

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram**

1. **Dr. Pramod Deo, Chairperson**
2. **Shri R. Krishnamoorthy, Member**
3. **Shri S. Jayaraman, Member**

**Petition No. 145/2008**

**In the matter of**

Approval of provisional tariff for Sipat Super Thermal Power Stage-II (2x500 MW) from the date of commercial operation up to 31.3.2009.

**And in the matter of**

NTPC Limited, New Delhi

**..Petitioner**

Vs

1. Madhya Pradesh Power Trading Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Chattisgarh State Electricity Board, Raipur
5. Electricity Deptt., Govt. of Goa, Panaji
6. Electricity Deptt., Administration of Daman & Diu, Daman
7. Electricity Deptt., Administration of Dadra and Nagar Haveli, Silvassa.. **Respondents**

**Following were present:**

1. Shri A.S. Pandey, NTPC
2. Ms. Alka Saigal, NTPC
3. Ms. Pranav Kapoor, NTPC

**ORDER  
(DATE OF HEARING: 15.1.2009)**

This petition has been filed for approval of provisional tariff for Sipat Super Thermal Power Station Stage-II (2x500 MW) (hereinafter referred to as "the generating station") from the date of commercial operation to 31.3.2009 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 regulations")

2. The power generated from the generating station is to be supplied to the beneficiaries in the Western Region, the respondents herein. The first unit of the generating station was synchronized on 30.5.2007 and declared under commercial

operation on 20.6.2008. The Commission vide its order dated 22.11.2006 in Petition No. 95/2006 allowed tariff for sale of infirm power @ 54.41 paise/kWh with FPA from the date of synchronization of the first unit. Subsequently, the Commission vide its order dated 3.1.2007 in Petition No. 113/2007 approved the provisional annual fixed charges of Rs. 28703 lakh for the years 2007-08 and 2008-09.

3. The petitioner has considered the capital cost of Rs. 368410 lakh based on audited accounts as on 19.6.2008. Accordingly, the petitioner has claimed the following provisional annual fixed charges:

(Rs. in lakh)	
	2008-09
Depreciation	12483
Interest on loan	21777
Return on equity	15473
Advance Against Deprecation	13306
Interest on working capital	3844
O & M expenses	10950
<b>Total</b>	<b>77833</b>

4. In addition, the petitioner has claimed energy charges @ 72.09 paisa/kWh.

5. The petition was heard after notice to the respondents. None appeared on their behalf. M. P. Power Trading Company Limited (the first respondent) in its reply has raised certain issues which are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being gone into at this stage. The respondents are at liberty to bring up these issues, if so advised, when the petition for final tariff is filed and the issues will be examined then.

6. The petitioner has submitted that capital expenditure incurred on actual basis up to 19.6.2008 was Rs. 335100 lakh against the estimated capital expenditure of Rs. 368410 lakh. It is noticed that more than 91% of the capital cost claimed by

the petitioner has actually been incurred in the form of cash outflow. Without going into the details of capital expenditure at this stage, which the Commission will consider in accordance with law at the time of determination of final tariff, we allow the following annual fixed charges on provisional basis, which represent 90% of the annual fixed charges claimed by the petitioner and are subject to adjustment after the tariff is finally determined by the Commission:

(Rs. in lakh)	
	2008-09
Annual Fixed Charges	70050

7. The annual fixed charges for part of the year shall be payable on pro rata basis.

8. The petitioner has claimed energy charges of 72.09 paisa/kWh based on operational norms specified in the 2004 regulations. The computation of the energy charges by the petitioner based on the above norms is found to be in order. Accordingly, provisional energy charges as claimed are allowed, subject to Fuel Price Adjustment and the energy charges to be approved by the Commission while allowing final tariff.

9. The petitioner has further submitted that levies, taxes, cess, royalties and duties are `pass through` in tariff as per the PPAs signed by it with the respondents-beneficiaries. The petitioner has sought approval of the Commission to pass on such liabilities to the respondents-beneficiaries. The petitioner shall be entitled to recover levies, taxes, cess, and other duties in accordance with the 2004 regulations. Further, the petitioner has sought liberty to approach the Commission for revision of O & M charges in case there is abnormal hike in water charges/royalties and also to meet the enhanced employee cost on account of salary revision whenever paid. As already stated, at this stage we have not gone into the details of tariff being allowed

provisionally. These issues have been left to be considered in accordance with law at the time of approval of final tariff of the generating station.

10. The petitioner shall file the petition for approval of final tariff latest by 30.9.2009.

11. With the above, the petition stands disposed of.

sd/-  
**(S.JAYARAMAN)**  
**MEMBER**

sd/-  
**(R.KRISHNAMOORTHY)**  
**MEMBER**

sd/-  
**(DR.PRAMOD DEO)**  
**CHAIRPERSON**

**New Delhi dated the 27<sup>th</sup> January 2009**