

**Central Electricity Regulatory Commission
New Delhi**

Review Petition No.5/2012

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

Date of hearing: **22.3.2012**

Date of order: **3.4.2012**

In the matter of

Review of order dated 16.1.2012 in Petition No.265/2010 regarding fixation of final tariff of Omkareshwar Hydroelectric Project (8 x 65 MW) for the period 20.8.2007 to 31.3.2009.

And in the matter of

NHDC Ltd, Bhopal

.....**Petitioner**

1. Madhya Pradesh Power Trading Company Ltd, Jabalpur
2. Narmada Valley Development Department, Bhopal

...**Respondents**

Parties Present:

1. Shri Anurag Seth, NHDC.
2. Shri Ashish Jain, NHDC.

ORDER

This petition has been filed by the petitioner, NHDC Ltd for review of order dated 16.1.2012 in Petition No.265/2010 pertaining to the fixation of final tariff of Omkareshwar Hydroelectric Project (8 x 65 MW) (hereinafter the generating station") for the period from 20.8.2007 to 31.3.2009. The grounds on which review of the said order was sought for in the review petition, is as under:

- (i) *Error in the calculation of depreciation;*
- (ii) *Non consideration of un-discharged liability of Rs 8.96 crore during the period from 1.4.2008 to 31.3.2009 in the capital cost;*

- (iii) *Error in the computation of Advance Against Depreciation;*
- (iv) *Error in the computation of Weighted Average Rate of Interest on loan;
and*
- (v) *Error in the computation of Maintenance spares for Working capital for
2008-09.*

2. During the hearing, the representative of the petitioner submitted that the review of order dated 16.1.2012 may be restricted to the grounds raised in sub-clauses (iv) and (v) of paragraph 1 above, since the Commission by its order dated 14.3.2012 had revised the tariff of the generating station after correction of the errors indicated in sub-clauses (i) to (iii) of paragraph 1 above. On the question of maintainability, the representative submitted that there is error apparent on the face of the order since the Commission in its order dated 16.1.2012 had considered the weighted average rate of interest on loan for 2008-09 as 9.38% without consideration of the time factor for which a particular loan was serviced. He also submitted that the methodology followed by the Commission in Petition No. 207/2010 (tariff of Indira Sagar HEP) be considered in the case for computation of the Weighted Average Rate of Interest on loan. The representative of the petitioner also submitted that the inadvertent error in the computation of maintenance spares for working capital be corrected by considering the impact of pro rata escalation of 6% p.a for 2008-09 in terms of Regulation 38(v)(a) of the 2004 Tariff Regulations and the order dated 16.1.2012 in Petition No. 265/2010 be revised accordingly.

3. Heard the representative of the petitioner, on admission. Review petition is admitted on the issue raised in sub para (iv) of paragraph 1 above. However, the inadvertent error in order dated 16.1.2012 pertaining to the computation of maintenance spares for working capital will be corrected as prayed for by the petitioner in terms of

Regulation 38(v)(a) of the 2004 Tariff Regulations and the tariff of the generating station will be revised on this count, at the time of disposal of the petition.

4. The petitioner is directed to serve copy of the application for review on the respondents, latest by 10.4.2012. The respondents are directed to file their replies on or before 17.4.2012 with advance copy to the petitioner, who may file its rejoinder, if any, by 24.4.2012.

5. Matter shall be listed for hearing on 3.5.2012.

Sd/-
[M.DEENA DAYALAN]
MEMBER

Sd/-
[V.S.VERMA]
MEMBER

Sd/-
[S.JAYARAMAN]
MEMBER

Sd/-
[DR. PRAMOD DEO]
CHAIRPERSON