

CHAPTER 5

COMMENTS OF THE PUBLIC HEARING

The Commission did not receive any objections from the public. The Public hearing was held on 3rd November 2007. Besides the Commission Members and Chairman, only the officials of TVNL were present at the hearing.

5.1 Error in proposed Capital Maintenance expenditure submitted by petitioner

The Petitioner submitted that the amount of Capital Maintenance Expenditure given under the head of O&M charges (submitted to the Commission Vide letter ref 1374/07 dated 20/09/07 at Annex IV) had been erroneously stated as Rs 5519.2 lakh instead of Rs 2579.49 lakh for FY 2007-08. The total O&M charges proposed is actually Rs 11300.69 lakh for FY 2007-08 instead of Rs 14240.4 lakh submitted earlier. Taking this change into cognizance, the petitioner now proposes fixed charges of Rs 1.619 per unit in place of Rs 1.8 per unit and a total tariff of Rs 2.695 per unit instead of Rs 2.875 proposed earlier. The petitioner therefore has asked for increase in tariff of Rs 0.795 per unit instead of the earlier proposed increase of Rs 0.975 per unit.

5.2 Unavailability of Unit – 1 and need for revision of PPA

The Commission expressed concerns about the unavailability of Unit 1 for the rest of the financial year and even the next financial year. The Commission specially expressed concern that as per the PPA, TVNL has a single part tariff and therefore in a situation where TVNL will be operating at half its capacity, it will not even be fully recovering its fixed costs. The Commission asked petitioner to take steps to review the PPA.

5.2.1 TVNL's reply

TVNL replied that BHEL has already provided them the details for placing the order for the rotor. However due to problems within the organization, the petitioner has not been able to place the order. TVNL stated that as the Chair of the Managing Director and Chairman are vacant; the Corporation is not able to take any major decision. The petitioner however stated that it is trying to procure rotor from another power plant in the meantime in order to get its plant running. The Petitioner hopes to have the plant running by the end of the financial year

5.2.2 On the issues of PPA, the petitioner submitted that time and again, it has asked for a review of its PPA but nothing has been done.

The Commission reiterated that petitioner should get its PPA revised to allow for two-part tariff. Not only should the petitioner request for the revision but also pursue it vigorously. The Commission also directed the petitioner to urge the State Government to look into the matter of incumbency at the Corporation.

5.3 Issue of Receivables from JSEB

The petitioner submitted that JSEB has not been paying its dues for power purchase in a timely manner and substantial amount is overdue. It further stated that in an earlier meeting with the Energy Secretary it was decided that a JSEB would at least make monthly payment of Rs 25 crore to TVNL. But so far only about Rs 15 Crore is being paid. Petitioner reiterated that problems of overdue from JSEB are a major problem with TVNL. The plant otherwise has been performing well. In fact in October 2007 Unit II achieved generation of 146.5 MU.

5.4 Specific Coal Consumption

5.4.1 The petitioner submitted to the Commission the CEA's Annual Review of Performance of Thermal Power Stations for FY 2006-07 and also documents on the performance of DVC plants. These submissions were in support of the petitioner's contention that the specific coal consumption and station heat rate of DVC plants and plants of Eastern Region is much higher than the norms specified by JSERC. It urged the Commission to take this into cognizance while finalizing the station heat rate and specific coal consumption for TVNL plant.

5.4.2 The Commission directed the petitioner to submit in written what the petitioner wanted to convey.