

**JOINT ELECTRICITY REGULATORY COMMISSION FOR
THE STATE OF GOA AND UNION TERRITORIES
GURGAON**

Coram
Dr. V.K. Garg, Chairperson
Shri S.K. Chaturvedi, Member
Petition No. 18/2010

In the matter of

1. Petition for determination of tariff for Puducherry Power Corporation Limited (PPCL) Gas Power Station (32.5 MW) for the FY 2011-12.

Petition No. 45/2011

2. Petition for review of order dated 06.08.2011 passed by the Commission in the matter of determination of tariff for Puducherry Power Corporation Limited (PPCL) Gas Power Station (32.5 MW) for FY 2011-12.

And in the matter of

Puducherry Power Corporation Limited (PPCL) Petitioner

And

Electricity Department, Puducherry Respondent

Present

For Petitioner

1. Shri Ramasubramanian, M.D., PPCL
2. Shri N. Kennady, Manager (Accounts), PPCL
3. Shri Anand K Ganeshan, Advocate, PPCL
4. Shri J.R. Krishna, Company Secretary, PPCL

Order

19.12.2012

The petitioner - Puducherry Power Corporation Limited filed tariff petition no. 18/2010 before the Commission for determination of Tariff for PPCL Gas Power Station (32.5MW) for FY 2011-12 on 29.11.2010. The Commission after hearing determined tariff for the petitioner-PPCL for FY 2011-12 by order dated 06.08.2011.

The petitioner – PPCL filed review petition no. 45/2011 before the Commission to review its order dated 6.8.2011. The Commission after hearing partially allowed the review petition vide order 3.11.2011.

The petitioner against the order dated 29.11.2010 and 3.11.2011 of the Commission filed appeal no. 41/2012 before Hon'ble APTEL, New Delhi. The Hon'ble APTEL vide order dated 21.11.2012 partially allowed the appeal. The Hon'ble APTEL at pages no. 26 to 28 summarized its observations and findings as under:-

"1. Tariff Regulation 22(2) provides for determination of the capital cost to be considered on the basis of the audited accounts or approvals already granted by the Commission. The Appellant claimed capital cost of Rs.146.45 crores based on the audited accounts which were not taken into consideration by the Joint Commission and capital cost of only Rs.137.77 was allowed on the ground that the approval of competent authority was not obtained. This is not a proper approach as the approval of the competent authority was not contemplated under the Regulation. Even though the approval of the competent authority for Rs.146.45 crores was placed before the Joint Commission for reconsideration of the capital cost in the Review, the Joint Commission wrongly rejected the claim on the ground that nothing new had been pointed out by the Appellant. The Joint Commission should have scrutinized the audited accounts placed before it by the Appellant and considered the approval obtained from the Government and passed the order after prudence check in accordance with law. The Joint Commission is directed to consider the documents on record and pass order according to law after hearing the parties once again.

2. The Tariff Regulations provide that the components of generation tariff shall be as laid by the Central Commission in the 2004 Tariff Regulations as amended from time to time. The 2009 Tariff Regulations have been made effective by the Central Commission with effect from 1.4.2009. According to the 2009 Regulations, Normative Plant Availability Factor (NAPF) is to be taken as 85% for thermal power stations. However, the Joint Commission in the impugned order adopted NAPF of 87.5% contrary to the Tariff Regulations. The State Commission is directed to pass the consequential order in accordance with the Tariff Regulations.

3. The State Commission has determined the auxiliary consumption as per the Tariff Regulations. No case has been made out by the Appellant for relaxation of the norms for auxiliary consumption.

4. In view of the above, issue No. 1&2 regarding capital cost and Normative Annual Plant Availability Factor is answered in favour of the Appellant. Issue No.3 regarding Auxiliary Consumption is answered as against the Appellant.

5. Thus, the Appeal is partly allowed."

In the light of observations, findings and directions issued by the Hon'ble APTEL in appeal no. 41/2012 the petition no. 18/2010 and petition no. 45/2011 are restored.

Notice was sent to the parties for 19.12.2012 for hearing. The representative of the petitioner appeared. None is present on behalf of the respondent. Let fresh notice be sent to the respondent for 23.01.2013.

Matter scheduled for hearing on 23.01.2013 at 11:00 AM.

Sd/-
(S.K.Chaturvedi)
Member

Sd/-
(Dr. V.K. Garg)
Chairperson

Certified Copy


(R.K. Malik)
Secretary

Joint Secretary
Finance
Vanijya Bhawan,
Gandhinagar, New Delhi - 110002