

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.126/2009

**Coram: 1. Dr.Pramod Deo, Chairperson
2. Shri S.Jayaraman, Member
3. Shri V.S.Verma, Member
4. Shri M.Deena Dayalan, Member**

DATE OF ORDER: 12.10.2011

IN THE MATTER OF

Revision of order dated 22.2.2011 in the light of the judgment of the Appellate Tribunal for Electricity dated 13.6.2007 in Appeal Nos.139 to 142 etc of 2006, 10, 11 and 23/2007 and judgment dated 16.3.2009 in Appeal Nos.135/2008, 136/2008 and 148/2008.

AND

IN THE MATTER OF

Determination of impact of additional capital expenditure incurred during the years 2006-07, 2007-08 and 2008-09 on fixed charges in respect of Kahalgaon STPS, Stage- I (840 MW)

AND

IN THE MATTER OF

NTPC Ltd, New Delhi
Vs

.....Petitioner

1. West Bengal State Electricity Distribution Company Ltd, Kolkata
2. Bihar State Electricity Board, Patna
3. Jharkhand State Electricity Board, Ranchi
4. Grid Corporation of Orissa Ltd., Bhubaneshwar
5. Damodar Valley Corporation, Kolkata
6. Power Department, Govt. of Sikkim, Gangtok
7. Tamil Nadu Electricity Board, Chennai
8. Union Territory of Pondicherry, Electricity Department, Pondicherry
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Power Development Department, Govt. of J&K, Srinagar
11. Power Department, Union Territory of Chandigarh, Chandigarh
12. Madhya Pradesh Power Trading Ltd., Jabalpur
13. Gujarat Urja Vikas Nigam Limited, Baroda
14. Electricity Department, Administration of Daman & Diu, Daman
15. Electricity Department, Administration of Dadra and Nagar Haveli, Silvassa
16. BSES Rajdhani Power Limited, New Delhi
17. BSES Yamuna Power Limited, Delhi
18. North Delhi Power Ltd, New Delhi
19. Maharashtra State Electricity Distribution Company Ltd., Mumbai....**Respondents**



ORDER

The petitioner, NTPC had filed this application for approval of revised fixed charges for the period 2004-09, after considering the impact of additional capital expenditure incurred during 2006-09 for Kahalgaon Super Thermal Power Station, Stage-I (840 MW) (hereinafter referred to as “the generating station”) in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as “the 2004 regulations”). The petitioner also filed Interlocutory Application (I.A. No. 38/2009) in the said petition praying for revision of the annual fixed charges after considering the principles laid down in the judgment of the Appellate Tribunal for Electricity (‘the Tribunal’) dated 13.6.2007 in Appeal Nos.139 to 142 etc of 2006, 10,11 and 23/2007. The Commission by its order dated 15.6.2010 deferred the implementation of the judgment of the Tribunal dated 13.6.2007 on the five issues and revised the annual fixed charges for the generating station after considering the impact of additional capital expenditure incurred for the period 2006-09, based on the existing principles, subject to the final outcome of the Civil Appeals pending before the Hon’ble Supreme Court.

2. Aggrieved, the petitioner filed application (R.P. No. 204/2010) for review of order dated 15.6.2010 limited to the question of ‘non-consideration of normative transit loss for coal import’, in terms of the judgment dated 13.6.2007 of the Tribunal in Appeal No.10/2007. The review application was allowed and the Commission by its order dated 22.2.2011 revised the annual fixed charges of the generating station for 2004-09 considering the normative transit loss for coal. The capital cost considered by the Commission in the said order, was as under:



	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital cost	202704.41	203442.07	203488.19	203843.17	203971.35
Additional capital expenditure allowed	737.66	46.12	354.97	128.19	124.64
Closing Capital cost	203442.07	203488.19	203843.17	203971.35	204095.99
Average Capital cost	203073.24	203465.13	203665.68	203907.26	204033.67

3. The additional capital expenditure approved above for the period 2004-09 was after excluding the un-discharged liabilities amounting to ₹164.90 lakh, ₹1.04 lakh and ₹43.45 lakh for the years 2004-05, 2005-06 and 2008-09 respectively, and is inclusive of discharges of liabilities amounting to ₹124.94 lakh and ₹1.04 lakh for the years 2006-07 and 2007-08, respectively. Further, while approving the additional capital expenditure approved for the year 2006-09 the petitioner's claim for de-capitalization (reversal) of an amount of ₹39.28 lakh corresponding to "400 kV Switchyard extension works" was disallowed on the ground that this asset (which was not allowed to be capitalized vide order dated 29.9.2008 in Petition No.27/2007, being un-discharged liability) did not form part of the capital base of the generating station.

4. The annual fixed charges approved by the Commission in order dated 22.2.2011 is as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	678.93	100.97	0.00	0.00	0.00
Interest on Working Capital	2691.25	2708.90	2683.76	2719.03	2745.97
Depreciation	7475.92	7490.34	4499.13	4509.92	4511.81
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	14120.29	14136.75	14145.17	14155.32	14160.63
O & M Expenses	8736.00	9088.80	9450.00	9828.00	10222.80
Total	33702.38	33525.76	30778.06	31212.27	31641.21

Background

5. Petition No.120/2005 was filed by the petitioner for determination of tariff of the generating station for 2004-09 and the Commission by its order dated 23.11.2006 determined the tariff for 2004-09. Aggrieved by the said order, the petitioner filed



Appeal No.10/2007 before the Tribunal on various issues. Similar appeals (Appeal Nos.139 to 142 etc of 2006, 11 and 23/2007) were also filed by the petitioner before the Tribunal challenging the various orders of the Commission determining tariff for other generating stations of the petitioner during 2004-09. Appeal No.10/2007 was also clubbed with the other appeals and the Tribunal by its common judgment dated 13.6.2007 allowed the prayers of the petitioner and remanded the matters for re-determination by the Commission.

6. Against the judgment dated 13.6.2007, the Commission has filed Civil Appeals before the Hon'ble Supreme Court (C.A. Nos. 5434/2007 to 5452/2007 and 5622/2007) including Civil Appeal No. 5439/2007 pertaining to this generating station, on issues such as:

- (a) *Consequences of refinancing of loan;*
- (b) *Treating of depreciation as deemed repayment of loan;*
- (c) *Cost of maintenance spares related to additional capitalization;*
- (d) *Depreciation availability up to 90% in the event of disincentive; and*
- (e) *Impact of de-capitalization of assets on cumulative repayment of loan.*

7. The Hon'ble Supreme Court on 26.11.2007 granted interim order of stay of the operation of the order dated 13.6.2007 of the Tribunal. However, on 10.12.2007, the Hon'ble Supreme Court passed interim order as under:

“Learned Solicitor General appearing on behalf of the National Thermal Power Corporation stated that pursuant to the remand order, following five issues shall not be pressed for fresh determination:

- (a) *Consequences of refinancing of loan;*
- (b) *Treating of depreciation as deemed repayment of loan;*
- (c) *Cost of maintenance spares related to additional capitalization;*
- (d) *Depreciation availability up to 90% in the event of disincentive; and*
- (e) *Impact of de-capitalization of assets on cumulative repayment of loan*

The Commission may, however, proceed to determine other issues.

It is clarified that this order shall apply to other cases also

In view of this, the interim order passed by the Court on 26th November, 2007, is vacated. The interlocutory applications are, accordingly, disposed of.”



8. Thereafter, the Commission by its orders dated 29.9.2008 and 11.12.2008 in Petition No.27/2007 revised the annual fixed charges of the generating station on account of additional capital expenditure incurred during the years 2004-05 and 2005-06. Subsequently, by order dated 11.1.2010, the annual fixed charges of the generating station for the period 2004-09 were further revised on account of capitalization of FERV on normative basis against loan (instead of equity) based on the judgment of the Tribunal dated 1.9.2010 in Appeal No. 58/2010.

9. Petition No. 126/2009 was filed by the petitioner for determination of annual fixed charges of the generating station after considering the impact of additional capital expenditure incurred during the period 2006-09. The petitioner also filed interlocutory Application (I.A.No.38/2009) in the said petition, praying for revision of the annual fixed charges after considering the principles laid down in the judgment of the Tribunal dated 13.6.2007 in Appeal Nos.139 to 142 etc of 2006, 10,11 and 23/2007. However, the Commission by its order dated 15.6.2010 deferred the implementation of the judgment of the Tribunal dated 13.6.2007 on the five issues and determined the annual fixed charges for the generating station based on the existing principles subject to the final outcome of the Civil Appeals pending before the Hon'ble Supreme Court. The relevant portion of the order dated 15.6.2010 is extracted as under:

“8.....In our view, the petitioner has given an undertaking in the Civil Appeals pertaining to the tariff in the original petition before the Hon'ble Supreme Court that “the five issues shall not be pressed for fresh determination”. It is logical that original tariff as well as revision of tariff for the generating station on the basis of additional capital expenditure is to be decided on the basis of the same principles. Accepting the contention of the petitioner would mean that additional capitalization should be determined on the principles different from those which have fallen for consideration while determining the tariff for the generating station in the original petition. The tariff for the period 2004-09 is a composite package which needs to be determined on the same principle. From the point of view of regulatory uniformity and continuity and also in line with the spirit of the interim order of the Hon'ble Supreme Court, we are of the view that the extension of the impact of the judgment of the Tribunal on the five issues should be deferred till the final disposal of the said Civil Appeals by the Hon'ble Supreme Court”

10. In Appeal Nos.151 & 152/2007 filed by the petitioner before the Tribunal challenging the orders of the Commission revising the tariff of the generating stations



(Rihand STPS and Ramagundam STPS) of the petitioner, after deduction of un-discharged liabilities, the Tribunal by its judgment dated 10.12.2008 allowed the said appeals as under:

“25. Accordingly, we allow both the appeals in part. We direct that the appellant be allowed to recover capital cost incurred including the portion of such cost which has been retained or has not yet been paid for. We also direct that in case the Commission attributes any loan taken at the corporate level to a particular project under construction and considers any repayment out of it before the date of commercial operation the sum deployed for such repayment would earn interest as pass through in tariff.”

26. The Commission is directed to give effect to the directions given herein in the truing up exercise and consequent subsequent tariff orders.”

11. Similar appeals, Appeal Nos.133/2008, 135/2008, 136/2008 and 148/2008 were also filed by the petitioner before the Tribunal in respect of other generating stations on the issue of disallowance of un-discharged liabilities and the Tribunal, in line with its earlier decision dated 10.12.2008, disposed of these appeals by a common judgment dated 16.3.2009. Against the above said judgments of the Tribunal dated 10.12.2008 and 16.3.2009, the Commission has filed Civil Appeals before the Hon'ble Supreme Court in C.A Nos. 4112-4113/2009 and C.A Nos. 6286 to 6288/2009 and the same are pending. Since, no stay of the operation of the judgment of the Tribunal dated 16.3.2009 was granted by the Hon'ble Supreme Court, the Commission in its order allowed the un-discharged liabilities, subject to truing up. The relevant portion of the order dated 15.6.2010 is extracted as under:

“16. The directions of the Appellate Tribunal pertain to additional capitalization for the tariff period 2004-09 which has come to an end on 31.3.2009 and the exercise for implementation of the directions have been undertaken after the expiry of the said tariff period. Accordingly, tariff of the generating station is revised after considering the additional capital expenditure, capitalization of un-discharged liabilities and IDC after truing up of the expenditure as on 31.3.2009. While truing up, the liabilities discharged, liabilities reversed on account of de-capitalization of assets during the tariff period have been accounted for”

12. Against the order dated 15.6.2010 (in Petition No. 126/2009), the petitioner filed Review petition No. 204/2010 on the question of 'non-consideration of normative transit loss for coal import', in terms of the judgment dated 13.6.2007 of the Tribunal in Appeal



No.10/2007, which was allowed by order dated 22.2.2011, as stated in paragraph 2 above.

13. Against the order of the Commission dated 15.6.2010, the petitioner also filed Appeal No.168/2010 (NTPC-v-CERC & ors) before the Tribunal on the following issues:

- (a) *Un-discharged liability*
- (b) *Equating depreciation to normative loan repayment*
- (c) *Cost of Maintenance Spares*
- (d) *Consequences of Refinancing of Loans*
- (e) *Impact of de-capitalization of assets on cumulative repayment of loan*
- (f) *Non consideration of normative transit loss for coal received through railway system*

14. The above appeal was allowed by the Tribunal by its judgment dated 31.5.2011 in line with its decision contained in the earlier judgment dated 13.6.2007 as under.

“21. Accordingly all these issues are answered in favour of the Appellant. The Central Commission is directed to implement the findings and directions on these issues in terms of this judgment as well as the other judgments rendered by this Tribunal. With these observations, this Appeal is allowed. However, there is no order as to costs”

15. In compliance with the observations of the Tribunal in Appeal No.168/2010, the tariff of the generating station is revised as under, after considering the issues raised by the petitioner in line with directions contained in the judgments of the Tribunal dated 13.6.2007 and 16.3.2009 respectively, subject to the final outcome of the Civil Appeals pending before the Hon'ble Supreme Court.

Un-discharged liabilities

16. The additional capital expenditure approved vide order dated 29.9.2008 and 15.6.2010 is revised after including the un-discharged liabilities disallowed earlier and removal of the un-discharged liabilities already discharged. The revised additional capital expenditure for the period 2004-09 is as stated overleaf:



	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Additional capital expenditure admitted in order dated 15.6.2010	737.66	46.12	354.97	128.19	124.64
Add: Un-discharged liabilities deducted earlier	164.90	1.04	0.00	0.00	43.45
Less: Discharge of liabilities allowed earlier	0.00	0.00	124.94	1.04	0.00
Less: Reversal of liabilities corresponding to "400 kV Switch yard extension works"	0.00	0.00	39.28	0.00	0.00
Additional capital expenditure allowed	902.56	47.16	190.75	127.15	168.08

Normative FERV for 2001-04

17. The normative FERV for the period 2001-04 was already considered in order dated 23.11.2006 in Petition No.120/2005, whereby an amount of ₹1207.27 was allowed as normative FERV for the period 2001-04. This FERV was allowed to be capitalized as on 1.4.2004 and was allocated in the debt-equity ratio of 50:50. Subsequently, the Commission vide its order dated 11.1.2010, revised the debt-equity ratio for allowing normative FERV for the period 2001-04 from 50:50 to 100:0. However, in Appeal No. 58 of 2010 filed by the petitioner against Commission's order dated 11.1.2010 in Petition No. 120/2005, the Tribunal vide its judgment dated 1.9.2010 directed the Commission to allow FERV for 2001-04 in the debt-equity ratio of 50:50, as against the debt-equity ratio of 100:0 considered in order dated 11.1.2010. Accordingly, in terms of the directions of the Tribunal, the normative FERV for the period 2001-04 approved vide order dated 23.11.2006 and 11.1.2010 is reallocated in the debt-equity ratio of 50:50.

Capital Cost

18. The capital cost approved vide order dated 15.6.2010 and 22.2.2011 is revised as shown below:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital cost	202704.41	203606.97	203654.13	203844.89	203972.03
Additional capital expenditure allowed	902.56	47.16	190.75	127.15	168.08
Closing Capital cost	203606.97	203654.13	203844.89	203972.03	204140.12
Average Capital cost	203155.69	203630.55	203749.51	203908.46	204056.08

Debt-Equity ratio

19. For the purpose of allowing additional capital expenditure for the period 2004-09, the debt-equity ratio remains the same as considered in orders dated 15.6.2010 and 22.2.2011. However, as stated in paragraph 17 above, the normative FERV for the period 2001-04 has been re-allocated in the debt-equity ratio of 50:50 as against the debt equity ratio of 100:0 considered in orders dated 11.1.2010, 15.6.2010 and 22.2.2011, pertaining to the generating station.

Return on Equity

20. Based on the above, the return on equity approved vide order dated 15.6.2011/22.2.2011 is revised as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Equity –Opening considered now	101352.21	101622.98	101637.12	101694.35	101732.49
Addition of Equity due to admitted additional capital expenditure	270.77	14.15	57.23	38.14	50.43
Equity-Closing	101622.98	101637.12	101694.35	101732.49	101782.92
Average equity	101487.59	101630.05	101665.74	101713.42	101757.71
Return on Equity @ 14%	14208.26	14228.21	14233.20	14239.88	14246.08

Interest on loan

21. Adjustment of repayment corresponding to de-capitalization of assets: In the original petitions filed by the petitioner for determination of tariff in respect of various generating stations for 2004-09, the petitioner had sought adjustment in cumulative repayment on account of de-capitalization of assets in such a manner that the net loan opening prior to de-cap does not undergo a change. The Tribunal in its judgment dated 13.6.2007 has decided as under:

“When asset is not in use it is only logical that the capital base for the purpose of tariff is also proportionately reduced. It follows therefore that the appellant will not earn any depreciation, return on equity and O&M charges. However, despite the de-capitalization, the appellant is required to pay interest on loan. Whereas 10% salvage value of the de-capitalized asset should be non-tariff revenue, the interest on loan has to be borne by the beneficiaries. If the salvage value is more than 10%, amount realized above 10% should be counted as additional revenue. If salvage value is less than 10%, it will be counted as loss in the revenue.

Therefore, in this view of the matter, the cumulative repayment of the loan proportionate to those assets de-capitalized required to be reduced. The CERC shall act accordingly”.

22. In the instant petition, the petitioner has claimed such adjustment applying the formula as under:

$$\text{Repayment to be adjusted} = \frac{\begin{array}{l} \text{Cumulative repayment at the beginning} \\ \times \\ \text{Gross value of de-capitalised asset} \\ \times \\ \text{Debt proportion corresponding to normative debt-} \\ \text{equity ratio for the respective period} \end{array}}{\text{Gross debt at the beginning of the year of de-} \\ \text{capitalisation}}$$

23. In terms of the above decision of the Tribunal, the cumulative repayment adjustment has been worked out proportionate to assets de-capitalized such that the net opening loan prior to de-capitalisation and after de-capitalisation do not change.

24. Interest on loan has been re-worked out as mentioned below:

- (a) Gross opening loan on normative basis as on 1.4.2004 as considered in order dated 15.6.2010 was ₹101955.84 lakh. However, on account of re-allocation of normative FERV for the period 2001-04 in the debt-equity ratio of 50:50, the gross opening loan on normative basis as on 1.4.2004 is revised to ₹101352.21 lakh.
- (b) Cumulative repayment of normative loan as on 1.4.2004 as considered in order dated 15.6.2010 was ₹93490.52 lakh. However, on account of cumulative repayment adjustment corresponding to asset de-capitalized (amounting to Rs.213.37 lakh) up to 31.3.2004 the cumulative repayment of normative loan as on 1.4.2004 is revised to ₹93383.84 lakh.
- (c) Accordingly, the net opening normative loan as on 1.4.2004 is revised to ₹7968.37 lakh.
- (d) The addition of notional loan on account of additional capital expenditure approved for the period 2004-09 is revised to ₹631.79 lakh, ₹33.01 lakh,

₹133.53 lakh, ₹89.00 lakh and ₹117.66 lakh for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, respectively.

(e) Weighted average rate of interest as considered in orders dated 15.6.2010 and 22.2.2011 has been retained for the purpose of revision of tariff.

(f) Normative repayment = Actual Repayment x Normative Loan

Actual Loan

(g) Cumulative repayment during 2004-09, has been adjusted on account of de-capitalized assets in proportion to debt-equity ratio adopted for allowing additional capital expenditure during the respective years.

25. Interest on loan has been re-computed as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Opening loan – considered now	101352.21	101984.00	102017.01	102150.54	102239.54
Cumulative Repayment of Loan upto previous year	93383.84	94747.34	96337.21	97928.23	99555.14
Net Loan Opening	7968.37	7236.66	5679.80	4222.31	2684.40
Addition of loan due to approved additional capital expenditure	631.79	33.01	133.53	89.00	117.66
Repayment of loan (Normative)	1390.96	1589.87	1603.25	1665.08	1630.41
Less: Adjustment for de-cap during the period	27.45	0.00	12.22	38.18	89.59
Repayment of loan during the year (net)	1363.50	1589.87	1591.02	1626.91	1540.82
Net Loan Closing	7236.66	5679.80	4222.31	2684.40	1261.25
Average Loan	7602.51	6458.23	4951.05	3453.35	1972.82
Weighted Average Rate of Interest on Loan	13.6180%	13.4105%	13.0959%	12.4823%	10.5388%
Interest on Loan	1035.31	866.08	648.38	431.06	207.91

Depreciation

26. The petitioner has adjusted ₹204.13 lakh as disincentive for depreciation in the cumulative depreciation recovered as on 1.4.2004. In this regard, the observations of the Tribunal in its judgment dated 13.6.2007 is as under:

“In a regulatory cost plus regime all costs have to be reimbursed. Depreciation amount up to 90% being a cost has to be allowed over the life of the plant. If due to underperformance in a particular year the appellant is not able to recover full depreciation allowed in that year and if this denial is forever, it will tantamount to a penalty. In a contract between the appellant and the beneficiaries, only levy of liquidated damages can be permitted. It will, therefore, be enough deterrent for the appellant if the depreciation is not allowed during the year of underperformance. However, the same cannot be denied forever and, therefore, it will be only fair to allow the unpaid portion of the depreciation after the plant has lived its designated useful life. In this view of the matter the CERC needs to examine this aspect as per the aforesaid.”

27. Based on above direction of the Tribunal as above, no adjustment has been made to the cumulative depreciation at this stage. The unrecovered depreciation would be allowed in tariff after the designated useful life of the generating station, as directed by the Tribunal. Depreciation has been calculated applying weighted average rate of depreciation of 3.6814%, as considered in order dated 15.6.2010/22.2.2011. The necessary calculations are as under.

	<i>(₹ in lakh)</i>				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening capital cost	202704.41	203606.97	203654.13	203844.89	203972.03
Closing capital cost	203606.97	203654.13	203844.89	203972.03	204140.12
Average capital cost	203155.69	203630.55	203749.51	203908.46	204056.08
Depreciable value @ 90%	180393.28	180820.66	180925.37	180996.67	181000.78
Cumulative depreciation at the beginning of the year	95947.72	103401.15	110897.59	118387.04	125853.15
Balance depreciable value (before depreciation for the period)	84445.56	77419.50	70027.79	62609.63	55147.63
Balance Useful life	17.55	16.55	15.55	14.55	13.55
Depreciation	7478.95	7496.43	7500.81	7506.66	7512.10
Cumulative depreciation adjustment on account of de-capitalization	25.52	0.00	11.36	40.56	101.54

Advance Against Depreciation

28. There is no change in the Advance Against Depreciation approved vide order dated 22.2.2011.

O&M expenses

29. O&M Expenses approved vide order dated 22.2.2011 remain unchanged.

Interest on Working capital

30. For the purpose of calculation of working capital, the operating parameters including the price of fuel components as considered in the order dated 22.2.2011 have been kept unchanged. The additional capital expenditure allowed after the date of commercial operation has been considered while arriving at the maintenance spares for the purpose of calculating interest on working capital. The “receivables” component of the working capital has been revised for the reason of revision of return on equity,

interest on loan, maintenance spares. The necessary details in support of calculation of interest on working capital are as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Coal stock- 1.1/2 months	7067.48	7067.48	7067.48	7086.84	7067.48
Oil stock -2 months	274.66	274.66	274.66	275.42	274.66
O & M expenses	728.00	757.40	787.50	819.00	851.90
Maintenance Spares	3123.61	3311.23	3511.80	3723.72	3948.79
Receivables	15395.29	15436.53	15466.47	15527.45	15535.63
Total Working Capital	26589.05	26847.31	27107.91	27432.43	27678.46
Rate of Interest	10.2500%	10.2500%	10.2500%	10.2500%	10.2500%
Total Interest on Working capital	2725.38	2751.85	2778.56	2811.82	2837.04

31. The revised annual fixed charges for the period from 1.4.2004 to 31.3.2009 are summarized as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	1035.31	866.08	648.38	431.06	207.91
Interest on Working Capital	2725.38	2751.85	2778.56	2811.82	2837.04
Depreciation	7478.95	7496.43	7500.81	7506.66	7512.10
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	14208.26	14228.21	14233.20	14239.88	14246.08
O & M Expenses	8736.00	9088.80	9450.00	9828.00	10222.80
Total	34183.90	34431.37	34610.96	34817.42	35025.93

32. The target availability of 80% considered by the Commission in the order dated 22.2.2011 remains unchanged. Similarly other parameters viz. specific fuel consumption Auxiliary Power consumption and Station Heat rate etc., considered in order dated 22.2.2011 have been retained for the purpose of calculation of the revised fixed charges.

33. The petitioner vide its letter dated 14.7.2011 has submitted that the Energy Charge Rate (ECR) of 108.50 paise/kWh as indicated in paragraph 15 of our order dated 22.2.2011, based on the revised price of coal of Rs 1044.94/MT (considering the overall coal transit loss of 0.4075% in terms of the directions of the Tribunal) and the GCV of coal as 2698.33 kCal/Kg (as considered in order dated 15.6.2010) is erroneous

and has prayed that the same may be corrected as 108.62 paise/Kwh considering the said price and GCV of coal.

34. On scrutiny, it is noticed that the Energy Charge Rate of 108.50 paise/kWh mentioned in paragraph 15 of our order dated 22.2.2011 is an inadvertent clerical error. This error is sought to be rectified by this order. Accordingly, the Energy Charge Rate based on the revised price of coal as Rs.1044.94/MT and the GCV of coal as 2698.33kCal/Kg is corrected as 108.62 paise/kWh, in paragraph 15 of our order dated 22.2.2011. The prayer of the petitioner is disposed of accordingly.

35. The revised annual fixed charges determined by this order are subject to the outcome of Civil Appeals as stated above, pending before the Hon'ble Supreme Court.

36. The petitioner shall claim the difference in respect of the tariff determined by order dated 22.2.2011 and the tariff determined by this order, from the beneficiaries in three equal monthly installments.

Sd/-
(M.DEENA DAYALAN)
MEMBER

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(S.JAYARAMAN)
MEMBER

Sd/-
(DR.PRAMOD DEO)
CHAIRPERSON

