

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 198/GT/2013

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member
Shri A.K.Singhal, Member**

Date of Order: 30.12.2013

In the matter of

Corrigendum to orders dated 24.12.2012 and 20.11.2013 granting provisional tariff for Unit I and Units I & II (combined) of Vallur Thermal Power Project (3 x 500 MW) for the period 2013-14.

And

In the matter of

NTPC Tamil Nadu Energy Company Ltd, Chennai

...Petitioner

Vs

1. AP Transmission Corporation Ltd, Hyderabad
2. AP Central Power Distribution Company Ltd, Hyderabad
3. AP Eastern Power Distribution Company Ltd, Vishakhapatnam
4. AP Southern Power Distribution Company Ltd, Tirupathi
5. AP Northern Power Distribution Company Ltd, Warangal
6. Power Company of Karnataka Ltd, Bangalore
7. Bangalore Electricity Supply Company Ltd, Bangalore
8. Mangalore Electricity Supply Company Ltd, Mangalore
9. Chamundeshwari Electricity Supply Company Ltd, Mysore
10. Gulbarga Electricity Supply Company Ltd, Gulbarga
11. Hubli Electricity Supply Company Ltd, Hubli
12. Kerala State Electricity Board, Thiruvananthapuram
13. Tamil Nadu Generation & Distribution Corporation Ltd, Chennai
14. Electricity Department, Government of Puducherry, Puducherry

...Respondents

CORRIGENDUM

The petitioner, NTPC Tamil Nadu Energy Company Ltd has filed this petition for approval of tariff of Vallur Thermal Power Project, Stage-I (3x500 MW) ("the generating station") for the period from the anticipated date of commercial operation of Unit-I (31.8.2012) to



31.3.2014 in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations").

2. The Commission by order dated 24.12.2012 had granted provisional tariff for Unit-I of the generating station from 29.11.2012 to 31.3.2013. It also directed that the said provisional tariff was applicable till the date of commercial of Unit-II of the generating station. Since, Unit-II had achieved COD on 25.8.2013, the Commission granted provisional tariff by order dated 20.11.2013 as under:

(₹ in lakh)

	Unit-I	Unit-II
	1.4.2013 to 24.8.2013	25.8.2013 to 31.3.2014
Return on Equity	16753.78	25529.69
Interest on loan	27298.48	40465.79
Depreciation	17890.59	27261.98
Interest on Working Capital	3313.70	7813.41
O&M Expenses	3248.00	9744.00
Cost of secondary fuel oil	2014.63	4029.25
Total	70519.17	114844.13

3. It is noticed that in order dated 24.12.2012, Return on Equity (ROE) was grossed up considering the normal tax rate of 20.008% applicable for 2008-09 instead of grossing up of ROE based on MAT rate. Also, certain inadvertent clerical errors have been noticed in the order dated 20.1.2013 as regards the calculation of Interest on working capital and O&M expenses. These clerical/arithmetical errors are sought to be rectified in terms of Regulation 103A of the CERC (Conduct of Business) Regulations, 1999 as amended vide CERC (Conduct of Business) (Amendment) Regulations, 2013 on 12.11.2013.

4. Considering the MAT rate of 11.33% applicable for grossing up of ROE instead of the normal tax rate of 20.008% as per the 2009 Tariff Regulations, amended on 21.6.2011, the provisional annual fixed charges of ₹80246.46 lakh allowed for Unit-I of the generating station for the period from 29.11.2012 to 31.3.2013 in paragraph 16 of the order dated 24.12.2012 is corrected as under:

(₹ in lakh)

	Unit-1 (annualized)
Return on Equity	16754.21
Interest on Loan	27840.63
Depreciation	17890.59
Interest on Working Capital	6207.39
O & M Expenses	7680.00
Cost of Secondary fuel oil	2014.63
Total	78387.45

5. The provisional annual fixed charges allowed above is applicable *pro rata* to the number of days the unit has run during the period 2012-13 and till the date of commercial operation of Unit-II of the generating station.

6. In respect of Unit-II of the generating station, the table under para 23 of the order dated 20.11.2013 is substituted as under:

(₹ in lakh)

	Unit-I & II	
	2013-14 (annualized)	25.8.2013 to 31.3.2014 (pro rata)
Return on Equity	25530.36	15318.21
Interest on loan	39,784.55	24279.47
Depreciation	27261.98	16357.19
Interest on Working Capital	11548.08	6938.04
O&M Expenses	16240.00	9744.00
Cost of secondary fuel oil	4029.25	2417.55
Total	124394.22	75054.47

7. The provisional annual fixed charges allowed as above is subject to adjustment as per proviso to Clause (3) of Regulation 5 of the 2009 Tariff Regulations. Other terms of the orders dated 24.12.2012 and 20.11.2013 remains unchanged.

Sd/-
(A.K.Singhal)
Member

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S. Verma)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson