

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 2/RP/2015
in
Petition No.17/GT/2013

Coram:
Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member

Date of Hearing: 05.03.2015
Date of Order: 18.03.2015

In the matter of

Review of Commission's order dated 4.12.2014 in Petition No.17/GT/2013 revising the tariff of National Capital Thermal Power Station Stage-II (2 X 490 MW) for the period from 31.1.2010 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 Corp. Ltd
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226001
2. Tata PowerDelhi Distribution Ltd.
33 kV Grid Substation, Hudson Road,
Kingsway Camp, Delhi – 110009
3. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place,
New Delhi – 110019
4. BSES Yamuna Power Ltd.
Shakti Kiran Building,
Karkardooma, Delhi – 110092

....Respondents

Parties present:

Shri Ajay Dua, NTPC
Shri Shyam Kumar, NTPC
Shri Vivek Kumar, NTPC
Shri Shankar Saran, NTPC

Order

This petition has been filed by the petitioner, NTPC for review of Commission's order dated 4.12.2014 in Petition No.17/GT/2013 whereby the tariff of National Capital Thermal Power Station Stage-II, Dadri (2 x 490 MW) ('the generating station') was revised for the period from 1.4.2009 to 31.3.2014 after truing-up exercise in terms of the proviso to Regulation 6(1) of the 2009 Tariff Regulations.

2. Aggrieved by the said order dated 4.12.2014, the petitioner has sought review on the ground of error apparent on the face of the order, raising the following issues:

- (i) *Allowing higher gross block (excluding IDC) of ₹4050.46 crore instead of ₹4035.27 crore (excluding IDC) claimed as on COD of Unit-II;*
- (ii) *Non-consideration of discharge of liabilities of ₹381.08 crore for the period from the COD of Unit-II (31.7.2010 to 31.3.2013) for computation of initial spares;*
- (iii) *Consideration of Income Tax rate at 32.4450% instead of 33.2175% for the period from 31.7.2010 to 31.3.2011 for computation of Return on Equity;*
- (iv) *Non-consideration of impact of reduction in repayment due to the de-capitalization of assets while calculating the cumulative repayment of normative loan.*

3. Heard the representative of the petitioner on 'admission'. During the hearing, the representative of the petitioner pointed out certain inadvertent errors in the order dated 4.12.2014 and submitted that the Commission has considered the value of the gross block (excluding IDC) of ₹4050.46 crore as capital cost as on COD of Unit-II, instead of the gross block of ₹4035 crore claimed by the petitioner. He also submitted that the Commission while computing the admitted capital cost amount of ₹4441.73 crore as on 31.3.2014 for calculation of initial spares, has not considered the discharge of liabilities of ₹381.08 crore from 31.7.2010 to 31.3.2013. The representative of the petitioner further submitted that though the Commission in its order has correctly considered the tax rate of 33.2175% from 1.4.2010 to 30.7.2010, it has considered the tax rate of 32.445% for 31.7.2010 to 31.3.2011. He also pointed out that the Return on Equity in Para 47 of the said order has been shown as 15.50% instead of 16.00% and the same needs to be

corrected. The representative of the petitioner added that the Commission in its order dated 4.12.2014 while calculating the cumulative repayment of normative loan upto previous years, has not considered the impact of reduction in repayment due to the de-capitalization of assets from the period 31.1.2010 to 31.3.2013. Accordingly, the representative of the petitioner prayed that the inadvertent errors in the order need to be rectified and tariff of the generating station may be revised.

4. We have examined the submissions of the petitioner and the documents available on record. It is noticed that certain clerical/ arithmetical errors have inadvertently crept in the order dated 4.12.2014, as detailed under:

- (i) In para 16 of the order, the capital cost as on COD of the Unit-II/station has been considered as ₹4050.46 crore (excluding IDC) instead of gross block of ₹4035.27 crore;
- (ii) In para 18 of the order, the computation of initial spares had been worked out and allowed @2.5% of the capital cost, on cash basis, without consideration of the liabilities discharged amounting to ₹381.08 crore;
- (iii) In the table under para 47 of the order, the tax rate of 32.4450% had been considered for the period from 31.7.2010 to 31.3.2011 instead of the tax rate of 33.2175% allowed for the previous year. Similarly, the base rate of Return on Equity of 15.50% has been considered, even though the rate of Return on Equity of 16.00% (inclusive of 0.5% for timely completion) had been considered in the calculations;
- (iv) In para 49 (b) of the order, while calculating the cumulative repayment of normative loans upto the previous years, the impact of reduction in repayment due to de-capitalization of assets during the period from 31.3.2010 to 31.3.2013 has not been considered.

5. In our view, the inadvertent clerical / arithmetical errors as mentioned above are required to be corrected and the petition should be disposed of at the admission stage. Accordingly, in terms of Regulation 103A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended on 12.11.2013, the prayer of the petitioner for review of order on the above issues is allowed. 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 that the impact due to rectification of the said errors may be considered at the time of revision of tariff of the generating station based on truing-up exercise for the period 2009-14.

6. Review Petition No. 2/RP/2015 is disposed of in terms of the above.

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

**-S/d-
(A.K.Singhal)
Member**

**-S/d-
(Gireesh B. Pradhan)
Chairperson**