

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2654
ANSWERED ON:04.12.2009
KANTI THERMAL POWER STATION
Singh Shri Jagada Nand

Will the Minister of POWER be pleased to state:

- (a) whether the Kanti Thermal Power Station in Bihar has been handed over by the State Government of Bihar to the National Thermal Power Corporation Limited (NTPC);
- (b) if so, the details thereof;
- (c) whether the units of Kanti Thermal Power Station have not been permanently commissioned even after four years;
- (d) if so, the details thereof along with the reasons therefor and the steps taken by the Government in this regard; and
- (e) the likely profit or loss to the NTPC per year in the wake of non-commissioning of both the units of the Kanti Thermal Power Station?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) to (e): Muzaffarpur Thermal Power Station (MTPS) (2x110 MW) which was under shut down since October, 2003, belonged to the Bihar State Electricity Board (BSEB). This power station was transferred in September 2006 to Vaishali Power Generating Company Limited (VPGCL), a Joint Venture Company [later named as Kanti Bijlee Utpadan Nigam Limited (KBUNL)] formed in September 2006 amongst NTPC (51% equity) and BSEB (49%) by a Transfer Notification issued by the Government of Bihar.

Main responsibility of the JV Company is to complete Renovation and Modernization (R&M) of MTPS (2x110 MW) with grant from BRGF (Backward Region Grant Fund) and to Operate and Maintain MTPS in the long run and supply power to BSEB.

It was decided that Unit-II of MTPS would be revived with the minimum restoration so as to generate power to mitigate power crisis in Bihar. Accordingly, this unit was synchronized in October 2007 and the unit commenced generation on coal in January 2008. The unit has been generating power since then and is presently under stabilization. Average Plant Load Factor (PLF) of this Unit from April 2009 to October 2009 is 47.32%.

The R&M activities could not be commenced since the cost of R&M as finalized with BHEL had gone up substantially. Without approval for the total expenditure, from the grant, the work could not be commenced. After persuasion by Ministry of Power and Government of Bihar, enhanced R&M cost (which is to be provided from BRGF) for MTPS has been approved by Planning Commission on 16.11.2009. R&M works of Main Plant will be awarded on M/s BHEL shortly and R&M of balance of plant will be done by KBUNL itself. R&M of Unit-II will be done after completion of R&M of Unit-I.

As the R&M is yet to be started and Unit-II is under stabilization, all the income / expenses are booked to Construction Account. Profit or loss to NTPC would occur after the R&M is completed and units are under commercial operation.