

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 21/GT/2021

Coram:

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri Pravas Kumar Singh, Member

Date of Order: 4th January, 2024

In the matter of:

Petition for truing-up of tariff for the period 2014-19 and for determination of tariff for the period 2019-24 in respect of Udupi Thermal Power Plant (1200 MW).

And

In the matter of:

Udupi Power Corporation Limited,
Office: No. 160, Om Chambers,
1st Main Road, Sheshadripuram, Near Total Gaz Pump,
Bengaluru-560020

...Petitioner

Vs

1. Power Company of Karnataka Limited,
KPTCL Building, Kaveri Bhavan, K.G Road,
Bengaluru – 560009
2. Bangalore Electricity Supply Company Limited,
Krishnarendra Circle, Bengaluru - 560001
3. Mangalore Electricity Supply Company Limited,
Paradigm Plaza, AB Shetty Circle, Mangalore – 575001
4. Gulbarga Electricity Supply Company Limited,
Station Main Road, Gulbarga-585102
5. Hubli Electricity Supply Company Limited,
Corporate Office, Navanagar, PB Road,
Hubli – 580025
6. Chamundeshwari Electricity Supply Company Limited,
Corporate Office, No. 927, LJ Avenue, New Kantaraja Urs Road,
Saraswathipuram, Mysore – 570009
7. Punjab State Power Corporation Limited,
The Mall, Patiala – 147001

...Respondents



Parties Present:

Shri Hemant Sahai, Advocate, UPCL
Shri Nitish Gupta, Advocate, UPCL
Ms. Shefali Tripathi, Advocate, UPCL
Shri Nishant Talwar, Advocate, UPCL
Shri M.G. Ramachandran, Senior Advocate, PCKL
Shri Prashant Kumar, Advocate, PCKL
Shri Ahaan Mohan, Advocate, PCKL
Shri Arunav Patnaik, Advocate, PCKL
Ms. Savithramma, Advocate, PCKL
Shri Prasanna K.S., PCKL
Ms. Padmalatha T.L., PCKL

ORDER

This Petition has been filed by the Petitioner, Udupi Power Corporation Limited, for truing-up of tariff of Udupi Thermal Power Plant (1200 MW) (in short “the generating station”) for the period from 2014-19, in terms of Regulation 8(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short “the 2014 Tariff Regulations”) and for determination of tariff of the generating station for the period from 2019-24, in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (in short “the 2019 Tariff Regulations”).

Background

2. The Petitioner has set up a 1200 MW thermal power station in Udupi district in the State of Karnataka. The project has been developed as a Mega Power project in line with the policy guidelines issued by the Ministry of Power, Government of India and is the first thermal power plant designed for 100% imported coal. The date of commercial operation of Unit-I is 11.11.2010 and that of Unit-II is 19.8.2012. Accordingly, the cut-off date of the generating station is 31.3.2015.



3. The Commission vide its order dated 27.6.2019 in Petition No. 160/GT/2012 had approved the tariff of Unit-I for the period from 11.11.2010 to 31.3.2014 and for Unit-II from 19.8.2012 to 31.3.2014. Aggrieved by the said order, the discoms of Karnataka and also the Petitioner, filed appeals before the Appellate Tribunal for Electricity ('the Tribunal') on various issues. The Tribunal by its common judgment dated 15.5.2015 disposed of these appeals, with a direction to the Commission to re-determine the tariff of the generating station based on its findings on the issues which were allowed. Against the above judgment of the Tribunal dated 15.5.2015, the Respondents PCKL, with the discoms of Karnataka filed Review Petition No.19/2015 and the Petitioner also filed Review Petition No. 22/2015 on various grounds. Meanwhile, in compliance with the directions of the Tribunal in its judgment dated 15.5.2015, the Commission by its order dated 10.7.2015 in Petition No. 160/GT/2012 re-determined the annual fixed charges of the generating station. Thereafter, the Petitioner filed Petition No. 7/GT/2016 for revision of tariff of the generating station for the period from 11.11.2010 to 31.3.2014 and the Commission vide its order dated 24.3.2017 revised the tariff of the generating station for the said period after truing-up exercise.

4. Subsequently, the Tribunal vide its common judgment dated 6.2.2019 disposed of the Review Petition Nos. 19/2015 and 22/2015 filed by the parties as aforesaid. While the Review Petition No. 22/2015 was partly allowed on issues namely, (i) Disallowance of Gross Station Heat Rate (GSHR) of 2400 kcal/kwh; and (ii) Disallowance of Rs.141.91 crore on account of "Error in calculation of EPC cost", the Review Petition No. 19/2015 was partly allowed only on the issue of 'Erection, Testing & Commissioning expenses. Accordingly, the Commission was directed by the



Tribunal to re-determine the tariff of the generating station in terms of findings in the judgment. In terms of this, the Commission by its order dated 27.6.2019 in Petition No.160/GT/2012 revised the annual fixed charges of the generating station for the period 2009-14. However, the Petitioner and the Respondents have also filed Appeals against the APTEL's Judgment dated 15.5.2015, before the Hon'ble Supreme Court which are pending for disposal as on date.

5. Subsequently, the tariff for the generating station for the period 2014-19 was determined by the Commission vide order dated 22.1.2020 in Petition No. 251/ GT/ 2017 in accordance with the 2014 Tariff Regulations. Aggrieved by the order dated 22.1.2020, the Petitioner has filed an Appeal No. 76 of 2020 before the Tribunal, which is pending for disposal as on date.

6. The Petitioner has filed the present petition for truing-up of tariff of the generating station for the period 2014-19 in terms of the above regulations and for determination of tariff for the period 2019-24, without prejudice to the outcome of the various cases pending before the Commission, APTEL and the Hon'ble Supreme Court.

7. Commission vide its order dated 22.1.2020 in Petition No. 251/GT/2017 had determined the capital cost and the annual fixed charges of the generating station vide order dated 22.1.2020, as under:

Capital Cost allowed

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost	551286.09	552566.61	552868.61	552868.61	552868.61
Additional capital expenditure	1280.52	302.00	0.00	0.00	0.00
Closing capital cost	552566.61	552868.61	552868.61	552868.61	552868.61
Average capital cost	551926.35	552717.61	552868.61	552868.61	552868.61

