

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 227/2009

Coram: Dr. Pramod Deo, Chairperson
Shri V.S Verma, Member
Shri M. Deena Dayalan, Member

Date of Order: 11.10.2012

IN THE MATTER OF

Approval of tariff of Vindhyachal STPS, Stage-I (1260 MW) for the period from 1.4.2009 to 31.3.2014.

AND

IN THE MATTER OF

Corrigendum to Order dated 12.9.2012 in Petition No. 227/2009

AND

IN THE MATTER OF

NTPC Ltd, New Delhi

...Petitioner

Vs

1. Madhya Pradesh Power Trading Co. Ltd, Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd, Mumbai
3. Gujarat Urja Vikas Nigam Ltd, Vadodara
4. Chhattisgarh State Power Distribution Co. Ltd, Raipur
5. Electricity Department, Government of Goa, Panaji
6. Electricity Department, Administration of Daman & Diu, Daman
7. Electricity Department, Administration of Dadra & Nagar Haveli, Silvassa

...Respondents

ORDER

The petitioner, NTPC had filed this petition for approval of tariff in respect of Vindhyachal STPS, Stage-I (1260 MW) for the period from 1.4.2009 to 31.3.2014 based

on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009. The Commission by its order dated 12.9.2012 determined the annual fixed charges of the generating station as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	387.42	403.85	420.43	557.50	707.71
Interest on loan	220.25	171.26	147.87	150.29	141.06
Return on equity	17288.76	17298.23	17306.90	17356.03	17398.12
Interest on working capital	5895.69	5970.27	6062.49	6139.13	6230.16
O&M expenses	22932.00	24242.40	25628.40	27102.60	28652.40
Cost of Secondary fuel oil	2132.38	2132.38	2138.23	2132.38	2132.38
Compensation Allowance	567.00	630.00	756.00	819.00	819.00
Total	49423.51	50848.40	52460.32	54256.93	56080.84

2. The interest on loan arrived at in the said order dated 12.9.2012, was based on the weighted average rate of interest on loan considered as under:

	2009-10	2010-11	2011-12	2012-13	2013-14
Weighted Average Rate of Interest on Loan	5.2195%	4.3750%	4.1233%	4.1917%	4.1845%

3. It has now come to notice that certain clerical/linkage errors had inadvertently crept in the calculation of weighted average rate of interest on loan as above and the same is required to be corrected by this order. We direct accordingly.

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. In exercise of the powers as above, the inadvertent clerical/linkage errors in the calculation of weighted average rate of interest on loan is corrected and the interest on loan for the period 2009-14 is computed as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Gross opening loan	74447.14	74603.34	74635.52	74775.52	75612.02
Cumulative repayment of loan up to previous year	70110.06	70500.75	70909.16	71329.59	71887.09
Net Loan Opening	4337.08	4102.59	3726.36	3445.92	3724.93
Addition due to Additional capitalization	156.20	32.17	140.00	836.50	0.00
Repayment of loan during the year	387.42	403.85	420.43	557.50	707.71
Less: Repayment adjustment on account of de-capitalization	0.00	0.00	0.00	0.00	0.00
Add: Repayment adjustment on discharges corresponding to un discharged liabilities deducted as on 1.4.2009	3.27	4.56	0.00	0.00	0.00
Net Repayment	390.69	408.41	420.43	557.50	707.71
Net Loan Closing	4102.59	3726.36	3445.92	3724.93	3017.22
Average Loan	4219.83	3914.47	3586.14	3585.43	3371.07
Weighted Average Rate of Interest on Loan	5.7380%	5.0199%	4.7912%	4.7240%	4.8893%
Interest on Loan	242.13	196.50	171.82	169.37	164.82

6. Consequently, the receivables as worked out in paragraph 49(c) of the order dated 12.9.2012 is revised as under:

	(in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Variable Charges- 2 months	18878.90	18878.90	18930.62	18878.90	18878.90
Fixed Charges-2 months	8240.97	8479.03	8747.46	9046.07	9350.85
Total	27119.87	27357.92	27678.08	27924.97	28229.74

7. Based on the above, the interest on working capital arrived at in paragraph 51 of the order dated 12.9.2012 is revised as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Cost of coal – 1.1/2 months	14159.17	14159.17	14197.96	14159.17	14159.17
Cost of secondary fuel oil–2 months	355.40	355.40	356.37	355.40	355.40
O&M expenses – 1 month	1911.00	2020.20	2135.70	2258.55	2387.70
Maintenance Spares	4586.40	4848.48	5125.68	5420.52	5730.48

Receivables – 2 months	27119.87	27357.92	27678.08	27924.97	28229.74
Total working capital	48131.84	48741.17	49493.80	50118.60	50862.49
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on working capital	5896.15	5970.79	6062.99	6139.53	6230.66

8. In view of the above, the annual fixed charges for 2009-14 approved vide order dated 12.9.2012 stands revised as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	387.42	403.85	420.43	557.50	707.71
Interest on loan	242.13	196.50	171.82	169.37	164.82
Return on equity	17288.76	17298.23	17306.90	17356.03	17398.12
Interest on working capital	5896.15	5970.79	6062.99	6139.53	6230.66
O&M expenses	22932.00	24242.40	25628.40	27102.60	28652.40
Cost of secondary fuel oil	2132.38	2132.38	2138.23	2132.38	2132.38
Compensation allowance	567.00	630.00	756.00	819.00	819.00
Total	49445.85	50874.17	52484.77	54276.42	56105.09

9. The petitioner shall claim the difference in respect of the tariff determined by order dated 12.9.2012 and the tariff determined by this order from the beneficiaries in six equal monthly installments.

10. Except the above, all other terms contained in our order dated 12.9.2012 remains unchanged.

Sd/-
[M. Deena Dayalan]
Member

Sd/-
[V. S. Verma]
Member

Sd/-
[Dr. Pramod Deo]
Chairperson