

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**

**Review Petition No. 9/2007  
in  
Petition No. 163/2004**

**In the matter of**

Review of order dated 30.11.2006 in Petition no.163/2004 determining the tariff for Tanda T.P.S (440 MW) for the period 1.4.2004 to 31.3.2009

**And in the matter of**

NTPC Limited, New Delhi

**....Petitioner**

Vs

Uttar Pradesh Power Corporation Limited, Lucknow

**... Respondent**

**The following were present**

1. Shri S N Goel, NTPC
2. Shri M Saxena, NTPC
3. Shri Shankar Saran, NTPC
4. Ms Pranav Kapoor, NTPC
5. Shri Ratnesh, NTPC
6. Shri Ajay Garg, NTPC

**ORDER  
(Date of Hearing: 20.2.2007)**

This application has been made for review of order dated 30.11.2006 in Petition No. 163/2004, determining the tariff in respect of Tanda Thermal Power Station, (hereinafter called "the generating station") for the period 1.4.2004 to 31.3.2009.

2. The petitioner has contended that there are certain fundamental errors in the said order dated 30.11.2006 and accordingly has sought review. According to the petitioner, the order needs to be reviewed on account of the following:

- (a) Computation of loan repayment for past period and loan outstanding as on 31.3.2004;
- (b) Rate of interest on Government Loan;
- (c) Fuel oil;
- (d) Cost of spares in working capital;
- (e) Advance against depreciation;
- (f) O&M expenses.

3. Heard the representative of the petitioner. Admit on the grounds mentioned at (a) to (d) and (f) of para 2 above.

#### **Advance Against Depreciation**

4. The petitioner's grievance is that while calculating Advance Against Depreciation for 2004-09 the Commission has taken into consideration the cumulative depreciation amounting to Rs. 175.91 crore as on date of take over of the generating station retained by the respondent. According to the petitioner, the Commission's observation in order dated 28.6.2002 in Petition No.77/2001 that Rs. 175.91 crore charged as depreciation up to the date of transfer shall be considered for limiting the cumulative depreciation amount claimed to 90% of the project cost of Rs. 607 crore, should not have been made applicable for calculation of AAD.

5. We find no merit in the contention of the petitioner. The Commission in its order dated 28.6.2002 had noted that the liabilities side approach would be adopted for the purpose of tariff with Rs. 607 crore as the capital base and Rs. 431.09 crore as depreciated book value of the generating station on the date of transfer whereby

Rs. 175.91 crore as value of cumulative depreciation on the date of transfer was taken into account. Accordingly, Advance Against Depreciation in orders dated 28.6.2002, 9.4.2003 and 24.10.2005 in Petitions No. 77/2001, 2/2003 and 8/2005 respectively for the period from the date of take over of the generating station to 31.3.2004 was worked out after considering the said cumulative depreciation. Calculation of Advance Against Depreciation for the tariff period 2004-09 as per the order dated 30.11.2006, now sought to be reviewed, is again based on the figures of the earlier tariff orders. Thus it is a settled issue. Revisiting this issue is uncalled for and the petitioner's request for review on this ground cannot be allowed.

6. The petitioner is directed to serve a copy of the petition along with a copy of this order on the respondent by 15.3.2007. The respondent shall file its reply by 30.3.2007 and the petitioner its rejoinder thereof, if any by 15.4.2007. The petitioner is also directed to furnish the details of ex-gratia payment made during the period 2000-01 to 2002-03.

7. List this petition after 15.4.2007.

**Sd/-**

**(BHANU BHUSHAN)  
MEMBER**

**New Delhi dated the 28<sup>th</sup> February 2007**

**Sd/-**

**(ASHOK BASU)  
CHAIRPERSON**