

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

Ref: Docket No. 70/GT/2012

Date: 11.2.2013

To,

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

Sir,

Subject: **Docket No. 70/GT/2012**: Revision of tariff of Kahalgaon Super Thermal Power Station Stage II (1500 MW) from 1.4.2009 to 31.3.2014.

Ref: Additional Submissions *vide* affidavit dated 21.9.2012

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 **4.3.2013**:

- i) Year-wise statement of interest capitalization upto COD of respective units (as considered in petition) for the years 2009-10, 2010-11 & 2011-12, to be furnished, showing therein:
 - a) Total interest for the period;
 - b) Total interest capitalized to gross block as on respective COD's;
 - c) Total interest lying in CWIP as on respective COD's; and
 - d) Total interest charged to revenue during the period.
- ii) Year-wise statement of financing charges capitalization upto COD of respective units (as considered in petition) for the years 2009-10, 2010-11 & 2011-12, to be furnished, showing therein:
 - a) Total financing charges for the period;
 - b) Total financing charges capitalized to gross block as on respective COD's;
 - c) Total financing charges lying in CWIP as on respective COD's; and
 - d) Total financing charges charged to revenue during the period.
- iii) Year-wise statement of FERV capitalization upto COD of respective units (as considered in petition) for the years 2009-10, 2010-11 & 2011-12, to be furnished, showing therein:
 - a) Total FERV for the period;
 - b) Total FERV capitalized to gross block as on respective COD's;

- c) Total FERV lying in CWIP as on respective COD's; and
d) Total FERV charged to revenue during the period.
- iv) Documentary evidence in support of financing charges claimed as part of capital cost at Form-5B, to be submitted.
- v) Detailed working to arrive at the rate of interest corresponding to both the Eurobonds debt as considered at Form-13, to be furnished.
- vi) Copy of loan agreement corresponding to Vijaya Bank-IV.
- vii) Form – 9A & 9B with complete details (liabilities, IDC, FERV etc.) as on station COD & 1.4.2009 needs to be furnished.
- viii) As per annexure-IA amount of un-discharged liabilities existing as on 1.4.2009 & 1.4.2010 are ₹16807.54 lakh & ₹32641.97 lakh, respectively. In view of the fact that discharges/reversal for the year 2009-10 being 'nil' the liability addition for the year 2009-10 works out to ₹15834.43 lakh. However, at sl. no. B (b) of Form-9A liability addition has been shown to the gross block during 2009-10 as ₹23370.52 lakh. The difference needs to be explained/reconciled along with modification of the form, required if any.
- ix) At sl. no. B (b) of Form-9B for the year 2010-11 liability addition to CWIP during the year as (-) ₹171.29 lakh has been shown. This negative liability addition needs to be explained in detail. Further, if this negative value is any adjusted value then its break-up into positive value and negative value shall be provided.
- x) As per Form-9B submitted *vide* affidavit dated 9.6.2010 in Petition no. 282/2009, the amount of CWIP as on 1.4.2009 is ₹163856.73 lakh. However, as per Form-9B submitted *vide* affidavit dated 21.9.2012 the corresponding CWIP is ₹163934.71 lakh. The difference of ₹77.98 lakh shall be explained with detailed reasoning, if any.
- xi) Funding by debt as shown at Form-10 exceeds the sum of addition to CWIP (on cash basis) and discharges during the period. This shall be explained with reasons.
- xii) Amount of gross block as shown at sl. no. A (a) of Form-9A for the year 2009-10 does not match with the gross block as on 31.3.2009 as shown at Form-11. This difference needs to be reconciled/explained along with modification to the form, required if any.
- xiii) Amount of gross block, as on 31.3.2010, 31.3.2011 & 31.3.2012, as per Form-9A does not match with that as per Form- 11. Detailed reasons for the same, to be furnished.
- xiv) At Form-11 actual cash expenditure as on 19.3.2010 has been shown as ₹508174.03 lakh. However, as per audited statements this amount represents amount of gross block as on that date, which is inclusive of liabilities. Clarification for the same shall be furnished.
- xv) Based on the analysis of the information submitted in the present petition along with information submitted in petition no. 282/2009, the addition to gross block during the period 20.3.2010 to 31.3.2010 works out to ₹1515.62 lakh. However, the corresponding liability addition

works out to ₹7557.80 lakh. As such, the liability addition exceeds the addition to the gross block. Detailed reasons for the same shall be furnished.

Similarly, the liability corresponding to CWIP transferred to gross block (₹7557.80 lakh for the aforesaid period) exceeds the amount of CWIP transferred to gross block (₹2926.57 lakh). Detailed reasons for the same shall be furnished.

- xvi) Further, as mentioned above the gross block addition during the period 20.3.2010 to 31.3.2010 works out to ₹1515.62 lakh, as against the CWIP amount transferred to gross block for the said period amounting to ₹2926.57 lakh. This difference needs to be reconciled/clarified in detail.
- xvii) At sl. no. 5 of Form-11 stated as "Depreciation Rates as per CERC's Depreciation Rate", the depreciation rate of 33.33% corresponding to "Software" has been considered. The reference of this rate under the 2009 Tariff Regulations to be submitted.
- xviii) As per Form-14A, the cumulative capital expenditure as on 19.3.2010 works out to ₹510125 lakh. However, the actual cash expenditure corresponding to gross block and CWIP is ₹487197.78 lakh. Reconciliation for this difference, to furnished.
- xix) The statement showing flow of un-discharged liabilities as enclosed at Annexure-IA of the petition does not reflect liability addition, discharges and reversals during the year 2009-10 (i.e. for the period from 1.4.2009 to 19.3.2010 and from 20.3.2010 to 31.3.2010). Accordingly, this statement reflecting party-wise details may be furnished.
- xx) Reason for claiming package ERV under exclusions needs to be furnished.
- xxi) Following differences pertaining to the liability in the ACE needs to be rectified:

| <i>(₹ in lakh)</i> | | |
|--|-----------------------|---|
| Liability addition during the year / period | As per Form-9A | As per annexure-IB, furnished vide affidavit dt.21.09.2012 |
| 2009-10 (20.3.2010 to 31.3.2010) | 7557.80** | 109.14 |

** worked out value

- xxii) Following details in respect of inter-unit transfer of assets, to be submitted:
- Name of sending station in case of inter-unit inward & receiving station in case of inter-unit outward of assets;
 - Original value of gross block of such asset;
 - Name of such asset; and
 - Year of put to use of such asset for the first time by NTPC.
- xxiii) Gross block as on 31.3.2010 as per financial statement for the year 2009-10 does not match with the gross block as on 1.4.2010 as per

financial statement for the year 2010-11. Similarly, the gross block as on 31.3.2011 as per financial statement for the year 2010-11 does not match with the gross block as on 1.4.2011 as per financial statements for the year 2011-12. Reason for such differences shall be furnished in detail.

- xxiv) CWIP as on 31.3.2011 as per financial statements for the year 2010-11 does not match with the CWIP as on 1.4.2011 as per financial statements for the year 2011-12. The reason for such differences shall be furnished in detail.

2. 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)