



ASSAM ELECTRICITY REGULATORY COMMISSION

FILE NO. AERC. 421/2013/6

PETITION NO. 03/2013

ORDER SHEET

06.03.2014

Before the Assam Electricity Regulatory Commission

ASEB Campus, Dwarandhar,
G. S. Road, Sixth Mile, Guwahati – 781 022

Petition No. 03/2013

Assam Power Generation Corporation Limited

— Petitioner

Represented by: (1) Shri K. Phatowali, CGM(G)
(2) Shri C. Gogoi, CGM(FIN)
(3) Shri J.K. Saud, AGM
(4) Ms. A. Saikia, DM

In the matter of

Review of Station Heat Rates of Namrup Thermal Power Station (NTPS) and Lakwa Thermal Power Station (LTPS) approved in AERC (Terms & Conditions of Tariff) Regulations, 2006.

ORDER

The Assam Power Generation Corporation Limited (hereinafter referred to as the Petitioner/ APGCL) filed a miscellaneous petition on 01.06.2013 seeking review of the Station Heat Rates of Namrup Thermal Power Station (NTPS) and Lakwa Thermal Power Station (LTPS) approved in AERC (Terms & Conditions of Tariff) Regulations, 2006.

As per the AERC Tariff Regulations, 2006, the Normative Gross Station Heat Rate (GSHR) of LTPS and NTPS approved for determination of normative fuel cost are as under:

LTPS = 3658 KCal/ KWh

NTPS = 3266 KCal/ KWh

These GSHR figures were approved by the Commission based on the review report on GSHR of LTPS and NTPS submitted by a team of faculty members from Mechanical Engineering Department of Assam Engineering College in 2006. The Petitioner stated that the GSHR figures suggested by AEC in its report were based on Net Calorific Value (NCV) and APGCL submitted certified copies of the data from the respective power stations for the same period, as considered by the AEC team in their report, to substantiate their claim.

In view of the above, the petitioner prayed that the Commission may review the approved GSHR and consider **GSHR of 3658 Kcal/kWh and 3266 Kcal/kWh for LTPS and NTPS respectively on NCV basis** for the purpose of true-up from 2007-08 onwards.

The Commission examined the petition carefully and decided to hear the matter on 03.01.2014. Hearing was held as scheduled and representatives from APGCL were asked to make oral submissions on the matter, if any, in addition to their submissions in the pleadings.

A PowerPoint presentation was made before the Commission by the petitioner for justifying their claim. The petitioner stated that until 2006-07, the Commission allowed APGCL to recover Fuel Cost taking normative GSHR on NCV basis. However, in the True-up of 2007-08, declared in the AERC MYT Order for FY 2010-13 the Commission allowed recovery of Fuel Cost on Normative heat rate on Gross Calorific Value (GCV) basis instead of NCV, keeping the normative GSHR same as approved in the AERC Regulations of 2006. As a result, APGCL was unable to recover the normative fuel cost since 2007-08 in the true up exercise conducted by the Commission. The petitioner informed that over the five years from 2007-08 upto 2011-12, under-recovery of fuel cost was to the tune of Rs 103.54 Cr.

The petitioner reiterated that no appeal was preferred to the Commission regarding review of Station Heat Rate till 16.05.2011 as in the true-ups upto FY 2006-07, the Commission considered Normative GSHR on NCV basis. The Petitioner stated that a review petition was filed before the Commission by APGCL on 14.07.2011 seeking review of MYT Order for FY 2010-13 including review of GSHR of LTPS and NTPS on the ground that the Commission allowed recovery of Fuel Cost on Normative GSHR on NCV basis instead of Gross Calorific Value (GCV), keeping the normative GSHR same as approved in the AERC Regulations of 2006. The petitioner reiterated that there were documentary verifications available to believe that the normative GSHRs approved by the Commission in the Regulations were on NCV basis. Therefore, In order to offset the under-recovery of fuel cost due to this inconsistency, APGCL had requested the Commission to approve Gross Station Heat Rate on GCV basis considering the conversion factor of 1.11 from NCV to GCV. However, the Commission in its review Order dated 18.05.2012 opined that there was no need for review of the approved GSHRs.

The Petitioner further stated that the matter was also brought up for discussion in the 16th Meeting of the State Advisory Committee of the Commission held on 19.12.2012. As recorded in the minutes of the meeting, the Commission suggested that an institution like IIT (G) or AEC may be approached for studying the actual position of GSHR of the generation stations witnessed by CEA/NTPC and the report be submitted to the Commission. The petitioner informed that APGCL engaged IIT, Guwahati for the purpose and the report dated 01.11.2013 has been submitted to the Commission.

Summarizing the findings of the report, APGCL informed that the average GSHR on NCV basis for LTPS and NTPS are 3614 Kcal/ kWh and 3759 Kcal/ kWh respectively. APGCL further informed that actual average GSHR of last 10 years on NCV basis for LTPS and NTPS are 3699 Kcal/ kWh and 3431 Kcal/ kWh respectively. The petitioner contended that from the above figures, it can be inferred that the GSHR for the two power stations approved in the AERC Tariff Regulations 2006 are based on NCV.

At the end of the powerpoint presentation, the petitioner requested the Commission to allow recovery of Fuel cost on NCV basis for the period 2007-08 to 2011-12. The petitioner further appealed to the Commission that the GSHRs suggested in the IIT report may be considered for reviewing the AERC Regulations as the values seem to be more authentic based on present actual condition of the generating stations.

The Commission heard the petitioner and examined the submissions made.

The Commission in its Review Order dated 18.05.2012 had already opined that there was no need for review of the GSHRs, which have been approved for the stations of APGCL and consequently the fuel costs approved for FY 2007-08 and FY 2008-09 and for the control period FY 2010-11 to FY 2012-13. The Commission is, therefore, of the considered opinion that, at present, there is no scope for reviewing the True-ups for FY 2007-08 onward based on the contentions of the petitioner.

However, the Commission is examining the report of IIT(G) with regard to Station Heat Rates and may consider the same in due course after appropriate analysis of all aspects.

With the above decision and observations, the review petition of APGCL stands disposed of.

Sd/-
(T. Chatterjee)
Member, AERC

Sd/-
(Dr. R. K. Gogoi)
Member, AERC

Sd/-
(N. K. Das)
Chairperson, AERC