

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 38/RP/2022

in

Petition No. 112/GT/2020

Coram:

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri Pravas Kumar Singh, Member

Date of Order: 20th November, 2023

In the matter of

Review of Commission's order 22.3.2022 and corrigendum order dated 23.5.2022 in Petition No. 112/GT/2020 with regard to the revision of tariff of Rihand Super Thermal Power Station-II (1000 MW).

And

In the matter of

NTPC Limited,
NTPC Bhawan
Core-7, Scope Complex,
7, Institutional Area, Lodhi Road
New Delhi-110003

.....Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14, Ashok Marg
Lucknow-226 001.
2. Rajasthan Urja Vikas Nigam Limited
(On behalf of Rajasthan Discoms)
Vidyut Bhawan, Janpath,
Jaipur-302 005
3. Tata Power Delhi Distribution Limited
Grid Substation, Hudson Road
Kingsway Camp,
New Delhi-110009
4. BSES Rajdhani Power Limited



BSES Bhawan, Nehru Place
New Delhi-110019

5. BSES Yamuna Power Limited
Shakti Kiran Building, Karkardooma
Delhi-110092
6. Haryana Power Purchase Centre
Shakti Bhawan, Sector-VI,
Panchkula-134109
7. Punjab State Power Corporation Limited
The Mall, Patiala-147 001
8. Himachal Pradesh State Electricity Board Limited,
Kumar Housing Complex Building-II, Vidyut Bhawan,
Shimla-171 004
9. Power Development Department
Govt. of J&K, Civil Secretariat
Srinagar
10. Electricity Department of Chandigarh
Union Territory of Chandigarh
Additional Office Building, Sector-9 D
Chandigarh
11. Uttarakhand Power Corporation Limited
Urja Bhavan, Kanwali Road
Dehradun-248 001.

...Respondents

Parties Present:

Shri Anand Sagar Pandey, NTPC
Shri Parimal Piyush, NTPC
Shri Mohit K. Mudgal, Advocate, BRPL
Shri Sachin Dubey, Advocate, BRPL
Ms. Aanchal, Advocate, BRPL

ORDER

Petition No. 112/GT/2020 was filed by the Review Petitioner, for truing-up of tariff of Rihand Super Thermal Power Station-II (1000 MW) (in short “the generating station”) for the 2014-19 tariff period and the Commission vide its Order dated 22.3.2022 and corrigendum order dated 23.5.2022 (in short “the impugned orders”) disposed of the same in terms of the Central Electricity Regulatory Commission



(Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”). Aggrieved by the said impugned order, the Review Petitioner has sought review on the ground of error apparent on the face of the order, raising the following issues:

- a) *Error in the computation of weighted average price of coal;*
- b) *Error in the computation of under-recovery in O&M expenses for allowance of wage revision impact.*

Hearing dated 24.1.2023

2. The Review Petition was heard on ‘admission’ through ‘video conferencing’ on 24.1.2023. During the hearing, the representative of the Review Petitioner made detailed oral submissions in the matter. No respondent was present during the hearing. The Commission, after hearing the representative of the Review Petitioner, ‘admitted’ the Review Petition on the issues (a) and (b) in paragraph 1 above and directed the Petitioner to serve the copy to Respondents.

Hearing dated 27.4.2023.

3. The Review Petition was heard on 27.4.2023. During the hearing, the representative of Petitioner, made detailed oral submissions in the matter, in support of the prayer for review of the impugned order. The Respondent No.5, BRPL requested the Commission for time to submit their replies. The Commission, after hearing the representative of the Review Petitioner and Respondent reserved its order in the matter. The Respondent No. 5, BRPL vide affidavit dated 7.7.2023 submitted their written replies. Based on the submissions of the Review Petitioner and the Respondents and the documents available on record, we proceed to examine the issues raised by the Review Petitioner in the subsequent paragraphs.



(A) Error in the computation of weighted average price of coal

2. The Review Petitioner has submitted that there is an inadvertent error in the computation of weighted average price of coal. The Commission in its Order has simply stated that it has considered weighted average price of coal as 1536.44 Rs/MT without providing any cogent reason for the same despite acknowledging the claim of the Petitioner. The Petitioner has further submitted that no reasons have been given in the above 143 also as to how this figure Rs.1536.44/MT has been calculated.

3. However, the Petitioner during the hearing submitted that the issue regarding computation of weighted average price of coal has already been corrected in the Corrigendum order dated 23.5.2022 in Petition No. 112/GT/2020 but there has been an inadvertent error in consideration of GCV of coal in the Corrigendum order dated 23.5.2022 in Petition No. 112/GT/2020.

4. The matter has been considered. It is observed that the issue related to computation of weighted average price of coal has already been dealt with in Corrigendum order dated 23.5.2022. Further, it is clarified that the weighted average landed cost of coal has been computed considering the normative transit loss of 0.20% applicable for pit head station whereas the Petitioner has considered normative transit loss of 0.34%, 0.38% and 0.30% for Jan'14, Feb'14 and Mar'14 for domestic coal and 0.80% for Jan'14 and Mar'14 for e-auction coal. Therefore no changes are being considered in the computation of weighted average price of coal.

5. Issue No. (A) is decided accordingly.

(B) Error in the computation of under-recovery in O&M expenses for allowance of wage revision impact

6. The Review Petitioner has submitted that the Commission has erred in the computation of under-recovery in O&M expenses for allowance of wage revision



impact. The Petitioner has re-calculated the impact due to wage revision and has submitted that the impact due to wage revision is Rs. 1004.99 lakh instead of Rs. 422.08 lakh as approved in the tariff order. Accordingly, the Review Petitioner has submitted that the impact due wage may be revised.

7. The submissions have been considered. It is observed that the Commission for like to like comparison of normative and actual O&M expenses, had excluded certain items from actual O&M expenses for the computation of impact due to wage revision. It is to mentioned that the consistent approach has been followed by the Commission for the computation of impact due to wage revision. The computation w.r.t impact of wage revision has been rechecked and found to be in order and. Therefore, it is observed that there is no error apparent on the face of records. However, few inadvertent clerical/ typographical errors have been observed which, in terms of the Regulation 111 read with Regulation 103A of the CERC (Conduct of Business) Regulations 1999, are being rectified in order dated 22.3.2022 in Petition No. 112/GT/2020 as under:

(a) In Page 59, paragraph 116, is modified as under:

“First step is to compare the normative O&M expenses with the actual O&M expenses for the period from 2015-16 to 2018-19, commensurate to the period for which wage revision impact has been claimed. For like to like comparison, the components of O&M expenses like Water Charges, Entertainment, Filing fee, Productivity linked Incentive, Expenditure on VRS, Ex-gratia, Performance Related Pay(PRP), Prior Period Expenses, Community Development Expenses, Ash utilisation expenses, RLDC Fee & Charges, Temporary Works Written off, CENPEEP Expenses, Other Compensation, Capital Exp Not Represented by Assets, Demurrage Charges (Force Majeure), Workshop/Conf Expenses- Without ITC, loss of store, provisions, store expenses and Prior period expenses etc. which were not considered while framing the O&M expenses norms for the 2014-19 tariff period, have been excluded from the yearly actual O&M expenses of the generating station as well as corporate centre. Having brought the normative O&M expenses and actual O&M expenses at same level, if normative O&M expenses for the period 2015-19 are higher than actual O&M expenses (normalized) for the same period, the impact of wage revision (excluding PRP and ex-gratia) as claimed for the period is not admissible/ allowed as the impact of pay revision gets accommodated within the normative O&M expenses. However, if the normative O&M expenses for the period 2015-19 are less than the actual O&M expenses



(normalized) for the same period, the wage revision impact (excluding PRP and ex-gratia) to the extent of under recovery or wage revision impact (excluding PRP and ex-gratia), whichever is lower, is required to be allowed as wage revision impact for the period 2015-19.”

8. Issue No. (B) is decided accordingly.
9. Except for the above, all other terms contained in the order dated 22.3.2022 and corrigendum dated 23.5.2023 in Petition No.112/GT/2020 remain unchanged.
10. This order disposes of Review Petition No. 38/RP/2022.

Sd/-
(Pravas Kumar Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

