

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

Petition No.128/2002

In the matter of

Approval of tariff in respect of National Capital Thermal Power Station, Dadri for the period 1.4.1998 to 31.3.2001.

And in the matter of

National Thermal Power Corporation Ltd.

.... Petitioner

Vs

1. Uttar Pradesh Power Corporation Ltd. Lucknow
2. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
3. Delhi Tansco Ltd, New Delhi
4. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
5. Punjab State Electricity Board, Patiala
6. Himachal Pradesh State Electricity Board, Shimla
7. Power Development Department, Govt of J&K, Jammu
8. Power Department, UT of Chandigarh, Chandigarh
9. Uttranchal Power Corporation Ltd, Dehradun

....Respondents

ORDER

The petitioner, a generating company owned by the Central Government, had filed this petition seeking the Commission's approval to the revised fixed and variable charges for the period from 1.4.1998 to 31.3.2001 in respect of National Capital Thermal Power Station, Dadri (hereinafter referred to as "NCTPS Dadri"). On completion of pleadings and after hearing the parties, the following revised fixed charges in respect of the generating

station for the said period was awarded vide the Commission's order dated 18.5.2004 as under:

(Rs. in lakh)

	Particulars	1.4.1998 to 31.10.1998	1.11.1998 to 31.3.1999	1999-2000	2000-01
1	Interest on Loan	9446	9446	8071	6351
2	Interest on Working Capital	3590	3783	3561	3453
3	Depreciation	11721	11721	11873	12025
4	Return on Equity	9656	12875	13041	13129
5	O & M Expenses	7123	7123	7836	8619
	TOTAL	41537	44949	44382	43578

2. Details of the computation of the interest on working capital awarded in the above order are as under:

(Rs. in lakh)

Financial Year	1998-1999		1999-2000	2000-01
	1.4.1998 to 31.10.98	1.11.1998 to 31.3.1999	1.4.1999 to 31.3.2000	1.4.2000 to 31.3.2001
Fuel Cost	4650	4650	4650	4650
Coal Stock	4486	4486	4473	4486
Oil stock	202	202	202	202
O & M expenses	594	594	653	718
Spares	1390	1390	1390	1390
Receivables	16224	16792	16698	16564
Total Working Capital	27546	28115	28067	28011
Working Capital Margin (WCM)	5951	5951	5951	5951
Total Working Capital allowed	21595	22164	22116	22060
Rate of Interest	13.00%	13.00%	12.00%	11.50%
Interest on allowed Working Capital	2807	2881	2654	2537
Interest on WCM	426	426	431	440
Return on WCM	357	476	476	476
Total Interest on Working capital	3590	3783	3561	3453

3. Subsequently, the Appellate Tribunal for Electricity (hereinafter referred to as "the Appellate Tribunal") vide its order dated 14.11.2006 in Appeal No 96 of 2005 relating to Kawas Gas Power station owned by the petitioner, directed, inter-alia that

"(a) The Central Commission shall adopt normative debt repayment methodology for working out the interest on loan liability for the period

01.04.1998 to 31.03.2001. The adjustment arising out of this be made in the future years. “

4. As the above direction of the Appellate Tribunal relates to the general methodology adopted by the Commission, irrespective of the generating station, it has been decided to apply the same to all the cases of tariff determination. Accordingly, we proceed to revise the tariff in respect of NCTPS Dadri through this order.

5. As the direction of the Appellate Tribunal requires revision of only the debt repayment methodology, all other factors relating to tariff determination viz. capital cost, FERV, debt-equity ration, additional capitalization, cumulative depreciation recovered, cumulative repayment recovered, actual loan statement, etc. have been kept as admitted by the Commission in the original tariff order dated 18.5.2004. Revised calculation of interest on loan based on the above direction of the Appellate Tribunal is as under:

Particulars	(Rs in lakh)		
	1998-99	1999-00	2000-01
Gross Loan Opening	79949	80990	82028
Cumulative repayments of loans upto previous year	11446	16316	29390
Net loan – Opening	68503	64674	52638
Increase/Decrease due to FERV	450	466	-221
Increase/Decrease due to additional capitalization	591	572	283
Total	69544	65713	52701
Repayments of Loan during the year	4870	13074	8344
Net loan – Closing	64674	52638	44357
Average Net loan	66588	58656	48497
Rate of interest on loan	14.32%	14.47%	14.78%
Interest on loan	9535	8488	7167

6. Revision of the Interest on Loan has resulted in the revision of interest on working capital as interest on loan is a component of ‘receivables’ included

in the working capital. Accordingly, interest on working capital has been recalculated as under

(Rs. In lakh)

Financial Year	1998-1999		1999-00	2000-01
	1.4.1998 to 31.10.98	1.11.1998 to 31.3.1999	1.4.1999 to 31.3.2000	1.4.2000 to 31.3.2001
Fuel Cost	4650	4650	4650	4650
Coal Stock	4486	4486	4473	4486
Oil stock	202	202	202	202
O & M expenses	594	594	653	718
Spares	1390	1390	1390	1390
Recievables	16239	16808	16769	16703
Total Working Capital	27561	28130	28138	28150
Working Capital Margin (WCM)	5951	5951	5951	5951
Total Working Capital allowed	21610	22179	22187	22199
Rate of Interest	13.00%	13.00%	12.00%	11.50%
Interest on allowed Working Capital	2809	2883	2662	2553
Interest on WCM	426	426	431	440
Return on WCM	357	476	476	476
Total Interest on Working capital	3592	3785	3569	3469

7. The annual fixed charges revised on the basis of the above in respect of NCTPS Dadri for the period from 1.4.1998 to 31.3.2001 are as under:

(Rs. in lakh)

	Particulars	1.4.1998 to 31.10.1998	1.11.1998 to 31.3.1999	1999-2000	2000-01
1	Interest on Loan	9535	9535	8488	7167
2	Interest on Working Capital	3592	3785	3569	3469
3	Depreciation	11721	11721	11873	12025
4	Return on Equity	9656	12875	13041	13129
5	O & M Expenses	7123	7123	7836	8619
	TOTAL	41628	45040	44807	44410

8. The petitioner shall recover the balance amount within six months immediately following the date of this order.

Sd/=
 (R KRISHNAMOORTHY)
 MEMBER

Sd/=
 (BHANU BHUSHAN)
 MEMBER

New Delhi, dated 31st December, 2007