

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

Quorum \*

Shri S.K.Chaturvedi, Chairperson

**Petition No. 145/2014**

**Date of Order 11.11.2014**

**In the matter of**

Petition under Sections 62 and 83 (4) of the Electricity Act, 2003 read with chapter-II of the Joint Electricity Regulatory Commission for the State of Goa and UTs (Terms and Conditions for determination of Tariff) Regulations, 2009 for approval of Tariff for Puducherry Power Corporation Ltd. (PPCL) Gas Power Station (32.5 MW) at Karaikal for the period 2014-15.

**And in the matter of**

Additional submission and clarification in connection with Tariff Order dated 25.04.2014 issued by Joint Electricity Regulatory Commission for the State of Goa and UTs in petition no. 121/2014 for determination of Tariff for FY 2014-15, True Up for FY 2011-12 and 2012-13 and review for FY 2013-14 for PPCL Gas Power Station (32.5MW).

**And in the matter of**

Puducherry Power Corporation Ltd.

.....Petitioner

**And**

Electricity Department – Puducherry

.....Respondent

**Present for Petitioner**

1. Sh. P.R. Krishnan, Company Secretary, PPCL.
2. Sh. N. Kennady, Manager, PPCL.

**Present for Respondent**

1. Sh. K. Mathivanan, SE-I, ED- Puducherry.
2. Sh. T. Prasanna Kumar, Executive Engineer, ED- Puducherry.

**Order**

The petitioner - Puducherry Power Corporation Ltd. filed petition no. 121/2014 under Sections 62 and 83 (4) of the Electricity Act, 2003 read with chapter-II of the Joint Electricity Regulatory Commission for the State of Goa and UTs (Terms and Conditions for determination of Tariff) Regulations, 2009 for approval of Tariff for FY 2014-15, True Up for FY 2011-12 and 2012-13 and Review for FY 2013-14 for PPCL Gas Power Station (32.5MW).

The Commission after hearing all stakeholders decided the petition no. 121/2014 vide order dated 25.04.2014 and approved Tariff for FY 2014-15, True Up for FY 2011-12 and 2012-13 and review for FY 2013-14 for PPCL Gas Power Station (32.5MW).

The petitioner now has filed the present petition in the form of additional submission and seeking clarification in the order dated 25.04.2014 passed by the Commission in petition no. 121/2014 for determination of Tariff for FY 2014-15, True Up for FY 2011-12 and 2012-13 and Review for FY 2013-14 for PPCL Gas Power Station (32.5MW).

The brief facts of the present petition are that the petitioner filed petition no. 121/2014 under Sections 62 and 83 (4) of the Electricity Act, 2003 read with chapter-II of the JERC (Terms and Conditions for determination of Tariff) Regulations, 2009 for approval of Tariff for FY 2014-15, True Up for FY 2011-12 & 2012-13 and review for FY 2013-14 for PPCL Gas Power Station (32.5MW) and the Commission vide order dated 25.04.2014 approved Tariff for FY 2014-15, True Up for FY 2011-12 & 2012-13 and review for FY 2013-14 for PPCL Gas Power Station (32.5MW).

The Commission in para no. 9 at page no. 91 of the order dated 25.04.2014 approved the capacity (fixed charges) as under:-

*“Annual Fixed charges for FY 2014-15 at Rs. 25.09 Crs; amount of Rs. 1.30 Crs. is allowed to be recovered as part of the true-up exercise for FY 2011-12, amount of Rs. 0.50 Crs. as part of the true-up exercise for FY 2012-13 and amount of Rs. 0.48 Crs. as part of the Review exercise for FY 2013-14.”*

The petitioner further submitted that PPCL has been raising sale of power bills to Electricity Department Puducherry every month and the fixed charges have been claimed on the basis of PLF of the respective month. Now, the Fixed/capacity charges have been revised and approved by the Commission vide Tariff order dated 25.04.2014 for True-Up for FY 2011-12 & FY 2012-13 and review for FY 2013-14 which has resulted in change due to approved Capital cost, PLF etc. It is imperative to submit that normally the bills are being raised monthly on the basis of PLF of the respective month for arriving at the fixed/capacity charges of particular month and whenever there are any changes/revision in the approved capacity (fixed) charges, the same is recomputed.

The petitioner has prayed for clarification as to whether the revised Fixed/capacity charges of the respective financial year is to be considered for revising of Fixed charges of the respective month on the PLF of respective month or otherwise as a consolidated amount for each year. The amount approved by the Commission as fixed charges is given below and the re-computation of fixed/capacity charges consequent to the JERC order for the financial year 2011-12, 2012-13 and 2013-14:-

S. No.	Year	Approved earlier (Rs. in Crores)	Revised (Order dated 25.04.2014) (Rs. in Crores)	Difference (Rs. in Crores)
1.	2011-12	26.90	28.20	1.30
2.	2012-13	26.71	27.21	0.50
3.	2013-14	22.26	22.74	0.48
Total				<b>2.28</b>

The bills to be raised towards sale of power amount due to revision of fixed charges/ Capacity charges, PLF etc. have been given in detail for the True-Up for FY 2011-12, FY 2012-13 and revised for FY 2013-14 along with Sale of Power bills and Monthly Generation Report and are enclosed with the petition.

The petition was received in the Commission on 20.10.2014. The Commission examined the petition and found it in line with the JERC (Conduct of Business) Regulations, 2009 and Electricity Act, 2003. The Commission admitted the petition on 20.10.2014 and numbered it as petition no. 145/2014. The Commission sent hearing notice to the parties for today dated 11.11.2014.

The respondent ED- Puducherry filed reply stating that the petition of the PPCL is in order, the respondent has no averment to submit and the petition may be dealt on merit.

The Commission heard the representatives of the parties at length and has gone through the petition no. 121/2014, order dated 25.04.2014, present petition and reply of the respondent carefully and thoroughly. The representatives of the petitioner pointed out salient features of the petition before the Commission and submitted that the Commission under Regulation 19 of JERC Terms and Conditions for determination of Tariff) Regulations, 2009 has adopted the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009 for the purpose of generation tariff. Before proceeding further it is proper to reproduce the provisions of Regulation 19 of JERC (Terms and Conditions for determination of Tariff) Regulations, 2009 and the same run as under:-

**Regulation 19 of JERC Terms and Conditions for determination of Tariff) Regulations, 2009**

**Quote**

**“Cost of Generation**

*While determining the cost of generation of each thermal/ gas/ hydro electric generating stations located within the State, the Commission shall be guided, as far as feasible, by the principles and methodologies of CERC, as amended from time to time.”*

**Unquote**

He further relied upon provisions of Regulation 21 of the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009. The same read as under:-

**Regulation 21 of the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009**

**Quote**

**“Computation and Payment of Capacity Charge and Energy Charge for Thermal Generating Stations**

(1).....

(2) *The Capacity charge (inclusive of incentive) payable to a thermal generating station for a calendar month shall be calculated in accordance with the following formulae:*

(2) (a).....

(2) (b) *For generating stations in commercial operation for ten (10) years or more on 1<sup>st</sup> April of the year:*

*AFC x (NDM/NDY) x (PAFM/NAPAF) (in Rupees)*

Where,

AFC = Annual Fixed Cost specified for the year, in Rupees.

NAPAF = Normative annual plant availability factor in percentage

NDM = Number of days in the month

NDY = Number of days in the year

PAFM = Plant availability factor achieved during the month, in percent:

PAFY = Plant availability factor achieved during the year, in percent”

**Unquote**

He further submitted that commercial operation of the PPCL gas power plant was declared with effect from 03<sup>rd</sup> January, 2000 and as such the plant is in operation for more than 10 years as on 1<sup>st</sup> April, 2010. Therefore, the provisions of Regulation 21 (2) (b) of the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009 are applicable in the present case.

On a query from the Commission the representatives of the petitioner clarified that PPCL's gas power plant is not covered under ABT, so the entire power generated is consumed in Karaikal itself without backing down in their case. As such, the Plant Load Factor (PLF) and Plant Availability Factor (PAF) are one and the same. Accordingly, while raising the monthly bills, the PLF achieved in that month was considered to arrive at the monthly fixed charges.

The representatives for the respondent submitted that they have no objection if the petition is allowed.

After having heard the representatives of the parties and going through the petition, reply, accompanied documents and provisions of Regulation 19 of JERC (Terms and Conditions for determination of Tariff) Regulations, 2009 as well as Regulation 21 of the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009 carefully and thoroughly the Commission is of the opinion that under Regulation 19 of JERC (Terms and Conditions for determination of Tariff) Regulations, 2009 the Commission has adopted the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009 for calculating Cost of Generation and as per Regulation 21 of the Central Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009 while raising the monthly bills, the PLF achieved in that month is to be considered to arrive at the monthly fixed charges.

The Commission further observed that normally the bills are being raised monthly on the basis of PLF of the respective month for arriving at the fixed/capacity charges of particular month and whenever any changes/revision in the approved capacity (fixed) charges, the same is recomputed.

Therefore, the petition succeeds and is hereby allowed with clarification that the bills shall be raised monthly on the basis of PLF of the respective month for arriving at the fixed/capacity charges of particular month and whenever any changes/revision in the approved capacity (fixed) charges, the same is recomputed.

Sd/-

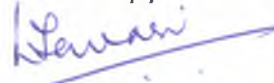
(S.K.Chaturvedi)

Chairman

**Member (Vacant)**

- \* As per Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 "Quorum is two". Whereas as per proviso of Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 if Chairperson or the Member is prevented from attending hearing of which he has been given notice the Member or the Chairman as the case may be attending the meeting shall validly constitute the Quorum. Post of the Member is vacant. According to provisions of Section 93 of the Electricity Act, 2003 no act or proceedings of the appropriate Commission shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the Constitution of the appropriate Commission. So the Chairperson only constitute a valid Quorum.

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(Keerti Tewari)

Secretary