (Unit-IV) till 31.3.2014.

AND IN THE MATTER OF

NTPC Ltd.
NTPC Bhawan,
Core-7, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003

.....Petitioner

Vs

1. South Bihar Power Distribution Company Ltd.,
1st Flor, Vidyut Bhawan
Bailey Road, Patna-800 001.
2. North Bihar Power Distribution Company Ltd.,
1st Flor, Vidyut Bhawan
Bailey Road, Patna-800 001.
3. Jharkhand State Electricity Board
Engineering Bhawan, Heavy Engineering Corporation
Dhurwa, Ranchi-834 004.
4. Grid Corporation of Orissa Ltd
24, Janpath,
Bhubaneswar-751 007.
5. West Bengal State Electricity Distribution Company Ltd,
Bidyut Bhawan (8th Floor), Block-DJ, Sector-II
Salt Lake, Kolkata-700 091.
6. Power Department
Govt. of Sikkim
Kazi Road, Gangtok, Sikkim-737 101.

....Respondents

Parties Present:

Shri Ajay Dua, NTPC
Shri A.S.Pandey, NTPC
Shri A.Basu Roy, NTPC
Shri Umesh Ambati, NTPC

ORDER

This petition has been filed by the petitioner, NTPC for approval of generation tariff in respect of Barh STPS Stage-II (2x660 MW) ('the generating station') for the period from the anticipated date of commercial operation of first Unit (Unit-IV) till 31.3.2014 in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations').

2. The generating station with the installed capacity of 1320 MW is under various stages of erection/construction. The petitioner has submitted that the first unit (Unit-IV) of the generating station was synchronized on 12.10.2013 and is expected to be declared for commercial operation with effect from 7.3.2014 and the second unit (Unit-V) is expected to be synchronized and declared for commercial operation thereafter. The power from the generating stations is to be supplied to the respondents based on the allocation made by the Ministry of Power, Govt. of India on 3.7.2012. The Investment Approval of the project was accorded by the Board of the petitioner company at its 312th meeting held on 29.2.2008 at the project cost of ₹7834.53 crore at the price level of fourth quarter of 2007. Accordingly, the petitioner has filed the present application on 3.3.2014 for determination of tariff for the first unit of the generating station for the period from the anticipated date of commercial operation (7.3.2014) to 31.3.2014 in accordance with the provisions of the 2009 Tariff Regulations. The petitioner has also prayed for the grant of provisional tariff of the said unit of the generating station in terms of Regulation 5(4) of the 2009 Tariff Regulations.

3. During the pendency of the petition, the petitioner has filed Interlocutory Application (IA No. 17/2014) for determination of tariff of the first unit of the generating station from the anticipated date of its commercial operation till 31.3.2014 with the following prayers:

- (a) Consider the existing petition filed vide affidavit dated 28.2.2014 as if filed under Tariff Regulations 2014.
- (b) Approve tariff based on the petition filed vide affidavit dated 28.2.2014 under Regulation (54) 'Power to Relax' in order to facilitate billing.
- (c) Pass any other order as it may deem fit in the circumstances mentioned above.

4. The petitioner has submitted that the first unit (Unit-IV) of the generating station is likely to be declared under commercial operation after completion of the trial operation as per provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2014 ('the 2014 Tariff Regulations'). It has also submitted that the tariff computation forms at Annexure-I of the 2014 Tariff Regulations are similar to Appendix-I of the 2009 Tariff Regulations except for some additional forms such as Form-5 Ei, Eii prescribed in Appendix-I. The petitioner has further submitted that since the financial year 2013-14 has ended, the certification of financial data/expenditure is under progress and in view of this, the compilation and finalization of information required in these additional forms required some more time. It has also been submitted that since the petition has been filed within 180 days from the anticipated date of commercial operation of the said unit in compliance with the provisions of Regulation 7 of the 2014 Tariff Regulations, the Commission may consider the determination of tariff for the said unit of generating station for the period from the anticipated date of commercial operation to 31.3.2019 under the 2014 Tariff Regulations. The petitioner has also undertaken to revise the petition based on the audited financial statements and projections for the period 2014-19 for determination of tariff based on the actual date of commercial operation of Unit-IV as per provisions of the 2014 Tariff Regulations including Annexure-I as prescribed. In the above circumstance, the petitioner has prayed for the reliefs as stated in para 3 above.

5. During the hearing of the petition, the representative of the petitioner submitted that the said unit is expected to be declared under commercial operation shortly and prayed that the Commission may consider the grant of provisional tariff for supply to the beneficiaries. Accordingly, he prayed that the relief prayed for in the IA may be allowed.

6. We have considered the submissions of the petitioner. The petition has been filed by the petitioner for determination of tariff of Unit-IV (first unit) of the generating station from the anticipated date of commercial operation (7.3.2014) till 31.3.2014 based on the provisions of the 2009 Tariff Regulations. It is evident that the said unit could not be declared under commercial operation on 7.3.2014 and the same been delayed beyond 31.3.2014. Accordingly, the petitioner in the said IA has prayed for consideration of the petition for determination of tariff from anticipated COD till 31.3.2019 in terms of the Regulation 7 of the 2014 Tariff Regulations, with liberty to revise the tariff filing forms after declaration of COD of the said unit. Considering the fact that the tariff determination of the said unit, which is to be declared under commercial operation shortly, is to be governed by the provisions of the 2014 Tariff Regulations, we are of the view that the petition, which has been filed in terms of the 2009 Tariff Regulations, is required to be revised. Accordingly, we direct the petitioner to amend the petition in accordance with the provisions of the 2014 Tariff Regulations. As regards the prayer of the petitioner for grant of provisional tariff for supply to the respondents, the same would be considered in accordance with law after the amended petition is filed by the petitioner. The IA is disposed of in terms of the above.

7. The petitioner shall amend the petition as stated above, on or before 4.7.2014 with copy to the respondents who shall file their reply by 11.7.2014. Rejoinder, if any, by 18.7.2014. The petition shall be listed for hearing thereafter, for which the parties shall be intimated.

Sd/-
[A.K.Singhal]
Member

Sd/-
[Gireesh B. Pradhan]
Chairperson