

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No.40/2001

In the matter of

Approval of tariff in respect of National Capital Thermal Power Station,
Dadri for the period 1.4.2001 to 31.3.2004.

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 of tariff for the period from 1.4.2001 to 31.3.2004 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 NCTPS Dadri for the said period was awarded vide the Commission's order dated 20.7.2004 as under:

(Rs. in lakh)

	Particulars	2001-02	2002-03	2003-04
1	Interest on Loan	5012	3805	2620
2	Interest on Working Capital	3940	3947	3964
3	Depreciation	6111	6111	6111
4	Advance Against Depreciation	730	730	730
5	Return on Equity	13134	13134	13134
6	O & M Expenses	9104	9650	10229
	TOTAL	38032	37378	36789

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

(Rs. in lakh)

	2001-02	2002-03	2003-04
Fuel Cost	6290	6290	6308
Coal Stock	4360	4360	4360
Oil stock	257	257	257
O & M expenses	759	804	852
Spares	1642	1642	1642
Receivables	18919	18810	18746
Total Working Capital	32226	32163	32165
Working Capital Margin (WCM)	5951	5951	5951
Total Working Capital allowed	26275	26212	26214
Rate of Interest	11.50%	11.50%	11.50%
Interest on allowed Working Capital	3022	3014	3015
Interest on WCM	442	457	473
Return on WCM	476	476	476
Total Interest on Working capital	3940	3947	3964

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, tariff in respect of NCTPS Dadri for the period 1.4.1998 to 31.3.2001 was revised vide the Commission's order dated 31.12.2007. Through this order, we proceed to further revise the tariff for the period 1.4.2001 to 31.3.2004.

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 31.12.2007. Revised calculation of interest on loan based on the above direction of the Appellate Tribunal is as under:

Particulars	(Rs in lakh)		
	2001-02	2002-03	2003-04
Gross Loan Opening	82091	82091	82091
Cumulative repayments of loans upto previous year	37734	44391	52221
Net loan – Opening	44357	37699	29870
Increase/Decrease due to FERV	0	0	0
Increase/Decrease due to additional capitalization	0	0	0
Total	44357	37699	29870
Repayments of Loan during the year	6658	7830	5710
Net loan – Closing	37699	29870	24159
Average Net loan	41028	33784	27014
Rate of interest on loan	14.87	15.34%	15.91%
Interest on loan	6099	5184	4298

6. Implementation of the direction of the Appellate Tribunal has resulted in revision of calculation of Advance Against Depreciation also. Accordingly, the revised calculation in respect of Advance Against Depreciation is as under:

(Rs. In lakh)

	2001-02	2002-03	2003-04
1/12 th of Loan(s)	6841	6841	6841
Scheduled Repayment of the Loan(s)	6658	7830	5710
Minimum of Column	6658	7830	5710
Depreciation during the year	6111	6111	6111
Advance Against Depreciation	547	730	0

7. Revision of the Interest on Loan and Advance Against Depreciation 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)

	2001-02	2002-03	2003-04
Fuel Cost	6290	6290	6308
Coal Stock	4360	4360	4360
Oil stock	257	257	257
O & M expenses	759	804	852
Spares	1642	1642	1642
Receivables	19073	19044	18908
Total Working Capital	32380	32397	32326
Working Capital Margin (WCM)	5951	5951	5951
Total Working Capital allowed	26429	26446	26375
Rate of Interest	11.50%	11.50%	11.50%
Interest on allowed Working Capital	3039	3041	3033
Interest on WCM	442	457	473
Return on WCM	476	476	476
Total Interest on Working capital	3958	3974	3983

8. The annual fixed charges revised on the basis of the above in respect of the generating station for the period from 1.4.2001 to 31.3.2004 are as under:

(Rs. in lakh)

	Particulars	2001-02	2002-03	2003-04
1	Interest on Loan	6099	5184	4298
2	Interest on Working Capital	3958	3974	3983
3	Depreciation	6111	6111	6111
4	Advance Against Depreciation	547	730	0
5	Return on Equity	13134	13134	13134
6	O & M Expenses	9104	9650	10229
	TOTAL	38953	38783	37756

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

Sd/=
(R KRISHNAMOORTHY)
MEMBER

Sd/=
(BHANU BHUSHAN)
MEMBER

New Delhi, dated 25th January, 2008