

## **A6: PROVISIONAL TRUE UP OF FY 2008-09 AS PER PROVISIONAL ANNUAL ACCOUNTS OF THAT YEAR**

- 6.1 As part of the tariff determination process, the Commission requisitioned the provisional accounts for FY 2008-09 from the petitioner.
- 6.2 The Commission scrutinized the provisional accounts submitted by the petitioner for FY 2008-09 and observed variations on the cost and operational parameters between the figures approved by the Commission while reviewing the petition for FY 2008-09 and the provisional accounts for that year.
- 6.3 Accordingly, the Commission decided to conduct the provisional truing up for FY 2008-09 based on the actual data from the provisional annual accounts and as per the 'Generation Tariff Regulations, 2004'.
- 6.4 The component-wise description of Commission's analysis on the same is given below.

### **Plant Load Factor (PLF)**

#### *Petitioner's submission*

- 6.5 The petitioner has submitted that the actual figures of PLF for FY 2008-09 at 60.43% for the two Units of the Tenughat Plant.

#### *Commission's analysis*

- 6.6 The Commission has approved the PLF of 60.43% for both the units but restates that the petitioner needs to take suitable measures to improve the PLF and availability by FY 2011-12, as per the norms of the Commission.

### **Gross Generation**

#### *Petitioner's submission*

- 6.7 The petitioner has submitted the actual gross generation on the basis of actual PLF of the two Units. The Gross generation has been calculated by the petitioner at 2223 MUs for the two Units.

#### *Commission's analysis*

- 6.8 The Commission approves the Gross Generation at 2223 MUs for the two Units of Tenughat TPS on the basis of the actual information made available to the Commission.

## **Auxiliary Consumption**

### *Petitioner's submission*

- 6.9 The petitioner has submitted that the auxiliary consumption of 8.82% for FY 2008-09, for both the Units of the petitioner.

### *Commission's analysis*

- 6.10 Based on the latest figures available, the Commission approves the auxiliary consumption of 8.82%.

## **Net Generation**

### *Petitioner's submission*

- 6.11 The net generation has been submitted as 2027.24 MUs for both the Units.

### *Commission's analysis*

- 6.12 The Commission approves the net generation at 2027.24 MUs for the two Units of Tenughat TPS, on the basis of the gross generation and auxiliary consumption approved by the Commission.

## **Station Heat Rate (SHR)**

### *Petitioner's submission*

- 6.13 The petitioner has submitted 3075 kcal/kWh as the revised estimate of the SHR for the two units for FY 2008-09.

### *Commission's analysis*

- 6.14 The Commission observes that the revised estimate of SHR consumption for FY 2008-09 is same as that submitted by the petitioner with the petition of FY 2008-09.
- 6.15 The 'Generation Tariff Regulations, 2004' specifies the SHR of 2500 kcal/kWh during the post-stabilization period of coal-based generation stations with capacity between 200 MW and 500 MW. The station heat rate proposed by the petitioner is very high. In the previous tariff order for FY 2007-08 also the Commission had approved a SHR of 2500 Kcal/Kwh.
- 6.16 The Commission is not in agreement with the submissions of the petitioner for approving a higher SHR for FY 2008-09. The Commission approves a SHR as per the 'Generation Tariff Regulations, 2004' at 2500 kcal/kWh for FY 2008-09 for the two Units of Tenughat power station.

## **Specific oil consumption**

### *Petitioner's submission*

6.17 The petitioner has submitted 2.78 ml/kWh as the revised estimate of the specific oil consumption for both the Units of Tenughat.

### *Commission's analysis*

6.18 The Commission observes that the revised estimate of specific oil consumption for FY 2008-09 is the same as that submitted by the petitioner with the petition of FY 2008-09.

6.19 The 'Generation Tariff Regulations, 2004' specify a maximum secondary fuel consumption of 2.0 ml/kWh and the Commission does not find any suitable justification to approve the specific oil consumption at a level higher than the norms. The Commission thereby approves a specific oil consumption of 2ml/Kwh for FY 2008-09.

## **Gross Calorific Value (GCV) of primary and secondary fuel**

### *Petitioner's submission*

6.20 The petitioner has submitted a figure of 4300 Kcal/Kg .It has submitted the GCV of secondary fuel at 10000 kcal/kl.

### *Commission's analysis*

6.21 The Commission has approved the figures submitted by the petitioner.

## **Price of primary and secondary fuel**

### *Petitioner's submission*

6.22 The petitioner has submitted the price of coal at Rs. 1274.07 /MT.

### *Commission's analysis*

6.23 The Commission has verified the coal process from the bills of coal and approves the price of coal at Rs. 1274.07/MT.

## Transit Loss

### *Petitioner's submission*

6.24 The petitioner has not submitted any data regarding the transit loss of coal separately. However, as a part of additional information requisitioned by the Commission, the petitioner has submitted that it has made an agreement with the transporter that if the transit loss of coal exceeds the normative level of 0.30% , the petitioner would deduct the amount of such excess loss of coal from the bill of the transporter.

### *Commission's analysis*

6.25 Since the petitioner has submitted the transit loss of 0.3% in the petition for FY 2008-09, the Commission has also considered the same for the revised estimate of FY 2008-09.

## Summary of Plant parameters & fuel cost determinants

6.26 The summary of Plant parameters and fuel cost determinants for the two Units of Tenughat plant of the Petitioner submitted by the petitioner and approved by the Commission for FY 2008-09 is given below

**Table 20-Plant parameters & Fuel cost determinants (True-up for FY 2008-09)**

Parameters	Unit	Unit I & II	
		Submitted by the Petitioner	Approved by JSERC
Capacity	MW	420	420
Plant Load Factor	%	60.43%	60.43%
Auxiliary Consumption	%	8.82%	8.82%
Station Heat Rate	Kcal/Kwh	3075	2500
GCV of Coal	Kcal/Kg	4300	4300
GCV of oil	Kcal/Kg	10000	10000
Specific oil consumption	ml/Kwh	2.78	2.00
Coal consumption	MT	1576051	1282684
Oil consumption	Kl	6178.7	4446.7
Price of Coal	Rs/MT	1273.31	1273.31
Price of Oil	Rs/KL	39270	39270
Total Coal Cost	Rs. Cr	200.68	163.33
Total Oil cost	Rs. Cr	24.26	17.46
Net Fuel Cost	Rs. Cr	224.94	180.79
Energy Charges	Rs/Unit	<b>1.11</b>	<b>0.89</b>

### Provisional True up for fixed cost determinants

- 6.27 The figure for Depreciation has been taken from the Annual accounts for FY 2008-09 submitted by the petitioner. The Interest on loan has been calculated as per the project cost structure now submitted by the petitioner.
- 6.28 The return on equity, O&M and interest on working capital figures have been considered as per the project cost structure approved by the Commission.

### Summary of Fixed Cost determinants and Generation Tariff

- 6.29 The table below shows the revised fixed cost determinants and Generation tariff for FY 2008-09, in terms of the petitioner's latest submission and the Commission's approved costs.

**Table 21-Fixed cost determinants and Generation Tariff (True- up for FY 2008-09)**

Parameters	Units	Unit II	
		Submitted by the Petitioner	Approved by JSERC
O&M charges	Rs. Cr	90.08	64.76
Depreciation	Rs. Cr	45.24	45.24
Interest on Loan	Rs. Cr	86.71	83.06
Return on Equity	Rs. Cr	19.32	18.66
Interest on Working Capital	Rs. Cr	15.70	12.73
<b>Total Fixed cost</b>	Rs. Cr	<b>257.05</b>	<b>224.45</b>
Non-Tariff Income	Rs. Cr	15.43	15.43
<b>Net Fixed cost</b>	Rs. Cr	<b>241.62</b>	<b>209.02</b>
Energy Cost	Rs. Cr	224.94	180.79
<b>Total Cost</b>	<b>Rs. Cr</b>	<b>466.56</b>	<b>389.81</b>
Existing Tariff ( FY 2007-08)	(Rs/Kwh)	2.05	2.05
<b>Revenue at Existing Tariff</b>	Rs. Cr	<b>415.58</b>	<b>415.58</b>
<b>Revenue (Gap)/Surplus</b>	<b>Rs. Cr</b>	<b>(50.98)</b>	<b>25.78</b>

- 6.30 The Commission approves the revenue surplus of Rs. 25.78 Cr. as per provisional true up for FY 2008-09.