

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 184/2009

**Coram: Dr. Pramod Deo, Chairperson
Shri S. Jayaraman, Member
Shri V.S Verma, Member**

Date of Order: 2.4.2013

IN THE MATTER OF

Approval of revised fixed charges for the period 2004-09, due to additional capital expenditure incurred during 2007-08 and 2008-09 for Talcher TTPS (460 MW).

AND

IN THE MATTER OF

Corrigendum to order dated 3.9.2012 in Petition No. 184/2009

AND

IN THE MATTER OF

NTPC Ltd, New Delhi

...Petitioner

Vs

Grid Corporation of Orissa, Bhubaneswar

...Respondents

CORRIGENDUM

This petition had been filed by the petitioner, NTPC, for approval of the revised fixed charges due to capital expenditure incurred during the year 2007-08 and 2008-09 in respect of Talcher TTPS (460 MW), based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 and the Commission by its order dated 3.9.2012 revised the annual fixed charges for the period from 1.4.2004 to 31.3.2009 as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	924.42	1053.64	894.57	933.16	870.09
Interest on working capital	917.89	941.29	957.85	1054.12	1149.71
Depreciation	3251.37	3398.76	3458.46	3596.88	3813.83
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	4983.44	5121.01	5176.73	5305.92	5508.40
O&M Expenses	8700.00	9029.00	9372.00	9728.00	10098.00
Total	18777.13	19543.71	19859.61	20618.08	21440.04

2. It has come to the notice of the Commission that certain inadvertent clerical errors had crept in order dated 3.9.2012 and the same is required to be corrected, in the interest of justice. Hence, in terms of Section 103 read with Section 111 of the CERC (Conduct of Business) Regulations, 1999, the inadvertent clerical errors in the order dated 3.9.2012 are corrected as stated below:

- (a) In Page 35, Serial No.10 of the table under paragraph 45 for the year 2007-08, against "Supply installation and commissioning of 240 kV 800 AH station battery (Sl.no.24) for ₹50.13 lakh the findings "Not allowed, since replacement of batteries is a routine feature which is covered under O&M expenses" is substituted as "Allowed in terms of Note-4 to Regulation 18 of the 2004 Tariff Regulations along with de-capitalization of gross value of old asset amounting to ₹5.24 lakh".
- (b) In Page 42, paragraph 60, 3rd row, the capitalization of expenditure for 2007-08 against "Efficient and successful operation of the generating station, but not included in original project cost [(18(2)(iv))] shall be substituted as "₹4776.07 lakh" instead of ₹4731.18 lakh.
- (c) In Page 43, last two rows of the table under paragraph 60, the "IDC deducted for 2007-08 shall be corrected as ₹20.47 lakh" instead of ₹19.52 lakh and the "Net additional capital expenditure allowed for the purpose of tariff for 2007-08 shall be corrected as ₹4789.99 lakh" instead of ₹ 4746.05 lakh.
- (d) In Page-43, 2nd row of the table under paragraph 62, the additional capital expenditure approved for 2007-08 shall be read as "₹4789.99 lakh" the Closing capital cost for 2007-08 and 2008-09 shall be read as "₹82347.74 lakh and ₹87243.78 lakh" respectively and the Average capital cost for 2007-08 and 2008-09 shall be read as "₹79952.74 lakh and ₹84795.76 lakh" respectively.
- (e) In Page-44, the table under paragraph 65, the additional notional equity for 2007-08 shall be substituted as "₹1437.00 lakh" instead of ₹1423.82 lakh.
- (f) In Page-45, clauses (c) and (d) of paragraph 69 regarding interest on loan shall be substituted as under:

"(c) Net opening loan on normative basis on 1.4.2004 is ₹14219.81 lakh

(d) There is addition of notional loan to the tune of ₹3712.46 lakh, ₹873.02 lakh, ₹984.24 lakh, ₹3352.99 lakh and ₹3427.23 lakh for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 respectively, on account of additional capital expenditure approved above, in addition to the change in additional capital expenditure approved for the period 2004-07."

(g) In Page-46, the table under paragraph 70, regarding Interest on loan computed for 2004-09 shall be substituted as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Opening Loan	34800.50	38512.96	39385.98	40370.22	43723.21
Cumulative Repayment of Loan upto previous year	20580.69	22736.20	25197.36	27486.76	29360.74
Net Loan Opening	14219.81	15776.76	14188.62	12883.46	14362.48
Net Loan Opening-Notional component	3103.25	944.10	485.85	173.55	30.60
Net Loan Opening-Normative	11116.56	14832.66	13702.77	12709.91	14331.88
Addition of loan due to additional capital expenditure	3712.46	873.02	984.24	3352.99	3427.23
Repayment of notional loan in line with Commission's order dated 4.3.2008	2159.15	458.25	312.30	142.95	30.60
Repayment of Normative loan based on actual loan	1114.79	2117.56	2117.19	2004.90	2693.27
Repayment of Loan (Total)	3273.94	2575.81	2429.49	2147.85	2723.87
Less: Adjustment for de-cap during the period	1118.43	114.64	140.09	273.87	226.22
Repayment of loan during the year (net)	2155.51	2461.16	2289.40	1873.98	2497.65
Net Loan Closing	15776.76	14188.62	12883.46	14362.48	15292.05
Average Loan	14998.28	14982.69	13536.04	13622.97	14827.26
Weighted Average Rate of Interest on Loan	6.9464%	7.8072%	7.2910%	7.3936%	6.2549%
Interest on Loan	1041.84	1169.72	986.91	1007.23	927.43

(h) In Page-46, table under paragraph 71, the Return on Equity allowed for 2007-09 shall be substituted as under:

	(₹ in lakh)	
	2007-08	2008-09
Equity-opening <i>vide</i> order dated 3.2.2009	37187.52	38624.52
Addition of Equity due to additional capital expenditure	1437.00	1468.81
Equity-closing	38624.52	40093.33
Average equity	37906.02	39358.93
Return on Equity @ 14%	5306.84	5510.25

(i) In Page-47, the calculations for Depreciation in the table under Paragraph 72 shall be substituted as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Opening capital cost	69601.00	74904.51	76151.68	77557.75	82347.74
Closing capital cost	74904.51	76151.68	77557.75	82347.74	87243.78
Average capital cost	72252.76	75528.10	76854.72	79952.74	84795.76
Depreciable value @90%	64112.18	67031.44	68203.14	70983.79	73978.31
Balance depreciable value	41040.71	41680.68	39560.48	39022.44	38679.40
Depreciation	3251.37	3398.76	3458.46	3597.87	3815.81

(j) In Page-48, the calculations for Interest on working capital in the table under paragraph 76, shall be substituted as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08		2008-09
				1.4.2007 to 30.9.2007	1.10.2007 to 31.3.2008	
Coal Stock – 1.1/2 months	1479.42	1479.42	1479.42	741.74	1011.31	2017.10
Oil Stock-2 months	305.71	305.71	305.71	153.28	165.51	330.11
O & M expenses	725.00	752.42	781.00	405.33	405.33	841.50
Spares	1037.15	1110.25	1190.56	654.73	654.73	1435.56
Receivables	5427.70	5555.24	5603.86	2866.88	3238.54	6603.29
Total Working Capital	8974.98	9203.04	9360.55	4821.95	5475.43	11227.56
Rate of Interest (%)	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
Interest on Working capital	919.94	943.31	959.46	494.25	561.23	1150.83

(k) In Page-49, the annual fixed charges allowed for the period 2004-09 in the table under paragraph 77 shall be substituted as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	1041.84	1169.72	986.91	1007.23	927.43
Interest on working capital	919.94	943.31	959.46	1055.48	1150.83
Depreciation	3251.37	3398.76	3458.46	3597.87	3815.81
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	4983.44	5121.01	5176.73	5306.84	5510.25
O&M Expenses	8700.00	9029.00	9372.00	9728.00	10098.00
Total	18896.59	19661.81	19953.56	20695.43	21502.32

3. Except the above, all other terms contained in the order dated 3.9.2012 remains unchanged.

Sd/-
[V.S. Verma]
Member

Sd/-
[S. Jayaraman]
Member

Sd/-
[Dr. Pramod Deo]
Chairperson