

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 234/GT/2020**

**Coram:**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri Pravas Kumar Singh, Member**

**Date of Order: 1<sup>st</sup> September, 2023**

**IN THE MATTER OF:**

Corrigendum to the order dated 15.6.2023 in Petition No. 234/GT/2020.

**AND**

**IN THE MATTER OF**

Petition for truing-up of tariff of Rajiv Gandhi CCPP, Kayamkulam (359.58 MW) for the period 2014-19.

**IN THE MATTER OF**

NTPC Limited

NTPC Bhawan, Core-7, Institutional Area,

Lodhi Road, New Delhi-110003

... **Petitioner**

**Vs**

Kerala State Electricity Board Limited,

Vaidyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695004

...**Respondent**

**ORDER**

The Commission vide its order dated 15.6.2023 in Petition No. 234/GT/2020 had trued-up the tariff of Rajiv Gandhi CCPP, Kayamkulam (359.58 MW) (“the generating station”) for the period 2014-19.

2. It is however noticed that certain inadvertent arithmetical errors (linkage errors) have crept in our order dated 15.6.2023, while considering the values for capital spares and its impact thereof. The capital spares already included in the capital cost, were erroneously considered while allowing capital spares on consumption basis.



Therefore, in terms of the Regulation 111 read with Regulation 103A of the CERC (Conduct of Business) Regulations 1999, these inadvertent errors are being rectified, as stated in the subsequent paragraphs.

### **Capital Spares**

3. Accordingly, the table under paragraph 63 of the order stands modified, as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Total capital spares consumed claimed	161.64	787.31	48.14	13.03	35.10
Total capital spares consumed (not part of capital cost)	161.64	787.31	45.36	9.03	35.10
Less: Value of capital spares below Rs.1.00 lakh disallowed on individual basis	14.15	7.87	2.09	1.08	1.50
<b>Net total value of capital spares considered</b>	<b>147.49</b>	<b>779.44</b>	<b>43.27</b>	<b>7.96</b>	<b>33.60</b>

4. Also, the table under paragraph 64 of the order stands modified, as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Net total value of capital spares considered	147.49	779.44	43.27	7.96	33.60
Less: Salvage value @ 10%	14.75	77.94	4.33	0.80	3.36
<b>Net capital spares allowed</b>	<b>132.74</b>	<b>701.50</b>	<b>38.94</b>	<b>7.16</b>	<b>30.24</b>

5. The O&M expenses claimed and allowed under paragraph 78 of the order stands modified, as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Normative O&M expenses claimed under Regulation 29(1)(a) of the 2014 Tariff Regulations (a)	5275.04	5605.85	5958.24	6332.20	6731.34
Normative O&M expenses allowed under Regulation 29(1)(a) of the 2014 Tariff Regulations (b)	5275.04	5605.85	5958.24	6332.20	6731.34
Water Charges claimed under Regulation 29(2) of the 2014 Tariff Regulations (c)	5.00	5.00	0.63	0.97	0.92
Water Charges allowed under Regulation 29(2) of the 2014 Tariff Regulations (d)	5.00	5.00	0.63	0.97	0.92



	2014-15	2015-16	2016-17	2017-18	2018-19
Capital Spares consumed claimed under Regulation 29(2) of the 2014 Tariff Regulations (e)	161.64	787.31	48.14	13.03	35.10
Capital Spares consumed allowed under Regulation 29(2) of the 2014 Tariff Regulations (f)	132.74	701.50	38.94	7.16	30.24
Total O&M expenses claimed under Regulation 29 of the 2014 Tariff Regulations (a + c + e)	5441.68	6398.16	6007.01	6346.21	6767.35
<b>Total O&amp;M expenses allowed under Regulation 29 of the 2014 Tariff Regulations (b + d + f)</b>	<b>5412.78</b>	<b>6311.06</b>	<b>5999.11</b>	<b>6340.34</b>	<b>6762.51</b>
Impact of Wage revision claimed	0.00	38.61	806.07	950.32	1069.77
Impact of Wage revision allowed	0.00	38.61	806.07	876.40	788.61
Impact of GST claimed	0.00	0.00	0.00	67.26	101.05
Impact of GST allowed	0.00	0.00	0.00	0.00	0.00

### **Interest on Working Capital**

#### ***Maintenance Spares for working capital***

6. Maintenance spares for working capital as allowed under paragraph 92 of the order stands modified, as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
1623.83	1893.32	1799.73	1902.10	2028.75

#### ***Receivables for working capital***

7. Receivables equivalent to two months of capacity charges and energy charges as allowed under paragraph 93 of the order stands modified, as under:

<i>(Rs. in lakh)</i>					
	2014-15	2015-16	2016-17	2017-18	2018-19
Variable Charges - for two months (A), corresponding to NAPAF	55655.79	55808.27	55655.79	55655.79	55655.79
Fixed Charges - for two months (B) corresponding to NAPAF	4772.19	4948.08	4888.42	4949.45	5028.50
<b>Total (C = A+B)</b>	<b>60427.99</b>	<b>60756.35</b>	<b>60544.21</b>	<b>60605.24</b>	<b>60684.29</b>

#### ***Working Capital for O&M Expenses (1 month)***

8. Also, the Working capital for O&M expenses allowed under paragraph 96 of the order stands modified, as under:



(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
451.07	525.92	499.93	528.36	563.54

**Rate of interest on working capital**

9. Accordingly, Interest on working capital allowed under paragraph 97 of the order stands modified, as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Working capital for Fuel Cost (30 days generation corresponding to NAPAF) (A)	27447.11	27447.11	27447.11	27447.11	27447.11
Working capital for Liquid Fuel Stock (15 days generation corresponding to NAPAF) (B)	13723.55	13723.55	13723.55	13723.55	13723.55
Working capital for Maintenance Spares (30% of O&M expenses) (D)	1623.83	1893.32	1799.73	1902.10	2028.75
Working capital for Receivables (2 months of sale of electricity at NAPAF) (E)	60427.99	60756.35	60544.21	60605.24	60684.29
Working capital for O&M expenses (1 month of O&M expenses) (F)	451.07	525.92	499.93	528.36	563.54
<b>Total Working Capital (G = A+B+C+D+E+F)</b>	<b>103673.54</b>	<b>104346.25</b>	<b>104014.53</b>	<b>104206.36</b>	<b>104447.24</b>
<b>Rate of Interest (H)</b>	13.50%	13.50%	13.50%	13.50%	13.50%
<b>Interest on Working Capital (I = G x H)</b>	<b>13995.93</b>	<b>14086.74</b>	<b>14041.96</b>	<b>14067.86</b>	<b>14100.38</b>

**Annual Fixed Charges for the period 2014-19**

10. Based on the above, the annual fixed charges approved in 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
Depreciation	1933.55	1946.28	1944.47	1944.50	1944.38
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	7290.90	7344.37	7344.96	7343.99	7363.71
Interest on Working Capital	13995.93	14086.74	14041.96	14067.86	14100.38
O&M Expenses	5412.78	6311.06	5999.11	6340.34	6762.51
<b>Total</b>	<b>28633.16</b>	<b>29688.46</b>	<b>29330.49</b>	<b>29696.69</b>	<b>30170.98</b>

11. Except for the above, all other terms in order dated 15.6.2023 remain unaltered.

**Sd/-**  
**(Pravas Kumar Singh)**  
**Member**

**Sd/-**  
**(Arun Goyal)**  
**Member**

**Sd/-**  
**(I.S. Jha)**  
**Member**

