

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 31/2008**

**Coram**

- 1. Shri S.Jayaraman, Member**
- 2. Shri V.S.Verma, Member**

**DATE OF ORDER: 9.2.2010**

**In the matter of**

Approval of revised fixed charges in respect of Talcher Thermal Power Station (460 MW) after accounting for the impact of additional capital expenditure incurred during 2004-05, 2005-06 and 2006-07.

**And in the matter of**

N TPC Ltd, New Delhi

..... Petitioner

Vs

Grid Corporation of Orissa Ltd, Bhubaneswar

..... Respondent

**ORDER**

This application was made by the petitioner NTPC, for approval of revised fixed charges in respect of Talcher Thermal Power Station (460 MW) (hereinafter referred to as "the generating station") after accounting for the impact of additional capital expenditure incurred during 2004-05, 2005-06 and 2006-07, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 regulations"). The Commission by its order dated 3.2.2009 approved the revised fixed charges for the generating station. Subsequently, the petitioner filed Review Application No. 67/2009 seeking review of the order dated 3.2.2009, on the ground that the Commission while working out interest on Working Capital (IWC) for the period 1.10.2007 to 31.3.2009, had wrongly considered the fuel prices for the months of January, February and March 2004, instead of the fuel prices for the months of July, August and September 2007.

2. The Commission by order dated 29.9.2009 in Review Application No. 67/2009 allowed the review of order dated 3.2.2009 on the question of computation of Interest on working capital (IWC). After hearing the parties, the Commission by order dated 11.1.2010 revised the IWC and approved the annual fixed charges of the generating station as under:

*(Rs in lakh)*

	<b>2007-08</b>	<b>2008-09</b>
Depreciation	3487	3487
Interest on Loan	525	228
Return on Equity	5204	5204
Advance against Depreciation	0	0
Interest on Working Capital	1166	1070
O & M Expenses	9728	10098
<b>Total</b>	<b>20110</b>	<b>20088</b>

3. It has come to the notice of the Commission that certain arithmetical errors had occurred in the computation of IWC for the year 2007-08, in para 11 of the order dated 11.1.2010, which has been considered in the annual fixed charges summarized in para 12 of the said order.

4. Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, provides as under:

*" 103. (1) The Commission may at any time, on its own motion, or on an application of any of the persons or parties concerned, within 45 days of making such decision, directions or order, review such decision, directions or orders and pass such appropriate orders as the Commission deems fit:*

*Provided that power of review by the Commission on its own motion under this clause may be exercised only for correction of clerical or arithmetical mistakes arising from any accidental slip or omission."*

5. By virtue of this power, the inadvertent arithmetical error in the computation of IWC in the table under para 11 and the amount of IWC shown in the table under para 12 of the order dated 11.1.2010, for the year 2007-08, is corrected *suo motu*, by this order as under:

"11. The necessary details in support of calculation of interest on working capital are as under:

*(Rs in lakh)*

	2007-08	2007-08	2007-08	2008-09
	1.4.2007 to 30.9.2007	1.10.2007 to 31.3.2008		
	183	183		
Coal Stock-1.1/ 2 months	742	1011	877	2017
Oil stock -2 months	153	166	159	330.11
O & M expenses	405	405	811	842
Spares	417	417	835	885
Receivables	2804	3175	5979	6368
Total Working Capital	4522	5175	9697	10441
Rate of Interest	10.25%	10.25%	10.25%	10.25%
<b>Total Interest on Working capital</b>	<b>463</b>	<b>530</b>	<b>994</b>	<b>1070</b>

12. The revised annual fixed charges for the period from 1.4.2007 to 31.3.2009 are summarized as under:"

*(Rs in lakh)*

	2007-08	2008-09
Depreciation	3487	3487
Interest on Loan	525	228
Return on Equity	5204	5204
Advance against Depreciation	0	0
Interest on Working Capital	994	1070
O & M Expenses	9728	10098
<b>Total</b>	<b>19938</b>	<b>20088</b>

6. The marginal difference in the annual fixed charges for the year 2007-08 due to the correction of the arithmetical error in the order dated 11.1.2010 is to be adjusted between the parties. All other terms contained in order dated 11.1.2010 remains unaltered.

Sd/-  
**(V.S. VERMA)**  
MEMBER

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