

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 282/GT/2014**

**Coram:**

**Shri A.S. Bakshi, Member**

**Dr. M. K. Iyer, Member**

**Date of Order : 26.10.2016**

**In the matter of**

Corrigendum to the order dated 24.8.2016 and in the matter of revision of tariff of Farakka Super Thermal Power Station Stage – III (1 X 500 MW) for the period from 4.4.2012 to 31.3.2014 after truing up of order dated 21.1.2014 in Petition No. 204/GT/2011

**And in the matter of**

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

**.....Petitioner**

**Vs**

1. West Bengal State Electricity Distribution Company Limited  
Vidyut Bhawan, Block-DJ,  
Sector-II, Salt Lake City  
Kolkata – 700 091

2. Bihar State Power Holding Company Limited  
(erstwhile Bihar State Electricity Board)  
Vidyut Bhawan, Bailey Road  
Patna – 800 001

3. Jharkhand State Electricity Board,  
Engineering Building,  
HEC, Dhurwa, Ranchi – 834004

4. GRIDCO Limited  
24, Janpath,  
Bhubaneswar – 751007

5. Damodar Valley Corporation  
DVC Towers, VIP Road  
Kolkata-700054

6. Power Department  
Govt. of Sikkim, Kazi Road,  
Gangtok, Sikkim-737101

**...Respondents**



## CORRIGENDUM

The Commission in order dated 24.8.2016 has revised the annual fixed charges of Farakka Super Thermal Power Station Stage-III (500 MW) ('the generating station') for the period from 4.4.2012 to 31.3.2014 after truing up in terms of clause (1) of Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, as under:

	<b>2012-13 (4.4.2012 to 31.3.2013)</b>	<b>2013-14</b>
Depreciation	10996.47	11775.82
Interest on loan	14292.64	14227.07
Return on Equity	14832.80	16199.04
Interest on Working Capital	5925.01	6055.54
O & M Expenses	7616.88	8120.00
Cost of Secondary fuel oil	1766.76	1766.76
<b>Total</b>	<b>55430.57</b>	<b>58144.23</b>

2. It is noticed that certain inadvertent clerical/arithmetical errors had crept in the order dated 24.8.2016, as regard of calculation for opening equity, cumulative depreciation, interest on working capital and 'cut-off' date of the generating station. These errors are required to be corrected and the order dated 24.8.2016 is to be revised. Accordingly in exercise of Power under Regulation 103A of CERC (Conduct of Business) (Amendment) Regulations, 2013 the clerical/arithmetical errors are corrected and order dated 24.8.2016 is rectified as given below:-

- (a) *In para 30, line no. 3, the 'cut-off date of the generating station in terms of the 2009 Tariff Regulations is 31.3.2014' shall be read as 'cut-off date of the generating station in terms of the 2009 Tariff Regulations is 31.3.2015';*
- (b) *In para 30, line no. 9, 'Considering the fact that the cut-off date of the generating station is 31.3.2014' shall be read as 'Considering the fact that the cut-off date of the generating station is 31.3.2015'.*
- (c) *In para 33, line no. 3, 'up to cut-off date of 31.3.2014' shall be read as 'up to cut-off date of 31.3.2014'.*



(d) Para 46

**Return on Equity**

	(₹ in lakh)	
	<b>2012-13</b>	<b>2013-14</b>
Notional Equity- Opening	63701.12	66761.25
Addition of Equity due to additional capital expenditure	3060.13	4548.41
Normative Equity-Closing	66761.25	71309.66
Average Normative Equity	65231.18	69035.45
Return on Equity (Base Rate) %	15.500	15.500
Tax Rate for the year (%)	32.445	33.990
Rate of Return on Equity (Pre Tax) (%)	22.944	23.481
<b>Return on Equity(Pre Tax) (Annualised)</b>	<b>14966.64</b>	<b>16210.22</b>

(e) Para 48

**Interest on loan**

	(₹ in lakh)	
	<b>2012-13</b>	<b>2013-14</b>
Gross opening loan	148635.94	155776.25
Cumulative repayment of loan upto previous year	0.00	10781.39
Net Loan Opening	148635.94	144994.85
Addition due to additional capital expenditure	7140.30	10612.96
Repayment of loan during the year	11000.49	11775.82
Adj. due to de-capitalisation during the year / period	219.09	113.86
Net Repayment	10781.39	11661.96
Net Loan Closing	144994.85	143945.86
Average Loan	146815.40	144470.36
Weighted Average Rate of Interest of loan	9.8157	9.8326
<b>Interest on Loan (Annualised)</b>	<b>14410.89</b>	<b>14205.13</b>

(f) Para 49

**Depreciation**

	(₹ in lakh)	
	<b>2012-13</b>	<b>2013-14</b>
Opening Capital Cost	212337.06	222537.50
Add: Additional Capital Expenditure	10200.44	15161.37
Closing Capital Cost	222537.50	237698.86
Average Capital Cost	217437.28	230118.18
Depreciable value @ 90%	195693.55	207106.36
Balance depreciable value	195693.55	196014.71
Rate of Depreciation (%)	5.1011	5.1173
<b>Depreciation (annualized)</b>	<b>11091.65</b>	<b>11775.82</b>
Cumulative depreciation at the end	11000.49	22776.31
Less: Cumulative Depreciation reduction due to de-capitalization	0.00	4.17
Cumulative depreciation (at the end of the period)	11000.49	22772.13



(g) Para 55

**Interest on Working capital**

	(₹ in lakh)	
	<b>2012-13</b>	<b>2013-14</b>
Cost of coal- 1-1/2 months	16280.84	16280.84
Oil stock-2 Months	294.46	294.46
O & M expenses- 1 Month	640.00	676.67
Maintenance Spares	1536.00	1624.00
Receivables- 2 months	25598.03	25969.52
Total Working Capital	44349.34	44845.50
Rate of Interest	13.50	13.50
<b>Interest on Working Capital (Annualised)</b>	5987.16	6054.14

(h) Para 57

**Annual Fixed Charges (Annualised)**

	(₹ in lakh)	
	<b>2012-13</b>	<b>2013-14</b>
Depreciation	11091.65	11775.82
Interest on Loan	14410.89	14205.13
Return on Equity	14966.64	16210.22
Interest on Working Capital	5987.16	6054.14
O&M Expenses	7680.00	8120.00
Secondary fuel oil cost	1766.76	1766.76
Compensation Allowance	0.00	0.00
<b>Total</b>	55903.11	58132.07

2. All other terms of the order dated 24.8.2016 remain unchanged.

**Sd/-**  
**(Dr. M.K.Iyer)**  
**Member**

**Sd/-**  
**(A. S. Bakshi)**  
**Member**

