

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No.36/2002

In the matter of

Revision of tariff in respect of Anta Gas Power Station for the period
1.4.1997 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, NTPC, 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 1.4.1997 to 31.3.2001 in respect of Anta Gas Power Station (hereinafter referred to as "the generating station"). 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 1.11.2002:

(Rs. in lakh)

	Particulars	1997-98	1998-99		1999-2000	2000-01
			1.4.1998 to 31.10.1998	1.11.1998 to 31.3.1999		
1	Interest on Loan	1256	1045	1045	970	879
2	Interest on Working Capital	749	699	736	697	680
3	Depreciation	3226	3267	3267	3478	3729
4	Return on Equity	2460	2555	3407	3640	3690
5	O&M Expenses	1659	1825	1825	2008	2209
	Total	9350	9391	10280	10793	11187

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

(Rs. in lakh)

	1997-98	1998-99		1999-2000	2000-01
		1.4.98 to 31.10.98	1.11.98 to 31.3.1999		
Fuel cost	1231	1231	1231	1231	1231
Cost of Nathpa (Fuel oil) stock	45	45	45	45	45
O&M expenses	138	152	152	167	184
Spares	177	177	177	177	177
Receivables	4021	4028	4176	4262	4328
Total Working Capital	5611	5632	5780	5881	5964
Working Capital Margin	860	860	860	860	860
Total Working Capital Allowed	4751	4772	4920	5021	5104
Rate of interest	14.00%	13.00%	13.00%	12.00%	11.50%
Interest on allowed working capital	665	620	640	603	587
Interest on working capital margin	32	27	27	25	24
Return on working capital margin	52	52	69	69	69
Total interest on working capital	749	699	736	697	680

3. The petitioner filed Review petition No. 144/2002 against the above order, which was dismissed by the Commission vide its order dated 6.5.2003 as not maintainable.

4. 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. “

5. As the above direction of the Appellate Tribunal relates to the general methodology adopted by the Commission, irrespective of the generating station, it was decided to apply the same to all the cases of tariff determination for the relevant period. In the case of the generating station, tariff was determined for the period 1997-2001 vide the Commission's order dated 1.11.2002. It has therefore, been decided to revise tariff of the generating station for the above period by applying normative debt repayment methodology. Accordingly, we proceed to revise the tariff in respect of the generating station through this order.

6. 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 ratio, 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 1.11.2002. Revised calculation of interest on loan based on the above direction of the Appellate Tribunal is as under:

(Rs in lakh)				
Particulars	1997-98	1998-99	1999-00	2000-01
Gross Loan Opening	20364	20627	21955	23543
Cumulative repayments of loans upto previous year	2944	3736	4601	5490
Net loan – Opening	17420	16891	17354	18053
Increase/Decrease due to FERV	266	1309	1479	-867
Increase/Decrease due to additional capitalization	-2	18	110	-93
Total	17683	18218	18942	17093
Repayments of Loan during the year	792	865	890	866
Net loan – Closing	16891	17354	18053	16227
Average Net loan	17156	17122	17703	17140
Rate of interest on loan	7.41%	6.34%	5.85%	5.67%
Interest on loan	1271	1086	1036	971

7. 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)

	1997-98	1998-99		1999-2000	2000-01
		1.4.98 to 31.10.98	1.11.98 to 31.3.1999		
Fuel cost	1231	1231	1231	1231	1231
Cost of Nathpa (Fuel oil) stock	45	45	45	45	45
O&M expenses	138	152	152	167	184
Spares	177	177	177	177	177
Receivables	4024	4035	4183	4273	4343
Total Working Capital	5614	5639	5787	5892	5979
Working Capital Margin	860	860	860	860	860
Total Working Capital Allowed	4754	4779	4927	5032	5119
Rate of interest	14.00%	13.00%	13.00%	12.00%	11.50%
Interest on allowed working capital	666	621	641	604	589
Interest on working capital margin	32	27	27	25	24
Return on working capital margin	52	52	69	69	69
Total interest on working capital	750	700	737	698	682

8. Annual fixed charges revised on the basis of the above in respect of the generating station for the period from 1.4.1997 to 31.3.2001 are as under:

(Rs. in lakh)

	Particulars	1997-98	1998-99		1999-2000	2000-01
			1.4.1998 to 31.10.1998	1.11.1998 to 31.3.1999		
1	Interest on Loan	1271	1086	1086	1036	971
2	Interest on Working Capital	750	700	737	698	682
3	Depreciation	3226	3267	3267	3478	3729
4	Return on Equity	2460	2555	3407	3640	3690
5	O&M Expenses	1659	1825	1825	2008	2209
	Total	9366	9433	10321	10860	11282

9. 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