

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 256/GT/2020

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 17th March, 2025

In the matter of:

Corrigendum to order dated 2.12.2024 in Petition No. 256/GT/2020

In the matter of:

Petition for revision of tariff of Talcher Thermal Power Station (460 MW) for the period 2014-19, after the truing up exercise.

And

In the matter of:

NTPC Ltd.
NTPC Bhawan,
Core-7, Institutional Area, Lodhi Road,
New Delhi-110003

.... Petitioner

Vs

GRIDCO Limited
24, Janpath, Bhubaneswar – 751007

.....Respondent

CORRIGENDUM ORDER

The Commission by order dated 2.12.2024 in Petition No. 256/GT/2020 had trued up the tariff of Talcher Thermal Power Station (460 MW) for the period 2014-19 as follows:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4547.97	4973.96	5427.98	5746.45	5879.52
Interest on Loan	277.20	96.38	10.69	0.00	0.00
Return on Equity	8717.25	8918.02	9028.97	9076.69	9105.58
Interest on Working Capital	2820.81	2903.21	3032.06	3140.85	3235.05
O&M Expenses	20772.03	21887.72	23136.21	24643.89	26150.01



	2014-15	2015-16	2016-17	2017-18	2018-19
Total annual fixed charges approved	37135.25	38779.28	40635.91	42607.87	44370.16

2. It is, however, noticed that certain inadvertent typographical/arithmetical errors (linkage errors) have crept into our order dated 2.12.2024 while considering the values of interest on the loan. Also, while considering the discharge of liabilities for the year 2015-16, an amount of Rs. 2.95 lakhs towards Ammonia Based Flue Gas Conditioning System was inadvertently left out. Therefore, in terms of Regulation 54 of the CERC (Conduct of Business), Regulations 2023, these inadvertent clerical/arithmetical errors have been rectified, as stated in the subsequent paragraphs.

3. Accordingly, the table under paragraph 90 (Discharge of liabilities) of the order dated 2.12.2024 stands modified as under:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
187.74	120.79	179.13	243.91	43.98

4. Also, the table under paragraph 91 of the order stands modified as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Un-discharged liabilities as on 1.4.2014 (A)	222.87	278.31	465.34	537.27	373.53
Additions during the period 2014-19 (corresponding to allowed additional capital expenditure) (B)	243.18	307.82	251.24	80.53	72.70
Discharges during the period 2014-19 (corresponding to allowed additional capital expenditure) (C)	187.74	120.79	179.13	243.91	43.98
Reversal of Liabilities out of liabilities added during the period 2014-19 (corresponding to allowed additional capital expenditure) (D)	0.00	0.00	0.17	0.36	0.00
Closing Un-discharged liabilities (E) = (A+B-C-D)	278.31	465.34	537.27	373.53	402.25



5. The table under paragraph 92 (additional capital expenditure allowed) of the order stands modified as under:

(Rs. in lakh)

Sl. No	Head of Work /Equipment	Additional capital expenditure allowed				
		2014-15	2015-16	2016-17	2017-18	2018-19
	Allowed/Claimed Works					
1	Switchyard R&M balance payment.	0.00	1.30	0.00	0.00	0.00
2	Replacement of all Extraction NRVs, CRH NRVs & Gland steam change over valves with Servo motors (stage-II)	396.09	0.00	0.00	0.00	0.00
3	Raising /construction of contingency ash dyke at lagoon 1.	165.40	0.00	55.34	0.00	0.00
4	Mine Void filling through Ash Works	1547.82	691.30	479.55	38.47	0.00
5	AWRS works	9.71	129.65	0.47	38.48	0.00
6	ESP Augmentation & augmentation (2 x 110 MW)	298.67	1619.86	1326.36	287.34	0.00
7	AFGC (Ammonia flue gas conditioning system) for Stage-I	194.53	24.69	0.00	0.00	0.00
8	Procurement & installation of 4th AAQMS Station	55.48	0.44	0.00	9.22	0.00
9	Real Time Data Acquisition System as per SPCB Requirement	22.36	5.47	(-)0.17	0.00	0.00
10	Augmentation of Firefighting system.	0.00	42.42	0.00	0.00	126.95
11	Retrofitting of boiler lifts	0.00	52.65	0.00	62.10	0.00
12	5km scheme	0.00	0.00	0.00	0.00	0.00
	Subtotal	2690.07	2567.78	1861.54	435.61	126.95
	New Claims					
1	Continuous Emission Monitoring System (CEMS) & Emission Quality Monitoring Station (EQMS)	0.00	253.55	0.00	0.00	0.00
2	Replacement of CFL/HPSV with energy efficient LED lighting.	0.00	0.00	0.00	0.00	0.00
3	Spare Rotor assembly for 60 MW steam turbine for Stage-I.	0.00	0.00	0.00	0.00	0.00
4	Design, Supply, Erection and Commissioning of Grid connected Roof Top Solar PV Panels at Talcher Thermal.	0.00	0.00	0.00	0.00	0.00
5	CW chemical treatment stage-I	0.00	0.00	0.00	0.00	0.00



6	Construction of transformer oil collection pit.	0.00	0.00	0.00	0.00	0.00
7	Stage II PA fan lube oil system U-6.	0.00	0.00	0.00	0.00	0.00
8	Bio-methanation plant for generation of bio-gas fuel at plant canteen.	0.00	0.00	0.00	0.00	0.00
9	Anti-corrosion /energy efficient improvement coating of CW pumps in offsite area.	0.00	0.00	0.00	0.00	0.00
10	RCC foundation in railway track for stand by motion -weigh bridge and toe wall.	0.00	0.00	0.00	0.00	0.00
11	Capitalisation of MBOA items	51.61	209.87	134.30	119.38	88.56
	Subtotal	51.61	463.43	134.30	119.38	88.56
	De-capitalization					
1	Decapitalisation against ESP R&M	0.00	(-)79.48	0.00	(-)41.01	0.00
2	De-capitalisation-Residential quarters.	0.00	0.00	0.00	(-)149.88	0.00
3	De-capitalisation of Vehicles	0.00	0.00	0.00	(-)2.76	0.00
4	Decapitalisation of Spares: Part of capital cost	(-)20.37	(-)325.55	(-)121.32	(-)91.02	(-)232.03
5	Decapitalisation of MBOA part of capital cost	(-)4.69	0.00	(-)46.20	(-)0.24	(-)42.68
	Total Decapitalisation	(-)25.06	(-)405.03	(-)167.52	(-)284.92	(-)274.71
	Discharge of admitted Liabilities	187.74	120.79	179.13	243.91	43.98
	Exclusions not allowed	-	-	(-)388.85	-	-
	Total Additional capital expenditure allowed	2904.35	2746.97	1618.62	513.98	(-)15.22

6. The table under paragraph 93 (capital cost allowed) of the said order stands modified, as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost	100389.87	103294.22	106041.19	107659.81	108173.79
Add: Additional capital expenditure	2904.35	2746.97	1618.62	513.98	-15.22
Closing capital cost	103294.22	106041.19	107659.81	108173.79	108158.57
Average capital cost	101842.05	104667.71	106850.50	107916.80	108166.18

Debt-Equity Ratio

7. Further, the table under paragraph 95 of the order stands modified, as under :



(Rs. in lakh)

Funding	Capital cost as on 1.4.2014		Additional Capital Expenditure		Decapitalization				As on 31.3.2019	
	Amount (in Rs Lakh)	(%)	Amount (in Rs Lakh)	(%)	Amount (in Rs Lakh)	(%)	Amount (in Rs Lakh)	(%)	Amount (in Rs Lakh)	(%)
Debt	56370.16	56.15%	6520.35	70.00%	61.90	70.00%	728.83	50.00%	62099.78	57.42%
Equity	44019.71	43.85%	2794.43	30.00%	26.53	30.00%	728.83	50.00%	46058.79	42.58%
Total	100389.87	100.00%	9314.78	100.00%	88.42	100.00%	1457.66	100.00%	108158.57	100.00%

Return on Equity

8. The table under paragraph 98 of the order stands modified as under :

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Notional Equity- Opening	44019.71	44886.43	45629.71	46013.47	46114.08
Add: Addition of Equity due to additional capital expenditure	866.72	743.27	383.76	100.61	-55.29
Normative Equity – Closing	44886.43	45629.71	46013.47	46114.08	46058.79
Average Normative Equity	44453.07	45258.07	45821.59	46063.77	46086.43
Return on Equity (Base Rate)	15.500%	15.500%	15.500%	15.500%	15.500%
Effective Tax Rate for respective years	20.961%	21.342%	21.342%	21.342%	21.549%
Rate of Return on Equity (Pre-tax)	19.610%	19.705%	19.705%	19.705%	19.758%
Return on Equity (Pre-tax) - (annualised)	8717.25	8918.10	9029.14	9076.87	9105.76

Interest on loan

9. The table under paragraph 101 of the order stands modified as under:

(Rs. in lakh)

		2014-15	2015-16	2016-17	2017-18	2018-19
A	Gross opening loan	56370.16	58407.79	60411.47	61646.33	62059.71
B	Cumulative repayment of loan upto previous year	50857.83	55391.62	60082.27	61646.33	62059.71
C	Net Loan Opening (A-B)	5512.33	3016.17	329.20	0.00	0.00
D	Addition due to additional capital expenditure	2037.63	2003.68	1234.86	413.38	40.07
E	Repayment of loan during the year	4547.97	4974.18	1878.24	588.16	224.75
F	Repayment adjustment on account of de-capitalisation	15.28	283.53	315.26	174.78	184.99
G	Repayment adjustment on account of discharges /reversals corresponding to	1.10	0.00	1.08	0.00	0.31



		2014-15	2015-16	2016-17	2017-18	2018-19
	un-discharged liabilities deducted as on 1.4.2009					
H	Net Repayment of loan during the year (E-F+G)	4533.79	4690.65	1564.06	413.38	40.07
I	Net Loan Closing (C+D-H)	3016.17	329.20	0.00	0.00	0.00
J	Average Loan [(C+I)/2]	4264.25	1672.69	164.60	0.00	0.00
K	WAROI	6.500%	6.391%	6.533%	6.581%	6.776%
L	Interest on Loan (J x K)	277.20	106.90	10.75	0.00	0.00

Depreciation

10. The table under paragraph 103 of the order stands modified as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Average Capital cost	101842.05	104667.71	106850.50	107916.80	108166.18
Free hold land	2327.67	2327.67	2327.67	2327.67	2327.67
Balance useful life at the beginning of the year	7	6	5	4	3
Depreciable value @90%	89562.94	92106.03	94070.55	95030.21	95254.66
Balance depreciable value	31835.78	29845.08	27142.36	22987.74	17640.03
Depreciation during the year	4547.97	4974.18	5428.47	5746.94	5880.01
Cumulative depreciation at the end of the year, before adjustment of de-capitalisation adjustment	62275.1	67235.13	72356.66	77789.41	83494.64
Less: Cumulative depreciation adjustment on account of de-capitalisation	15.28	306.94	315.26	174.78	184.99
Add: Cumulative Depreciation adjustment on a/c of un-discharged liabilities deducted as on 1.4.2009	1.10	0.00	1.08	0.00	0.31
Cumulative depreciation, at the end of the year	62260.95	66928.19	72042.47	77614.63	83309.95

Working Capital for Receivables

11. The table under paragraph 166 of the order stands modified as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Variable Charges - for two months (A)	5047.89	5061.72	5047.89	5047.89	5047.89
Fixed Charges - for two months (B)	6189.21	6471.05	7084.27	7462.92	7733.96
Total (C = A+B)	11237.10	11532.77	12132.15	12510.81	12781.85



12. The table under paragraph 170 (Interest on working capital) of the order stands modified as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Working capital for Cost of Coal towards Stock (15 days generation corresponding to NAPAF) (A)	1207.78	1207.78	1207.78	1207.78	1207.78
Working capital for Cost of Coal towards Generation (30 days generation corresponding to NAPAF) (B)	2415.56	2415.56	2415.56	2415.56	2415.56
Working capital for Cost of Secondary fuel oil (2 months generation corresponding to NAPAF) (C)	149.06	149.47	149.06	149.06	149.06
Working capital for Maintenance Spares (20% of O&M expenses) (D)	4154.41	4377.54	4627.24	4928.78	5230.00
Working capital for Receivables (2 months of sale of electricity at NAPAF) (E)	11237.10	11532.77	12132.15	12510.81	12781.85
Working capital for O&M expenses (1 month of O&M expenses) (F)	1731.00	1823.98	1928.02	2053.66	2179.17
Total Working Capital (G = A+B+C+D+E+F)	20894.89	21507.08	22459.80	23265.63	23963.41
Rate of Interest (H)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital (I = G x H)	2820.81	2903.46	3032.07	3140.86	3235.06

Annual Fixed Charges

13. The table under paragraph 172 of the order dated 2.12.2024 stands modified, as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4547.97	4974.18	5428.47	5746.94	5880.01
Interest on Loan	277.20	106.90	10.75	0.00	0.00
Return on Equity	8717.25	8918.10	9029.14	9076.87	9105.76
Interest on Working Capital	2820.81	2903.46	3032.07	3140.86	3235.06
O&M Expenses	20772.03	21887.72	23136.21	24643.89	26150.01
Total	37135.25	38790.35	40636.65	42608.55	44370.84

Summary

14. The table under paragraph 173 of the order dated 2.12.2024 stands modified as under:



(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Fixed Charges	37135.25	38790.35	40636.65	42608.55	44370.84
Impact of Pay revision (as allowed in Para132 above)	0.00	35.95	1840.83	2149.13	2013.57
Ash Transportation expenditure (as allowed in Para 138 of the original order)	0.00	0.00	28.11	19.86	19.36
5 km scheme (as allowed in Para 54 of the original order)	0.00	55.99	0.00	0.00	0.00

15. Except for the above, all other terms in the order dated 2.12.2024 remain unaltered.

**Sd/-
(Harish Dudani)
Member**

**Sd/-
(Ramesh Babu V)
Member**

**Sd/-
(Jishnu Barua)
Chairperson**

