

CENTRAL ELECTRICITY REGULATORY COMMISSION
4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
Ph: 23753942 Fax-23753923

Ref: Petition No. 28/2011

Date: 28.9.2012

To,
Executive Director (Commercial),
NTPC Ltd,
Core-7, Scope Complex,
7, Institutional area, Lodhi Road,
New Delhi- 110003

Sir,

Subject: **Petition No. 28/2011**: Approval of tariff of Sipat Power Station, Stage I (3X660 MW) from 1.4.2011 to 31.3.2014.

With reference to the subject mentioned above, I am directed to request you to furnish the following information on affidavit, with advance copy to the respondents/beneficiaries, latest by **19.10.2012**:

- a) The revised tariff claim has been furnished considering the date of commercial operation (COD) of Unit-I as 1.10.2011 (actual), Unit-II as 1.5.2012 (anticipated) and Unit-III/ station as 1.10.2012 (anticipated). Subsequently, Unit-II & Unit-III has been declared under commercial operation on 25.5.2012 & 1.8.2012, respectively. Consequent upon declaration of COD, revision of tariff claim, considering the actual dates of commercial operation, if any, may be undertaken and submitted.
- b) As per audited financial statements as on 1.10.2011 [i.e. COD of Unit-I] the gross block corresponding to Stage-I is ₹390515.71 lakh. However, the capital cost before notional IDC and FERV charged to revenue, in Form-IA and Form-5B, has been considered as ₹378869 lakh and ₹369182 lakh. The reasons for considering this lower value, to be furnished.
- c) Since all the three units have been declared under commercial operation, the revised tariff claim, based on auditor certified capital cost as on respective COD's, may be furnished.
- d) Cost of initial spares capitalized as on actual COD of the respective units and the cost of initial spares proposed to be capitalized during 2012-13 and 2013-14, to be furnished.

- e) Details of implications on the project capital cost due to time overrun and also details of price escalation paid and increase in IEDC under different heads between schedule COD to actual COD of each unit, to be furnished.
- f) Details of increase in IDC and FC with detailed computations along with phasing of expenditure as per investment approval and actual, separately between scheduled COD to actual COD, to be submitted.
- g) Editable soft copy of the IDC calculations (with links) giving date of drawls and applicable interest rates for both domestic and Foreign component, to be furnished.
- h) Associated calculations to arrive at the value of FERV charged to revenue, considered as on respective COD, to be submitted.
- i) Details and calculations for FERV amounting to ₹1352 lakh, ₹232.57 lakh and ₹361.88 lakh as capitalized on 1.10.2011, 1.05.2012 and 1.10.2012, respectively, to be submitted.
- j) Repayment schedule with respect to both domestic as well as foreign loans considered for tariff calculation, to be submitted.
- k) In respect of foreign loans following additional details, to be furnished:
 - i) Date of drawl corresponding to each drawl.
 - ii) Exchange rates on each drawl dates, repayment dates, 31st March of every year and as on COD of each units.
 - iii) Applicable interest rates over the period of loan.
- l) Soft copy of ERV calculations with links.
- m) A year-wise statement of interest capitalization upto COD of respective units (as considered in petition), indicating the following:
 - i) Total interest for the period;
 - ii) Total interest capitalized to gross block as on CODs;
 - iii) Total interest lying in CWIP as on respective CODs; and
 - iv) Total interest charged to revenue during the period.
- n) A year-wise statement of ERV upto COD of each unit (as considered in petition), showing therein:
 - i) Total amount of FERV for the period;
 - ii) FERV transferred to P&L account, if any;
 - iii) Balance FERV capitalized to Gross Block, as on respective CODs; and
 - iv) Total FERV in CWIP, as on respective CODs.
- o) A certificate that there is no change in the interest rates over the period of loan upto COD of each units from that mentioned at Form-8. If not so, the details of interest rates with reset dates, to be given.
- p) Form-9A & 9B with complete details (liabilities, IDC, FERV etc.) as on COD's of each unit.
- q) Audited financial statements as on COD's of each unit.
- r) Details of the amount of un-discharged liabilities (asset-wise & party-wise) included in the capital cost as on COD of respective units. Also, the discharges of such liabilities, if any, during subsequent period, to be submitted.

- s) In Form-7 pertaining to KEXIM loan, it has been stated that “the interest is exclusive of withholding tax currently at 10% leviable on 25% of the interest on KEXIM loan & 21.012% leviable on 25% of the interest on KEXIM loan”. It appears that withholding tax is applicable only on 50% of loan at varying tax rates. Clarification for these variances with documentary evidence.
- t) Price and GCV of fuel (Coal & HFO) for preceding three months from the dated of actual COD, to be furnished.
- u) The revenue generated from the sale of infirm power (excluding fuel cost), to be furnished separately.
- v) Form-5-D to be completed in all respects.
- w) The actual capital cost should be compared with the bench mark cost as per specified by the Commission and any variation in capital cost, to be explained.
- x) Information in Form-7 or Form-8, in respect of Euro Bond-III, Bond XL-II and Bond XL-III series.
- y) Wherever any charges (by whatever name called) in addition to the normal rate of interest for the purpose of calculating IDC or interest post-construction has been considered, the loan-wise details of such charges along with documentary evidence, to be furnished.
- z) Some of the common assets pertaining to Stage-I & Stage-II which were funded out of loan allocated to Stage-I have been allowed to be capitalized at Stage-II. Accordingly, IDC corresponding to these assets have also been capitalized at Stage-II. The treatment of interest on corresponding loan subsequent to capitalization of such asset at Stage-II, along with details of such interest including reconciliation in totality, to be submitted.
- aa) If any asset has been capitalized at the Station by way of any inter-unit transfer from any other station, then details of such assets, to be provided as under:
 - i) Name of such assets;
 - ii) Original value of asset capitalized at transferring station;
 - iii) Year of put to use of such asset at transferring station;
 - iv) Year of receiving such asset at transferee station; and
 - v) Amount at which asset has been capitalized at transferee station;

28. Further action in this matter will be taken as per Regulation 87 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 on receipt of the above information/clarification.

Yours faithfully,

Sd/-

(B. Sreekumar)
Deputy Chief (Law)