

## **A4: PUBLIC CONSULTATION PROCESS**

- 4.1 The public hearing was held on 8th November 2009 in Jamshedpur. There were 10 members of public who took part in the public hearing process. The list of the attendees is attached in Annexure-I.
- 4.2 The written comments were received from Mr. Rajesh Kumar of Jamshedpur. The comments and suggestion of the consumers along with the response of the petitioner and the views of the Commission are detailed in the sections below.

### **General comments/suggestions on the petitions**

#### *Public Comments/Suggestions*

- 4.3 The consumer argued that the affidavit submitted by the petitioner stands void since it is on a stamp paper of a State other than Jharkhand. Also, the petitioner has filed the petition from Mumbai which the consumer states is not acceptable.
- 4.4 The consumer enquired about the need to raise tariff after a period of three years and claims that this is not as per the rules.

#### *TPCL's response*

- 4.5 The petitioner clarified that TPCL has its Registered Office at 24, Homi Mody Street, Mumbai-1 and all affidavits and legal documents are signed (and notarised) from the Mumbai Registered Office. Hence, the affidavit was submitted on a stamp paper of Mumbai and the tariff petition too was filed from Mumbai. Moreover, the petitioner submitted that JSERC regulations do not stipulate any condition that requires only a stamp paper of Jharkhand to be used in submission of ARR.
- 4.6 The petitioner has been filing tariff petitions for Units II and III at Jojobera under the directive of the State Commission and the matter of tariff hike is under the consideration of the Commission.

#### *Views of the Commission*

- 4.7 As per JSERC (Miscellaneous Provisions) Order, 2003 there is no stipulation of condition which requires the petitioner to submit the affidavit on the stamp paper of Jharkhand only.
- 4.8 The petitioner had filed the ARR and tariff petition for FY 2007-08 for Unit II and Unit III at Jojobera Power Plant on May 16, 2007 and for FY 2008-09 on September 8, 2008 but due to legal proceedings, the tariff could not be fixed. The Commission has now decided to review all the three petitions and issue this tariff order.

## **Comments/Suggestions on the petition for FY 2007-08**

### *Public Comments/Suggestions*

- 4.9 The consumer remarked that TPCL did not describe Sections 61, 62, 64 & 86 of the Electricity Act 2003 clearly in its petition due to which it is not possible for the public to interpret the various sections of the Act completely.

### *TPCL's response*

- 4.10 The petitioner submitted that it had mentioned all the sections of the Electricity Act, 2003 that were relevant to the ARR filing but a detailed description of these sections is not required as per the regulations.

### *Views of the Commission*

- 4.11 The Electricity Act is a public document and the petitioner is not required to provide interpretation of every section of the Act.

## **Purchase of power**

### *Public Comments/Suggestions*

- 4.12 With reference to section 1.23 of the petition, the consumer enquired about the source of the petitioner's electricity purchase, pointing out that although the agreement has been mentioned, there is no proof or name of the seller. The consumer further remarked that the petitioner had not mentioned to whom it supplies power and at what price.

### *TPCL's response*

- 4.13 As per the petitioner's reply, since it is a generating company supplying power from Units II and III to TSL, as has been mentioned in chapter 2 of the petition, it does not purchase power from any outside party for the purpose of this filing.

### *Views of the Commission*

- 4.14 The Commission agrees with the response of the petitioner.

## **Sale of power**

### *Public Comments/Suggestions*

- 4.15 The consumer's comments/suggestions regarding sale of power by the petitioner are detailed below, along with the petitioner's response:

- (a) With reference to section 2.1 of the petition, the petitioner is supplying power to TSL in its licensed area, but nothing has been mentioned regarding supply to other companies like TRF, Tata Motors, Tinplate, Lafarge, TSL Tubes Division etc.
- (b) No details regarding the PPA have been mentioned in the tariff petition. Nothing has been mentioned regarding the tariff at which power is being sold to TSL or other companies.
- (c) Referring to section 3.1 of the petition, the petitioner has not mentioned to whom and at what tariff power is supplied, and how much revenue is recovered from sale of power. Also, the objector stated that there was no proof which suggested that TSL demanded around 500 MW from the petitioner. Further, the petitioner had not prepared any plan to address this demand, nor had it informed the Commission about the same.
- (d) As per section 3.3 of the petition, the petitioner has considered a depreciation rate of 7.84% for Plant & Machinery. However, no details of this have been furnished and only the amount has been mentioned. Further, no details of the Commission's norms have been mentioned.

*TPCL's response*

4.16 The point-wise response of the petitioner to the abovementioned comments/suggestions are as follows:

- (a) TPCL supplies the entire power from Units II and III to TSL and it does not supply power to any other entity, hence there is no specific mention regarding other companies.
- (b) All relevant details have been provided in the petition. A copy of the PPA has also been forwarded to the Commission.
- (c) The petitioner submitted that the tariff of power sale to TSL has been mentioned in chapters 3, 4, 5 & 6 of the Tariff petition as well as in Form 1 of the Annexure at the end of the petition. As quoted in the petition from the PPA, the petitioner and TSL agreed to set up a power plant of 500 MW capacity in a phased manner to cater to the increasing load demand of TSL works and Jamshedpur city.
- (d) The petitioner denied that details regarding depreciation had not been furnished. It submitted that details were provided in the petition itself. For example, the details of depreciation for Unit II have been provided in the table on page 19 of the petition submitted in September 2008. The amounts can be worked out by applying the depreciation rate to the acquisition value of assets.

*Views of the Commission*

- 4.17 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission's analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.
- 4.18 The petitioner is directed to attach a copy of the PPA alongwith the petitions in future for proper understanding of the ARR petition.

**Plant Load Factor**

*Public Comments/Suggestions*

- 4.19 The consumer commented that while the tariff specifies that the Unit's PLF is 75%, nothing has been mentioned about the remaining 25%.

*TPCL's response*

- 4.20 The Plant Load Factor (PLF) of a power plant may be defined for a given period as the percentage of total generated energy corresponding to installed generation capacity during the period. The PPA between the petitioner and TSL mentions that Guaranteed PLF is to be 75% and the entire generation from Units II and III would be supplied to TSL.

*Views of the Commission*

- 4.21 The Commission agrees with the response of the petitioner.

**Fixed Costs**

*Public Comments/Suggestions*

- 4.22 The following comments/suggestions were raised regarding Fixed Charges as mentioned in the tariff petition.
- (a) In section 3.5 of the petition, no details of insurance charges & project cost have been mentioned.
  - (b) In section 3.6 of the petition, interest on loan for Unit II has been shown but no details have been mentioned regarding the banks/financial institutions from which loan has been funded and the corresponding rate of interest, nor is there any proof of the same.
  - (c) Details of fixed charges have not been provided, nor is there any proof or invoice showing to whom these fixed charges are paid.

- (d) In section 5.6 of the petition but no details have been mentioned regarding the banks /financial institutions from which loan has been funded and the corresponding rate of interest, nor is there any proof of the same.

*TPCL's response*

- (a) The petitioner submitted that it is unable to understand the reference. As per the PPA, the insurance charges are built-in within O&M expenses, as mentioned in section 3.5 of the petition.
- (b) The petitioner pointed out that detailed loan funding of Unit II had been mentioned in the submission vide letter no. REG/JSERC/09/126 dated May 6, 2009 before the Commission. The same was made available for public at the petitioner's website [www.tatapower.com](http://www.tatapower.com) since the publication of the Public Notice for Tariff Petitions of FY 2007-08, 2008-09 and 2009-10 dated 17<sup>th</sup> and 18<sup>th</sup> of August, 2009.
- (c) The details of Fixed Charges have been provided in Chapters 3 and 5 as well as in Forms 1, 11, 14 & 15 of the Tariff petition. These fixed charges form a part of ARR of the petitioner and, therefore, are proposed to be recovered from TSL.
- (d) The detailed loan funding of Unit III has been mentioned in the submission vide letter no. REG/JSERC/09/126 dated May 6, 2009 before the Commission. The same was made available for the public at the petitioner's website [www.tatapower.com](http://www.tatapower.com) since the publication of the Public Notice for Tariff Petitions of FY 2007-08, 2008-09 and 2009-10 dated 17<sup>th</sup> and 18<sup>th</sup> of August, 2009.

*Views of the Commission*

4.23 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

**Primary and Secondary fuel**

*Public Comments/Suggestions*

- (a) The consumer commented that details of coal cost and of coal mines from which coal is being procured have not been furnished.
- (b) Regarding section 4.6 of the petition, the consumer enquired why the coal rate of West Bokaro has been shown in the petition. Also, types of oil to be used as well as its prices have not been mentioned, nor has it been mentioned how waste oil will be treated.

- (c) With respect to section 4.7 of the petition, the consumer stated that no details regarding primary and secondary fuel have been given so that it may be ascertained that the fuel is being utilized after purchase.

*TPCL's response*

4.24 The Point wise response of the petitioner to the aforementioned comments/suggestions of the consumers are given below

- (a) The petitioner submitted that the landed cost of coal has been mentioned in section 4.6 of the petition. It has also been mentioned that the major quantity of coal is procured from IB Valley and West Bokaro. Further details of the coal cost of Units II and III have been mentioned in the submission vide letter no. REG/JSERC/09/126 dated May 6, 2009 before the Commission. The same was made available for the public at the petitioner's website [www.tatapower.com](http://www.tatapower.com).
- (b) The petitioner clarified that the landed cost of coal from West Bokaro and IB Valley have been mentioned to indicate the Energy Charges projected for FY 2007-08. In section 3.1 of the petition, Light Diesel Oil (LDO) has been specified as the secondary fuel used in the Units II and III at Jojobera. The price of LDO has been mentioned in section 4.6 of the petition. The treatment of waste oil is outside the scope of this Tariff petition.
- (c) The petitioner submitted that details of primary and secondary fuel have been provided in Sections 3.1, 4.4, 4.5 and 4.6 as well as Form 17 of the petition.

*Views of the Commission*

- 4.25 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.
- 4.26 As regards, income from waste oil is concerned, the Commission believes, that if there is any such income from sale of waste oil, the same should be disclosed in the accounts as non-tariff income (NTI).

**Regarding Station Heat Rate**

*Public Comments/Suggestions*

- 4.27 Referring to section 4.3 of the petition, the objector raised the query- On the basis of 2800 kcal/kWh, how much more kcal/kWh is demanded by the petitioner? The objector has also remarked that no reason has been stated in the petition why TSL would set the prices for coal cost.

*TPCL's response*

- 4.28 The petitioner replied that Heat Rate (in kcal/kWh) is the heat input required to generate one unit of electricity. The projected heat rate for the year has been mentioned in the petition. The final bill at the end of the financial year is based on the actual coal price and revised bill is raised on TSL accordingly

*Views of the Commission*

- 4.29 The Commission agrees with the response of the petitioner.

**Other Issues**

*Public Comments/Suggestions*

- (a) The consumer submitted that with reference to section 5.1 of the petition, for Units II and III no sanction letter by the CEA, Bihar Government or CERC has been enclosed in the petition which can prove that these authorities had some definite plans for the petitioner.
- (b) No details of the PPA have been furnished in the petition, nor the same has been provided to the Commission.
- (c) Regarding Form-1 given with the petition, the consumer enquired as to when and to whom was the summary sheet is to be given, since no self-certification has been provided.
- (d) Regarding Form 2, the consumer wrote that no details of the steam generator have been attached in the petition. Also, no document signifying approval for the steam generator from the Pollution Control Board has been enclosed with the petition.
- (e) The consumer submitted that Form 3 shows an expenditure chart but no self-certification has been provided.
- (f) With respect to Form 11, the consumer stated that no approval has been taken from the Revenue Department of the State Government and with reference to Form 17, the details were not passed by any railway authority.

*TPCL's response*

- (a) Prior to the Electricity Act, 2003, only the CEA used to provide techno-economic clearance to generating companies for setting up power plants. Hence, techno-economic clearance from the CEA vide letter no. Fl. No. 2/BHR/9/95-PAC/15565-88 dated 17th December 1997 is enclosed with the tariff petition for FY 2008-09.

- (b) The petitioner submitted that relevant norms of the PPA with TSL have been explained in Chapters 3, 4, 5 and 6 of the tariff petition. Additionally, the section on 'Principles for Calculation of Tariff' has been reproduced in the Tariff Petitions of FY 2008-09 & 2009-10. The tariff to TSL has been mentioned in Chapters 3, 4, 5 & 6 of the Tariff petition as well as in Form 1 of the annexure at the end of the petition. The PPA between the petitioner and TSL was submitted to the Commission on 12<sup>th</sup> March 2009 vide letter no. REG/JSERC/09/58.
- (c) The petitioner clarified that Form 1 and all other forms have been enclosed as part of the petition and submitted to the Commission. Since the petition contains the affidavit on a stamp paper, the forms do not need any self certification separately.
- (d) The petitioner submitted that Form 2 and all other forms have been prescribed by Commission vide 'Generation Tariff Regulations,2004'. Data and information have been provided by the petitioner accordingly. Requirement of details of the steam generator or its approval from the Pollution Control Board has not been mentioned in the prescribed forms. Hence, there is no specific mention regarding the same.
- (e) The petitioner responded that all forms were enclosed as part of the petition and submitted to the Commission, and since the petition contained the affidavit on a stamp paper, the forms did not need any self certification separately.
- (f) The petitioner submitted that Form 11 pertains to the depreciation schedule and no approval is necessary from the revenue department of the State Government for the same.

#### *Views of the Commission*

4.30 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

### **Comments/suggestions on the petition for FY 2008-09**

#### **Regarding the PPA with TSL**

##### *Public Comments/Suggestions*

4.31 The consumer made the following remarks regarding the Power Purchase Agreement of the petitioner with TSL.

- (a) In the PPA, it has not been mentioned at what rate power is sold to TSL. Also, it has not been mentioned how much power in MW is consumed by TSL purchased from the petitioner, nor has TSL's current requirement from the petitioner been specified. Further, the objector stated that the PPA has not been approved by the Commission.
- (b) Only a few excerpts of PPA have been provided in the petition, thus it cannot be accepted as true statements.

*TPCL's response*

4.32 The petitioner's point-wise response to the abovementioned queries are as under

- (a) The petitioner submitted that the PPA provides guidelines on the pricing of the power generated by Units II and III and supply of the same to TSL. There is no unique rate at which power is sold to TSL since it is a summation of the fixed charges and the energy charges. The quantum of electricity being sold is the capacity of Units II and III whose ARR is under the consideration of the Commission. The tariff applicable to TSL has been mentioned in Chapters 3, 4, 5 and 6 of the Tariff petition as well as in Form 1 of the Annexure at the end of the petition. Further, a copy of the PPA between the petitioner and TSL was submitted to the Commission on 12<sup>th</sup> March 2009 vide letter no. REG/JSERC/09/58.
- (b) The petitioner responded that the relevant norms of PPA had been explained in detail in Chapters 5, 6, 7, 9, 10 and 11 of the tariff petition. Additionally, the section titled 'Principles for Calculation of Tariff' has been reproduced from the PPA in the tariff petitions of FY 2008-09 and FY 2009-10.

*Views of the Commission*

4.33 The Commission agrees with the response of the petitioner. However, the petitioner is directed to attach a copy of the PPA along-with the petitions in future for proper understanding of the ARR petition.

**Regarding Operational Parameters**

*Public Comments/Suggestions*

4.34 The consumer put forward the following queries/remarks regarding the operational parameters of Units II and III as submitted by the petitioner in its tariff petition for FY 2008-09.

- (a) The consumer pointed out that the petitioner has mentioned its generation capacity to be 500 MW but out of that, details corresponding to only 240 MW are given with no information on the rest of the generation capacity.

- (b) With reference to chapter 5 of the petition, the consumer submitted that a generator has been mentioned in the PPA but no details have been mentioned regarding BHEL, Hyderabad.
- (c) The consumer enquired as to why a station heat rate of 2800 kcal/kWh has been considered in the agreement.
- (d) It is stated that no reasons have been mentioned for the figures shown in operational parameters table. Moreover, only figures have been shown without giving the details of the expenses.

*TPCL's response*

4.35 The petitioner gave the following point-wise response to the abovementioned queries:.

- (a) Details of only Units II and III have been presented in this tariff petition because as per the directives of the Commission, the scope of this petition covers supply of power from only Units II and III of the Jojobera power plant.
- (b) The petitioner responded that as per the guidelines laid down in the 'Thermal Generation Tariff Regulations, 2004' the Commission has not prescribed any specific format or requirement for mentioning assignment of project packages to various parties. Hence, no specific mention has been made of BHEL, Hyderabad.
- (c) A SHR of 2800 kcal/kWh has been considered in PPA based on the expected performance of the power plant and the PPA is binding for the petitioner and TSL.
- (d) The petitioner stated that Form- 3 (Operational Parameters) has been prescribed by the Commission as per the 'Generation Tariff Regulations, 2004' and all data have been provided accordingly.

*Views of the Commission*

4.36 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission Analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

**Regarding Fixed Charges**

*Public Comments/Suggestions*

4.37 The consumer raised the following queries regarding the fixed charges for Units II and III as submitted by the petitioner in its tariff petition for FY 2008-09:

- (a) With reference to page 19 of the petition, the consumer submitted that no details have been given in depreciation schedule and it is unclear why TPCL is not claiming additional capitalization.
- (b) Regarding page 20 of the petition, the consumer stated that no details of the project cost of Rs. 431 Cr have been provided.
- (c) With regard to page 21 of the petition, the consumer stated that no description has been given on 3% insurance according to O&M Expenses.
- (d) The consumer commented that no details of loan have been furnished, nor have the details of lenders/banks been provided. Only a letter of SBI dated 22nd May 2008 has been enclosed which is also signed in Mumbai, not in Jamshedpur.
- (e) The consumer stated that no description has been provided regarding the need for Advance Interest rate.
- (f) The consumer commented that the Income Tax Return to be filed by Units II and III is not certified by the Income Tax Department.
- (g) The consumer referred to the Tariff Principle with a remark that no detailed terms & conditions of the loan of Rs. 200 Cr have been furnished.

*TPCL's response*

4.38 The petitioner's point-wise response to the above is as follows:

- (a) The petitioner denied that details with reference to the depreciation schedule were not furnished and submitted that details had been provided in the petition itself. For example, the details of depreciation for Unit II have been provided in the table given on page 19 of the petition submitted in September 2008. The amounts can be worked out by applying the depreciation rate to the acquisition value. Further, the petitioner is not claiming additional capitalization as per the terms laid in the PPA, as has been mentioned page 19 of the petition.
- (b) The petitioner again refuted that details of project cost were not furnished and submits that details of the project cost have been provided in Form 5 at the end of the petition.
- (c) The petitioner submitted that it is unable to understand the reference. It further clarified that as per the PPA, insurance charges are built in the O&M expenses, as mentioned in Section 6(iii) of the petition.

- (d) The petitioner submitted that the detailed loan funding of Unit-II has been mentioned in the submission vide letter no. REG/JSERC/09/126 dated May 6, 2009 before the Commission. The same was also made available for the public at the petitioner's website www.tatapower.com.
- (e) The petitioner quoted the following from the PPA: "Working Capital is estimated as per GOI norms & interest thereon at the prevailing SBI advance rate" and refutes that the SBI advance rate has not been furnished. Details of the same have been shown in Annexure 3 of the petition.
- (f) The petitioner responded saying that Income Tax is proposed to be recovered from TSL as part of ARR. As Unit II and III are a part of the larger asset base of TPCL, there is no separate certification of Income Tax for the two Units.
- (g) The petitioner submitted that the tariff calculation principles have been reproduced from the PPA. Further, the detailed loan funding of Unit II of Jojobera has been mentioned in the submission vide letter no. REG/JSERC/09/126 dated May 6, 2009 before the Commission.

#### *Views of the Commission*

4.39 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission Analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

#### **Regarding Variable Charges**

##### *Public Comments/Suggestions*

4.40 The following queries were raised by the consumer with regard to the variable cost of Units II and III as submitted by the petitioner in its tariff petition for FY 2008-09.

- (a) The consumer submitted that no details regarding fuel charges of one month & maintaining the fuel stock have been furnished.
- (b) With reference to chapter 11 of the petition, the consumer submitted that no detailed evidence has been provided showing to which company fuel cost has been paid.
- (c) No details have been provided to which company payment has been made for LDO?

##### *TPCL's response*

4.41 With respect to the above mentioned queries, the petitioner gave the following response, listed point-wise.

- (a) The petitioner refuted the charge that fuel charges for one month have not been furnished and states that details of Working Capital have been shown in the table given on page 23 of the petition.
- (b) The petitioner replied that it is given in the petition that fuel cost is paid to various coal companies like West Bokaro & IB Valley and LDO cost is paid to IOCL.
- (c) The petitioner responded that LDO is mostly procured from IOCL and hence the payment for LDO is made to that company.

*Views of the Commission*

4.42 The Commission agrees with the response of the petitioner.

**Regarding sale of power**

*Public Comments/Suggestions*

4.43 The following queries were raised by the objector with regard to the sale of power generated by Units II and Unit III of the petitioner.

- (a) The consumer claimed that it is not mentioned in the petition at what tariff TSL is buying power from TPCL.
- (b) The objector stated that nothing has been mentioned in the petition regarding power supply to other Tata companies, and only data regarding supply to TSL has been mentioned (only domestic category).

*TPCL's response*

- (a) The petitioner responded saying that all relevant details have been provided in the petition.
- (b) The petitioner submitted that the petitioner is a Generating Company supplying the entire power from Units II and III of its Jojobera power plant to TSL and does not supply power to any other entity.

*Views of the Commission*

4.44 The Commission agrees with the response of the petitioner.

## **Other Issues**

### *Public Comments/Suggestions*

- (a) The consumer stated that none of the data tables has been certified by the Commission or any other Government agency.
- (b) The consumer submitted that the cost of Steam & Turbine Generator has been mentioned but the source & reasons of purchase of the same have not been mentioned. Also, no receipt the purchase has been furnished.
- (c) The consumer enquired as to why expenses have been incurred for constructing the project and who constructed the project.
- (d) Referring to Form 17, the consumer said that no details have been provided regarding the entity to which payment has been made in West Bokaro.

### *TPCL's response*

- (a) The petitioner stated that since the petition contained the affidavit on a stamp paper, the data tables did not need any self certification separately.
- (b) The petitioner responded that it was unable to understand the reference of the query and further submitted that the query was beyond the scope of the petition and hence the petitioner may be exempted from replying to the query.
- (c) The petitioner responded that it was unable to understand the reference of the query and further submitted that the query was beyond the scope of the petition and hence the petitioner may be exempted from replying to the query.
- (d) The petitioner responded that it was unable to understand the reference of the query.

### *Views of the Commission*

4.45 The Commission agrees with the response of the petitioner.

## **Comments/suggestions on the petition for FY 2009-10**

### **Regarding the Supreme Court hearing**

#### *Public Comments/Suggestions*

4.46 The consumer enquired about the hearing held at Supreme Court on July 21, 2008 regarding TPCL's Units II and III being treated as Captive Power Plants (CPP). The consumer stated that no details regarding the hearing were provided in Annexure 1, and asked what benefits accrued to the petitioner from this hearing, against whom was this hearing held, and what the judgment of this hearing was.

#### *TPCL's response*

4.47 The petitioner refuted the charge that details of Supreme Court hearing held on July 21, 2008 were not furnished in the petition and submits that details of the hearing have been provided in Page 8 of the petition.

#### *Views of the Commission*

4.48 The Commission agrees with the response of the petitioner.

### **Regarding Variable and Fixed Charges**

#### *Public Comments/Suggestions*

4.49 The objector raised the following queries regarding the variable and fixed charges mentioned in the tariff petition for FY 2009-10.

- (a) The participant enquired how the project cost has increased from 93.15% to 98.63%.
- (b) The objector stated that the PLF for FY 2007-08 has been shown as 76% but no details of expenses have been given. Further, in FY 2009-10, distribution of power by TSL has been shown considering the PLF at an increased level of 80% but it has not been mentioned anywhere that TSL demanded this power from TPCL. Likewise, PLF of 2007 has been shown at 56.79% but no details of the expenses have been given. Also, PLF has been projected at 75% and 80% respectively for FY 2007-08 and FY 2008-09 but no reason has been given for this increasing trend.
- (c) Auxiliary consumption was shown at 10.45% for FY 2007-08, 10.40% for FY 2008-09 and FY 2009-10 (in PPA, Auxiliary consumption is 15%), but no reason for PLF has been mentioned.

- (d) The objector mentioned that the station heat rate was 2800 kcal/kWh for 3 years, but for FY 2007-08, it was 2524 kcal/kWh, for FY 2008-09 it was 2669 kcal/kWh and for FY 2009-10 it was 2800 kcal/kWh. The objector questions the reason behind increasing heat rate.
- (e) When the secondary fuel consumption in FY 2009-10 has been taken as 0.97 ml/kWh and the Gross Calorific Value (GCV) is also not very high, why are the expenses for FY 2009-10 projected so high?
- (f) The consumer submitted that the interest amount was less for FY 2007 but it had not been mentioned to whom this interest amount was paid.
- (g) The consumer states that the Interest on working capital figures have been projected high without stating any reason.
- (h) Further, he submits that the projection of Income Tax is also high and these figures have not been self-certified. In addition, the RoE shown has not been certified by SEBI.

*TPCL's response*

4.50 The petitioner responds to all the above queries by stating that it is unable to understand their reference and requests the Commission for further elaboration of the same. Further, the petitioner states that it has provided all necessary data and computations in its tariff petitions as well as in the replies to various queries raised earlier.

*Views of the Commission*

4.51 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

**Regarding Fuel Costs**

*Public Comments/Suggestions*

4.52 The consumer stated that the petitioner has shown increased fuel cost for the period from FY 2006-07 to FY 2009-10, but no reason has been mentioned for this hike.

*TPCL's response*

4.53 The petitioner replied that the fuel cost showed an increasing trend mainly on account of increased fuel prices and details of fuel prices had been presented to the Commission.

*Views of the Commission*

4.54 The issues and details related to the tariff determination of the two Units has been discussed in the subsequent sections on Commission analysis to the three petitions of FY 2007-08, FY 2008-09 and FY 2009-10.

**Other Issues**

*Public Comments/Suggestions*

4.55 Referring to section 181 of the Electricity Act, 2003 and the 'Generation Tariff Regulations, 2004' published in Special Gazette dt. 28.6.2005 by the Commission, the consumer made the following remarks:

- (a) As per section 5(a), 5(b), 5(c), long term access should be implemented under the State Grid Transmission System and as per the Grid Code.
- (b) According to section 8(1), the nodal agency should be a distribution licensee for long term distribution access whereas TSL has neither shown such thing in the agreement nor has given any proof in the application that Commission has given them distribution license. Tata Power has also not indicated TSL as licensee in its application.
- (c) According to section 9(1), STU, Distribution licensee or transmission licensee should submit an application with a copy for long term open access and also give all descriptions like charges, period etc. and should give to STU with Rs. 2500/- as non-refundable application fee and licensee should declare the result within 60 days. Tata Power has not done anything like this with TSL.
- (d) Referring to section 11, TPCL and TSL have not made a Bulk Capacity Agreement.
- (e) According to section 33, the transmission and billing cost should be paid directly to STU or licensee and should give separately Rs. 30,000/- annually as service tax, which TPCL and TSL have not done.

*TPCL's response*

4.56 The petitioner submitted that the query was beyond the scope of the petition and hence it may be exempted from replying to the query.

*Views of the Commission*

4.57 The Commission states that for the issues which are not in the purview of this tariff order, the consumers should make a separate submission to the Utility or the Commission, as the case may be.