

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 223/GT/2021

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 9th January, 2024

In the matter of

Corrigendum to the order dated 8.12.2023 in Petition No. 223/GT/2021.

AND

In the matter of

Petition for truing-up of tariff for the period 2014-19 and for determination of tariff for the period 2019-24 in respect of Teesta Low Dam-IV Power Station (160 MW)

And

In the matter of

NHPC Limited,
NHPC Office Complex,
Sector-33, Faridabad (Haryana)-121003

...Petitioner

Vs

West Bengal State Electricity Distribution Company Limited,
Vidhyut Bhawan (8th Floor) Block-DJ, Sector-II, Salt Lake,
Kolkata- 700091 (West Bengal)

...Respondent

CORRIGENDUM ORDER

The Commission vide its order dated 8.12.2023 in Petition No. 223/GT/2021 had trued up the tariff of Teesta Low Dam-IV Power station (160 MW) (in short 'the generating station') for the period 2014-19 and approved the tariff of the generating station for the period 2019-214. Accordingly, the tariff approved for the generating station for the period 2019-21 is as under:



	<i>(Rs. in lakh)</i>	
	2019-20	2020-21
Depreciation	8614.53	8629.41
Interest on loan	8570.60	7878.05
Return on Equity	10234.18	10257.71
Interest on Working capital	812.24	767.70
O&M Expenses	8113.53	8500.55
Additional O&M expenses	1063.10	1113.81
Total	37408.18	37147.12

2. It is observed that certain inadvertent clerical errors had crept in the said order dated 8.12.2023, while calculating total additional O&M expenses for the period 2019-21, as the Security expenses claimed by the Petitioner for the period 2019-21 was inadvertently not dealt with. Accordingly, in exercise of powers under Regulation 103A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, the relevant paragraphs of the order dated 8.12.2023 is modified, after considering the Security expenses, as stated in the subsequent paragraphs:

Operation & Maintenance Expenses

3. The additional O&M expenses claimed by the Petitioner in the table under paragraph 99 of the order dated 8.12.2023, is modified as under:

	<i>(Rs. in lakh)</i>	
	2019-20	2020-21
O&M Expenses calculated as per Regulation 35(2)(c) of the 2019 Tariff Regulations	8557.54	8965.73
Impact of Wage Revision excluding impact of CISF expenses.	1017.48	1066.01
Impact of GST	86.67	90.80
Total O&M Expenses	9661.68	10122.55
Security Expenses	1120.24	1173.68

Additional O&M Expenses

4. The additional O&M expenses claimed by the Petitioner in paragraph 102 of the order dated 8.12.2023, is corrected as under:



	<i>(Rs. in lakh)</i>	
	2019-20	2020-21
Impact of Wage Revision excluding impact of CISF expenses.	1017.48	1066.01
Impact of GST	86.67	90.80
Security Expenses	1120.24	1173.68

5. New paragraphs are added after paragraph 106 of the order dated 8.12.2023 as under:

Security Expenses

106A. Regulation 35(2)(c) of 2019 Tariff Regulations provides as under:

“(c) The Security Expenses and Capital Spares for hydro generating stations shall be allowed separately after prudence check: Provided further that the generating station shall submit the assessment of the security requirement and estimated expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.

106B. The estimated security expenses claimed by the Petitioner for the period 2019-21, based on security requirement of the generating station is as under:

<i>(Rs. in lakh)</i>	
2019-20	2020-21
1120.24	1173.68

106C. The Petitioner has claimed the Security expenses of Rs. 1120.24 lakh in 2019-20 based on security expenses during FY 2018-19 as per ‘Note no. 29 under other expenses of Balance sheet for 2018-19 for security expenses of 2018-19’ and has escalated the same at the rate of 4.77% for 2019-20 and 2020-21. Considering the security requirements of the generating station, we allow the projected security expenses as claimed by the Petitioner above, for the period 2019-21. The Petitioner is however, directed to submit the actual security expenses incurred, duly audited, at the time of truing up of tariff.

6. Accordingly, the O&M expenses allowed for the generating station in paragraph 107 of the order dated 8.12.2023 is modified as under:



(Rs. in lakh)

	2019-20	2020-21
Normative O&M expenses (a)	8113.53	8500.55
Impact of Wage Revision (b)	1017.48	1066.01
Impact of GST (c)	45.62	47.80
Security Expenses (d)	1120.24	1173.68
Total O&M Expenses allowed (a)+(b)+(c)+(d)	10296.87	10788.03

7. Accordingly, the tables under paragraphs 110, 111 and 112 of the order dated 8.12.2023 stands modified as under:

Receivables for Working Capital

8. The Receivable component of working capital has been worked out based on 45 days of fixed cost as under:

(Rs. in lakh)

2019-20	2020-21
4743.10	4730.37

Maintenance Spares for Working Capital

9. Maintenance spares @ 15% of O&M expenses are worked out and allowed as under:

(Rs. in lakh)

2019-20	2020-21
1544.53	1618.20

O&M Expenses for Working Capital

10. O&M expenses for 1 month for the purpose of working capital are as under:

(Rs. in lakh)

2019-20	2020-21
858.07	899.00

Rate of Interest on Working Capital

11. The table under paragraph 113 of the order dated 8.12.2023 with regard to Interest on working capital is modified as under:

(Rs. in lakh)

	2019-20	2020-21
Working capital for Maintenance Spares	1544.53	1618.20
Working capital for O&M expenses (one month)	858.07	899.00
Working capital for Receivables	4743.10	4730.37



Total Working capital	7145.71	7247.58
Rate of interest (%)	12.05%	11.25%
Interest on Working capital	861.06	815.35

12. The table under paragraph 114 of the order dated 8.12.2023 with regard to the annual fixed charges allowed for the period 2019-21 is modified as under:

	<i>(Rs. in lakh)</i>	
	2019-20	2020-21
Depreciation	8614.53	8629.41
Interest on loan	8570.60	7878.05
Return on Equity	10234.18	10257.71
Interest on Working capital	861.06	815.35
O&M Expenses	8113.53	8500.55
Additional O&M expenses (<i>including security expenses</i>)	2183.34	2287.49
Total	38577.24	38368.55

13. The annual fixed charges allowed as above, are subject to truing-up, in terms of Regulation 13 of the 2019 Tariff Regulations

14. Except for the above, all other terms of the order dated 8.12.2023 remain unchanged.

Sd/-
(Pravas Kumar Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member

