

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 16/RP/2014

in

Petition No.188/GT/2013

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Date of Hearing: 11.9.2014

Date of Order: 01.10.2014

In the matter of

Review of order dated 15.5.2014 in Petition No.188/GT/2013 revising the tariff of Singrauli Super Thermal Power Station (2000 MW) for the period from 1.4.2009 to 31.3.2014.

And in the matter of

NTPC Ltd.
NTPC Bhawan,
Core-7, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003

...Petitioner

Vs

1. Uttar Pradesh Power Corporation Ltd
Shakti Bhawan,
14, Ashok Road,
Lucknow – 226001

2. Jaipur Vidyut Vitran Nigam Ltd
Vidyut Bhawan, Janpath,
Jaipur – 302205

3. Ajmer Vidyut Vitran Nigam Ltd
Old Power House,
Hatthi Bhatta, Jaipur Road,
Ajmer – 305001

4. Jodhpur Vidyut Vitran Nigam Ltd
New Power House, Industrial Area,
Jodhpur – 342003

5. Tata Power Delhi Distribution Ltd
33 kV Sub-station, Kingsway Camp,
Delhi –110009



6. BSES Rajdhani Power Ltd
BSES Bhawan, Nehru Place,
New Delhi – 110019

7. BSES Yamuna Power Ltd
BSES Bhawan, Nehru Place,
New Delhi – 110 019

8. Haryana Power Purchase Centre,
Shakti Bhawan, Sector, 6
Panchkula – 134109

9. Punjab State Power Corporation Ltd
The Mall, Secretariat Complex,
Patiala – 147 001

10. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House,
Shimla-171004

11. Power Development Department,
Government of J&K,
Secretariat, Srinagar-19009

12. Power Department,
Union Territory of Chandigarh,
1st Floor, UT Secretariat, Sector 9D,
Chandigarh – 160009

13. Uttarakhand Power Corporation Ltd
Urja Bhawan, Kanwali Road,
Dehradun – 248001

....Respondents

Parties present:

Shri M.G. Ramachandran, NTPC
Ms. Poorva Saigal, Advocate, NTPC
Shri Shankar Saran, NTPC
Ms. Rakhi Dua, NTPC
Shri Manish Garg, UPPCL
Shri R.B. Sharma, Advocate, BRPL
Shri Sanjay Srivastav, BRPL

ORDER

This petition has been filed by the petitioner, NTPC Ltd for review of order dated 15.5.2014 in Petition No.188/GT/2013 whereby the Commission had revised the tariff of Singrauli Super Thermal Power Station, (2000 MW) ("the generating station") in terms of the proviso to Regulation 6(1) of the 2009 Tariff Regulations (the 2009 Tariff Regulations") for the period from 1.4.2009 to 31.3.2014.

2. Aggrieved by the said order, the petitioner has sought review on the ground of error apparent on the face of the order, raising the following issues:

(a) *Computation of de-capitalized value of spares as part of capital cost for 2011-12 as `464.75 lakh instead of `384.29 lakh, as claimed in tariff petition; and*

(b) *Disallowance of the rate of interest of 8.5% and 8.7481% for the loans from Life Insurance Corporation of India, as claimed by NTPC.*

3. The petition was heard on 24.7.2014 on 'admission' and the Commission by interim order dated 5.8.2014 while rejecting the prayer of the petitioner for review on the issue mentioned in para 2(b) above, admitted the review petition on the issue raised in para 2 (a) above.

4. Heard the learned counsel for the parties. Based on the submissions of the parties and the documents available on record, we proceed to consider the prayer of the petitioner in the subsequent paragraphs.

Computation of de-capitalized value of spares as part of capital cost for 2011-12 as `464.75 lakh instead of `384.29 lakh as claimed in tariff petition

5. The petitioner has submitted that in case of de-capitalization of spares, the petitioner has shown the de-capitalization in two categories, namely, (a) Spares which were part of capital cost and (b) Spares which were not part of capital cost considered for tariff purposes. The petitioner has submitted that it had claimed (-) `384.29 lakh on account of de-capitalization of spares which are part of capital cost under exclusion, but the Commission has wrongly by inadvertence considered the value of the de-capitalized spares as a part of the capital cost for the year 2011-12 to be (-) `464.75 lakh instead of the amount of (-) `384.29 lakh, as claimed by NTPC under exclusion in the tariff petition. In support of its contention, the petitioner has referred to the relevant extracts of the order as under:

"Exclusions

30. in the first instance, we consider the exclusions for the year 2009-10, 2010-11 and 2011-12 under different heads. The summary of exclusions claimed as per books of accounts is as under:

	2009-10	2010-11	2011-12
FERV	(-) 110.63	85.37	537.76
Inter-unit transfers	(-) 323.34	0.20	(-) 4.60
Capitalization of Capital Spares	5632.07	2839.21	1854.06
De-capitalization of Spares part of Capital Cost	(-) 178.58	(-) 196.34	(-) 464.75
De-capitalization of Spares not part of capital cost	(-) 634.34	(-) 411.8	(-) 384.29
Capitalization of MBOA	93.08	348.36	219.77
De-capitalization of MBOA	0.00	(-) 16.93	(-) 132.03
Capitalization of items not allowed by Commission	1812.71	975.51	1103.63
De-capitalization of Items not allowed by Commission	(-) 31.35	(-) 104.71	0.00
Items not claimed	1.56	2.19	0.24
Hospital items not claimed	2.28	37.32	2.91
Condemned assets	0.00	0.00	13.08
De-capitalization of Condemned assets	0.00	0.00	(-) 3.99
Liability Reversal	(-) 1.32	0.00	(-) 44.23

De-capitalization of spares part of capital cost

"35. The petitioner has de-capitalized capital spares amounting to (-) ` 178.58 lakh during 2009-10, (-) ` 196.34 lakh during 2010-11 and (-) ` 464.75 lakh during 2011-12 in books of accounts on these spares becoming unserviceable. It is observed from the submissions of the petitioner that these spares were part of the capital cost allowed in tariff and these spares on becoming unserviceable were taken out from the capital cost. Since, these expenses were part of capital cost, the exclusion sought for de-capitalization of these spares for (-) ` 178.58 lakh during 2009-10, (-) ` 196.34 lakh during 2010-11 and (-) ` 464.75 lakh during 2011-12 has not been allowed."

6. During the hearing, the learned counsel for the petitioner submitted that the value of de-capitalized spares which were part of capital cost and other spares which were not part of capital cost has been interchanged in the order and this typographical error needs to be corrected. The learned counsel for respondent, BRPL submitted that the Commission has considered the figures as per affidavit submitted by the petitioner. He however, stated that the error if any may be corrected after prudence check by the Commission. The representative of the respondent, UPPCL has submitted that the Commission may rectify the error as per the documents available on record.

7. The submissions have been considered. It is noticed that the petitioner had claimed an amount (-) ` 384.29 lakh as the value of the de-capitalized spares as part of the capital cost for the year 2011-12. However, it is noticed that in the order dated 15.5.2014, the said value has been interchanged with the value of de-capitalized spares not part of the capital cost i.e (-) ` 464.75 lakh for the year 2011-12, while considering the exclusions. This is an inadvertent error and the same is required to be rectified. Accordingly, the prayer of the petitioner for review of order on this ground is allowed. However, considering the fact that

truing-up petition have been filed by the petitioner for the period 2009-14 in respect of this generating station, in terms of Regulation 6(1) of the 2009 Tariff Regulations, we direct the rectification of the said error for the year 2011-12 at the time of truing-up of tariff and for revision of tariff of the generating station.

8. Review petition 16/RP/2014 is disposed of in terms of the above.

Sd/-
(A.S.Bakshi)
Member

Sd/-
(A.K.Singhal)
Member

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson