

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Review Petition No. 20/2012

in

Petition No. 221/2009

Coram:

Dr. Pramod Deo, Chairperson

Shri S. Jayaraman, Member

Shri V. S. Verma, Member

Date of Hearing: 25.9.2012

Date of Order: 14.11.2012

IN THE MATTER OF

Review of order dated 29.5.2012 in Petition No. 221/2009 regarding determination of generation tariff for Feroze Gandhi Unchahar Thermal Power Station Stage-I for the period from 1.4.2009 to 31.3.2014.

AND

IN THE MATTER OF

NTPC Ltd

...Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited, Lucknow
2. Ajmer Vidyut Vitaran Nigam Ltd, Ajmer
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
5. Tata Power Delhi Distribution Ltd, Delhi
6. BSES-Rajdhani Power Ltd, New Delhi
7. BSES-Yamuna Power Ltd, Delhi
8. Punjab State Electricity Board, Patiala
9. Haryana Power Purchase Centre, Panchkula
10. Himachal Pradesh State Electricity Board, Shimla
11. Power Development Department, Government of J&K, Jammu
12. Engineering Department, Union Territory of Chandigarh, Chandigarh
13. Uttarakhand Power Corporation Ltd, Dehradun

.....Respondents

Parties Present:

1. Shri M. G. Ramachandran, Advocate, NTPC
2. Ms. Swapna Seshadri, Advocate, NTPC
3. Shri Rohit Chhabra, NTPC



4. Shri A. Basu Roy, NTPC
5. Shri C. K. Mondol, NTPC
6. Shri Ajay Dua, NTPC
7. Shri Shankar Saran, NTPC
8. Shri Sameer Aggarwal, NTPC
9. Shri. Sudesh K Jain, NTPC
10. Shri Rajiv Kumar, NTPC

ORDER

This application for review has been filed by NTPC, the petitioner herein, challenging the order of the Commission dated 29.5.2012 in Petition No.221/2009 pertaining to the determination of generation tariff in respect of Feroze Gandhi Unchahar Thermal Power Station Stage-I (hereinafter referred to as 'the generating station') for the period from 1.4.2009 to 31.3.2014. Aggrieved by the said order, the petitioner has sought review on following issues:

(i) Disallowance of capital expenditure on chlorine leak detection system and online monitoring of CO₂ in flue gas;

(ii) Adjustment of cumulative repayment of loan consequent to truing up of un-discharged liability as on 31.3.2009.

2. The petition was listed before us for admission. During the hearing, the learned counsel for the petitioner did not press for the issue relating to the disallowance of capital expenditure on chlorine leak detection system and online monitoring of CO₂ in flue gas as listed at clause (i) above. As regards the issue at clause (ii) above, the learned counsel for the petitioner submitted that the error apparent on the face of the order may be corrected and tariff of the generating station may accordingly be revised.

3. We have heard the learned counsel for the petitioner. After careful examination of the material on record and the submissions made on behalf of the petitioner, we



propose to dispose of the application at the admission stage for reasons recorded in succeeding paragraphs.

Adjustment of cumulative repayment of loan consequent to truing up of un-discharged liability as on 31.3.2009

4. As regards issue raised in sub para (ii) of Paragraph 1 above, in our order dated 29.5.2012 the cumulative repayment of loan considered for computation of interest on loan was as under:

“37 (b) Cumulative repayment as on 31.3.2009 works out to ₹46411.81 lakh as per order dated 30.9.2011 in Petition No.129/2009. The same has been considered as cumulative repayment as on 1.4.2009. However, after taking into account the proportionate adjustment (taking into account the liability and debt position as on 1.4.2004 along with additions during the period 2004-09) to the cumulative repayment on account of un-discharged liabilities deducted from the capital cost as on 1.4.2009, the cumulative repayment as on 1.4.2009 is revised as ₹46409.32 lakh.”

5. The petitioner has submitted that in order dated 30.9.2012, the cumulative repayment of loan as on 31.3.2009 is ₹46411.81 lakh and the same has been considered by the Commission as cumulative repayment as on 1.4.2009. It has also submitted that after making proportionate adjustment of loan due to reduction in capital cost on account of un discharged liabilities, the cumulative repayment of loan has been considered as ₹46409.32 lakh as on 1.4.2009, which is a decrease of ₹2.49 lakh. The petitioner has further submitted that based on the methodology of proportionate adjustment of loan repayment followed by the Commission in its various orders pertaining to the generating stations of the petitioner, the cumulative repayment of loan, after adjustment on account of un-discharged liability, as worked out in the petition, would be ₹46375.04 lakh. It has also submitted that while there has been reduction in the capital cost on account of un-discharged liabilities, there has been a

decrease in the cumulative repayment of loan. Thus, the petitioner has submitted that there is error apparent on the face of the record and has prayed that the adjusted cumulative repayment and corresponding interest on loan calculations be accordingly modified.

6. The matter has been examined. As regards the computation of repayment of loan, the total un-discharged liabilities as on 31.3.2009 are deducted from the approved capital cost as on 31.3.2009, in order to arrive at the capital cost for the purpose of tariff as on 1.4.2009. Also, depending upon the period to which the un-discharged liabilities belonged (whether prior to 1.4.2004 or for the period 2004-09), the gross loan as on 1.4.2009 is adjusted to the extent of 50% of un-discharged liability, if the un-discharged liability pertain to the period prior to 1.4.2004 and to the extent of 70% of un-discharged liability, if the un-discharged liabilities pertain to the period 2004-09. In the present case, the un-discharged liability of ₹59.60 lakh consisted of ₹13.21 lakh for the period prior to 1.4.2004 and ₹46.39 lakh for the period 2004-09. Accordingly, for corresponding adjustment in cumulative repayment, the position of cumulative repayment as on 1.4.2004, repayments added during the period 2004-09, gross loan as on 1.4.2004 and additions in loan during 2004-09 (all on net basis) have been considered. Accordingly, the reduction in cumulative repayment of loan as on 1.4.2009 due to removal of un-discharged liabilities belonging to the period prior to 2004 and for the period 2004-09 was worked out as ₹2.49 lakh. Based on this, the cumulative repayment of loan as on 1.4.2009 was revised to ₹46409.32 lakh. This methodology for calculating the cumulative repayment of loan has been adopted by the Commission in the orders pertaining to the determination of tariff of various generating stations of the petitioner for the period 2009-14. Similar claim of the

petitioner was considered in Review Petition No.12/2012 (in Petition No. 239/2009) pertaining to tariff of Anta GPS of the petitioner for 2009-14 and the Commission by its order dated 9.8.2012 had rejected the same by applying the above said methodology. In view of this, we do not find any error apparent on the face of the order and the prayer of the petitioner for adjustment of cumulative repayment and corresponding interest on loan calculations in order dated 29.5.2012 is rejected.

7. Accordingly, Review Petition No. 20/2012 stands disposed of in terms of the above.

Sd/-
[V. S. Verma]
Member

Sd/-
[S. Jayaraman]
Member

Sd/-
[Dr. Pramod Deo]
Chairperson

