



ND/OPS/PM&CC/DERC  
March 15, 2010

The Secretary,  
Delhi Electricity Regulatory Commission  
Viniyamak Bhavan,  
C-Block, Shivalik,  
Malviya Nagar,  
New Delhi - 1100017

Kind Attn: Sh, Amarendra K. Tewary

**Sub : Power Purchase Cost - Tariff determination for FY 2010-11**

Dear Sir,

In continuation to our earlier letter no. ND/OPS/PM&CC/DERC dated March 10, 2010, we would further like to highlights the following to Hon'ble Commission -

1. A team consisting of officers of CEA and DTL namely, Sh. Binod Kr. Rai, Dy. Director, CEA, Sh. Jawahar Lal, Dy. Director, CEA and Sh. Harjwan Vyas, DGM, DTL, visited CTPS Unit No. 7 & 8 of DVC on 16<sup>th</sup> February 2010 to assess the present status and likely COD of these projects. As per the Status Report, these units are not likely to come in this year and till now, coal has not been allocated to the project. So even if the project gets commissioned, the plants are not likely to generate and supply power to Delhi in this financial year 2010-11. The 'Status Report' prepared by the visiting team members is enclosed. We would therefore, request Hon'ble Commission to not consider any supply from Chandrapur Unit No. 7 & 8 for Delhi in the FY 2010-11.

2. Hon'ble Commission may note that Gas for Rithala Power Project of NDPL has been allocated from KG Basin by MoPNG, Govt. of India. The Gas Price, at present scenario and as per agreement is likely to be as follows -

Gas Price at generation point-

KG Basin Gas Price (Ex flange)	- 4.195 USD/MMBTU
Marketing Margin	- 0.135 USD/MMBTU
TOTAL GAS PRICE	- 4.33 USD/MMBTU

Gas Transmission Charges -

East West Transmission Charges	- Rs. 68.56/MMBTU i.e. 1.428 USD/MMBTU
GAIL Pipeline Transmission Charges	- Rs. 45.3/MMBTU i.e. 0.944 USD/MMBTU
Service Tax @ 10.3%	0.244 USD/MMBTU
TOTAL GAS TRANSMISSION CHARGES	- 2.61 USD/MMBTU

Hence, Landed Gas Price -  $4.33 + 2.61 = 6.94$  USD/MMBTU

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Considering the above Gas Price and Heat Rate of 2200 K Cal/KWh, the power generation cost from Rithala project is likely to be as followed -

Levelised Fixed Cost - Rs. 1.23/KWh  
Variable Cost - Rs. 2.96/KWh

**Hence, Levelised Cost of Generation - Rs. 4.19/KWh**

Commissioning of this project is expected in the month of October 2010, accordingly the power supply from this plant may be considered from October 2010 onwards only.

3. It may be noted that, the Cost of Generation of Dadri - II is coming as Rs. 4.02/Kwh, as billed by NTPC for the month of February 2010. Copy of the bill is enclosed for ready reference.

4. Moreover, the Cost of Generation of Aravalli, Jhajjar project will also be very high. The Capital Cost of this project, as claimed by NTPC, is around Rs. 5.52 Crores per MW. Accordingly, Fixed Cost of this project will be around Rs. 1.70/KWh (Fixed Cost of Dadri - II as submitted by NTPC is Rs. 1.55/KWh and Capital Cost @ Rs. 5.1 Crores per MW). As per the Dadri - II bill, Variable Cost is around Rs. 2.30/KWh including FPA, which is to be considered for Aravalli, Jhajjar project also. Hence, total Cost of Generation of Aravalli, Jhajjar Project is expected to be around Rs. 4.00/KWh.

We would request the Hon'ble Commission to consider the above facts and figures also during finalization of ARR of NDPL for FY 2010-11.

Thanking you.

Yours Sincerely  
For North Delhi Power Limited

  
15/03/2010.  
**Vivek Singla**  
General Manager  
Power Procurement & Corporate Commercial