

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:672

ANSWERED ON:21.11.2002

MAINTENANCE OF DABHOL PHASE I BY NTPC

AJAY CHAKRABORTY; ALE NARENDRA; C. SREENIVAASAN; M.H. AMBAREESH; PRABODH PANDA; RAMSHETH THAKUR; SADASHIVRAO DADOBA MANDLIK

Will the Minister of POWER be pleased to state:

- (a) whether NTPC has agreed for operation and maintenance of first unit of Dabhol Power Project of Maharashtra after settlement of the prevailing dispute;
- (b) if so, the details thereof and the strategy contemplated by the Government in this regard;
- (c) the time by which a final decision is likely to be taken;
- (d) whether there has been any agreement between NSEB and IDBI led lenders on the power tariff to be purchased from DPC Phase-I;
- (e) if so, the details thereof;
- (f) whether any compensation is claimed by the Enron Company; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : The National Thermal Power Corporation (NTPC) has agreed to a proposal made by the Industrial Development Bank of India (IDBI), to render technical assistance for operation of the Dabhol power plant on a commercial basis. NTPC is not a party to the prevailing disputes over the Dabhol Power Plant. The disputes are to be resolved by the concerned parties to the contracts relating to the Dabhol plant.

(b) & (c) : A preliminary inspection of Dabhol power plant has been conducted by Maharashtra State Electricity Board (MSEB), NTPC, IDBI, Central Electricity Authority and promoters of the projects (GE India and M/s. Bechtel) to ascertain its condition and to work out an action plan for restart of Phase-I of the project. The details thereof and any final decision in the matter is to be worked out between the concerned agencies.

(d) & (e) : The Government of Maharashtra (GOM) have conveyed their decision to IDBI to allow MSEB to purchase power from Phase-I of the Dabhol power project at a Plant Load Factor (PLF) of 83% at the rate of Rs.2.80 per unit, which has been worked out based on certain assumptions. This arrangement would be pro tem, for the period of one year and ad-hoc and will be without prejudice to MSEB's/GOM's written contentions in the pending arbitration/judicial/Maharashtra Electricity Regulatory Commission (MERC) proceedings. The rate and quantum of power indicated above will be subject to approval of the MERC. The price of fuel, i.e. naphtha, will be pass through in the tariff.

(f) : No claim for any compensation has been received by Government of India from Enron in the context of the above initiatives being taken to restart the Dabhol power plant.

(g) : Does not arise.