

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 74/GT/2017

Coram:

**Shri P.K.Pujari, Chairperson
Shri M. K. Iyer, Member**

Date of Order: 11.6.2019

In the matter of:

Corrigendum to order dated 29.4.2019 in Petition No. 74/GT/2017

And in the matter of:

Approval of tariff of Muzaffarpur Thermal Power Station, Stage-II (2 x 195 MW) from COD of Unit-I (18.3.2017) to 31.3.2019.

And in the matter of:

Kanti Bijlee Utpadan Nigam Limited
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi – 110 003

.....Petitioner

Vs

1. Bihar State Power Holding Company Ltd.,
Vidyut Bhawan, Bailey Road,
Patna – 800 001
2. North Bihar Power Distribution Company Ltd.,
Vidyut Bhawan, Bailey Road
Patna 800 001
3. South Bihar Power Distribution Company Ltd.,
Vidyut Bhawan, Bailey Road
Patna 800 001



4. Jharkhand Bijlee Vitaran Nigam Ltd.,
Engineering Building, HEC Township,
Dhurwa, Ranchi – 834 004
5. GRIDCO Ltd.,
Janpath,
Bhubaneshwar – 751 022
6. West Bengal State Electricity Distribution Company Ltd.,
Vidyut Bhawan, Bidhannagar, Block DJ,
Sector-II, Salt Lake City,
Kolkata – 700 091
7. Power Department,
Govt. of Sikkim,
Kazi Road, Gangtok, Sikkim – 737 101
8. Damodar Valley Corporation (DVC),
DVC Towers, VIP Road,
Kolkata, West Bengal – 700 054

...**Respondents**

Corrigendum

The Commission vide order dated 29.4.2019 had approved the tariff of Muzaffarpur Thermal Power Station, Stage-II (2x195 MW) from COD of Unit-I (18.3.2017) to 31.3.2019. In the order, certain linking errors have crept in while allowing the Interest During Construction (IDC) as on COD of the respective units and in the calculation of interest on working capital. The same are corrected through this order. Accordingly, the capital cost and annual fixed charges allowed vide order dated 29.4.2019 are revised as discussed under:-

Interest During Construction (IDC)

2. Interest During Construction was allowed at para 55 of the order erroneously as ₹30177.17 lakh as on COD of Unit-I and ₹41063.90 lakh as on COD of Unit-II. After correction of the linking error, the same is being revised as ₹30359.54 lakh as on COD of Unit-I and ₹52470.20 lakh as on COD of Unit-II.



3. Owing to the revision in IDC allowed, the capital cost allowed for the period from 18.3.2017 till 31.3.2019 at para 71 shall be revised as under:-

	(₹ in lakh)			
	18.3.2017 to 31.3.2017	1.4.2017 to 30.6.2017	1.7.2017 to 31.3.2018	1.4.2018 to 31.3.2019
Opening capital Cost	183029.39	183355.69	300216.39	324134.55
Admitted additional capital expenditure	326.30	2675.30	23918.16	74528.28
Closing capital cost	183355.69	186030.99	324134.55	398662.83

4. The components of the Annual Fixed Charges shall be revised as below due to changed capital cost as discussed at para 3 above:-

Return on Equity

5. Return on Equity allowed at para 84 of the order shall be revised as under:-

	(₹ in lakh)			
	18.3.2017 to 31.3.2017	2017-18		2018-19
		1.4.2017 to 30.6.2017	1.7.2017 to 31.3.2018	
Gross Notional equity	54433.95	54531.00	87135.24	94077.28
Addition due to additional capitalisation	97.04	795.65	6942.04	21631.20
Closing Equity	54531.00	55326.65	94077.28	115708.48
Average Equity	54482.48	54928.82	90606.26	104892.88
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
Tax rate for the year	0.00%	0.00%	0.00%	0.00%
Rate of Return on Equity (Pre Tax)	15.50%	15.50%	15.50%	15.50%
Return on Equity (Pre Tax)	323.91	2122.66	10542.60	16258.40

Interest on Loan

6. Interest on Loan allowed at para 87 of the order shall be revised as under:-

	(₹ in lakh)			
	18.3.2017 to 31.3.2017	2017-18		2018-19
		1.4.2017 to 30.6.2017	1.7.2017 to 31.3.2018	
Gross Loan-Opening	128595.43	128824.69	213081.15	230057.27
Cum.Repayments upto Previous Period	0.00	326.91	2469.26	13632.50
Net Loan-Opening	128595.43	128497.77	210611.89	216424.76
Addition due to Drawl	229.26	1879.65	16976.12	52897.08



Repayment	326.91	2142.34	11163.25	17215.54
Net Loan-Closing	128497.77	128235.08	216424.76	252106.30
Average Loan	128546.60	128366.43	213518.33	234265.53
Rate of Interest	9.667%	9.667%	9.667%	9.667%
Interest on loan	476.66	3093.84	15495.01	22646.82

Depreciation

7. Depreciation allowed at para 89 of the order shall be revised as under:-

	18.3.2017 to 31.3.2017	2017-18		(₹ in lakh) 2018-19
		1.4.2017 to 30.6.2017	1.7.2017 to 31.3.2018	
Opening Gross Block	183029.39	183355.69	300216.39	324134.55
Additions during the period	326.30	2675.30	23918.16	74528.28
Closing Gross Block	183355.69	186030.99	324134.55	398662.83
Average Gross Block	183192.54	184693.34	312175.47	361398.69
Value of Freehold Land	17132.25	17132.25	17132.25	17132.25
Rate of Depreciation	4.6525%	4.6525%	4.7636%	4.7636%
Depreciable value	149454.26	150804.98	265538.90	309839.79
Balance useful life of the asset	0.00	0.00	0.00	0.00
Remaining Depreciable value	149454.26	150478.07	263069.64	296207.29
Depreciation	326.91	2142.34	11163.25	17215.54

Interest on working capital

8. In the order dated 29.4.2019, while calculating the interest on working capital, along with the individual values of cost of coal for stock and for generation as the components of the working capital, the total of the two components also got added erroneously to the working capital. Correcting the same, the revised Interest on working capital at para 110 of the order is as below:

	2016-17	2017-18		(₹ in lakh) 2018-19
	18.3.2017 to 31.3.2017	1.4.2017 to 30.6.2017	1.7.2017 to 31.3.2018	
O&M expenses	16.83	116.27	700.20	991.58
Maintenance spares	40.39	279.06	1680.48	2379.78
Cost of coal for stock (1 month)	90.65	601.75	3641.66	4815.15
Cost of coal for generation (1 month)	90.65	601.75	3641.66	4815.15
Cost of secondary fuel oil for 2	2.49	16.56	99.4	132.42



months				
Receivables (Variable Charges)	186.30	1240.12	7449.21	9923.22
Receivables (Fixed Charges)	235.72	1553.07	8132.80	12074.38
Total	663.02	4408.59	25345.41	35131.67
Rate of Interest	12.80%	12.80%	12.60%	12.60%
Interest on working capital	84.87	564.30	3193.52	4426.59

Fixed Charges

9. Fixed charges at para 111 are revised as below:

	(₹ in lakh)			2018-19
	2016-17 18.3.2017 to 31.3.2017	2017-18 1.4.2017 to 30.6.2017 1.7.2017 to 31.3.2018		
Return on Equity	323.91	2122.66	10542.60	16258.40
Interest on Loan	476.66	3093.84	15495.01	22646.82
Depreciation	326.91	2142.34	11163.25	17215.54
Interest on Working Capital	84.87	564.30	3193.52	4426.59
O&M Expenses	201.95	1395.29	8402.42	11898.90
Fixed Charges	1414.29	9318.43	48796.79	72446.25

10. All other terms of the order dated 29.4.2019 remain unchanged.

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

Sd/-
(P.K.Pujari)
Chairperson

