

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 256/GT/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order: 12.6.2017

In the matter of

Suo motu Review of order dated 8.3.2017 in Petition No. 256/GT/2014

And

In the matter of

Approval of tariff of NLC Thermal Power Station- II Stage- I (630 MW) and Stage-II (840 MW) for the period 2014-19.

And

In the matter of

Neyveli Lignite Corporation Limited
Neyveli House, 135, EVR Periyar Road,
Kilpauk, Chennai – 600010

.....**Petitioner**

Vs

1. Tamil Nadu Generation and Distribution Company Ltd
800, Anna Salai
Chennai – 600002

2. Power Company of Karnataka Ltd.
KPTCL Building, Kaveri Bhavan, K.G.Road,
Bangalore – 560009

3. Bangalore Electricity Supply Company Ltd.
KR Circle, Bangalore – 560001

4. Mangalore Electricity Supply Company Ltd.
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001

5. Gulbarga Electricity Supply Company Ltd.
Station Main Road, Gulbarga-585102



6. Hubli Electricity Supply Company Ltd.
Corporate Office, Navanagar,
PB Road, Hubli-580025
7. Chamundeshwari Electricity Supply Corporation Ltd.
Corporate Office, No.927, LJ Avenue, New KantarajaUrs Road,
Saraswathipuram, Mysore-570009
8. Kerala State Electricity Board Ltd.
Vaidyuthi Bhavanam, Pattom
Thiruvananthapuram-695004
9. Puducherry Electricity Department
137, NSC Bose Salai,
Puducherry – 605001
10. Transmission Corporation of Andhra Pradesh
Vidyut Soudha, Khairatabad
Hyderabad- 500082
11. Transmission Corporation of Telangana
Vidyut Soudha, Khairatabad
Hyderabad- 500082

.....Respondents

ORDER

This petition was filed by the petitioner, Neyveli Lignite Corporation (NLC) for approval of annual fixed charges and energy charges for the period 2014-19 for NLC TPS-II, Stage-I (630 MW) and Stage-II (840 MW) (the generating station) based on the 2014 Tariff Regulations and the Commission vide order dated 8.3.2017 has allowed the annual fixed charges based on the opening capital cost of Rs 32023.21 lakh as on 1.4.2014 as under:

Stage-I

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	729	733	733	733	733
Interest on Loan	0	0	0	0	0
Depreciation	0	0	0	0	0
Interest on Working Capital	4080	4147	4201	4268	4339
O & M Expenses	15080	16025	17033	18104	19244
Special Allowance	4365	4642	4937	5250	5584
Total	24254	25547	26904	28355	29900



Stage-II

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	3342	3166	2974	2782	2590
Interest on Loan	0	0	0	0	0
Depreciation	975	975	975	975	975
Interest on Working Capital	5516	5602	5669	5754	5844
O & M Expenses	20099	21359	22703	24131	25651
Special Allowance	0	0	0	1894	6044
Separate Compensation Allowance	735	840	840	630	210
Total	30666	31941	33161	36165	41314

2. It is noticed that certain inadvertent arithmetic/ clerical errors has crept in order dated 8.3.2017 as regards the total projected water charges allowed and the same is required to be corrected. Accordingly, in exercise of the power under Regulation 103 A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, the error in total water charges allowed is rectified and consequently the annual fixed charges for Stage-I and II of the generating station are revised as stated in subsequent paragraphs.

Water Charges

3. The Water charges allowed in para-49 of order dated 8.3.2017 is as under:

	Projected Quantity Considered (KL) (1)	Pumping Charges (0.376₹/KL) (2)=(1)x0.376	Water cess (3)= (22995/7)	Water Consent Fee (4)= (143880/7)	Projected Water charge Allowed (₹ in lakh) (5)= (2)+(3)+(4)
2014-15	61310468	23052735.96	3285.00	20554.28	23.07
2015-16	61310468	23052735.96	3285.00	20554.28	23.07
2016-17	61310468	23052735.96	3285.00	20554.28	23.07
2017-18	61310468	23052735.96	3285.00	20554.28	23.07
2018-19	61310468	23052735.96	3285.00	20554.28	23.07

4. The sum total of the projected water charges of Rs 23.07 lakh allowed in column-5 of the above table is corrected as Rs 230.76 lakh and the water charges allowed stands modified as under:



	Projected Quantity Considered (KL) (1)	Pumping Charges (0.376₹/KL) (2)=(1)x0.376	Water cess (3)= (22995/7)	Water Consent Fee (4)= (143880/7)	Projected Water charge Allowed (₹ in lakh) (5)= (2)+(3)+(4)
2014-15	61310468	23052735.96	3285.00	20554.28	230.76
2015-16	61310468	23052735.96	3285.00	20554.28	230.76
2016-17	61310468	23052735.96	3285.00	20554.28	230.76
2017-18	61310468	23052735.96	3285.00	20554.28	230.76
2018-19	61310468	23052735.96	3285.00	20554.28	230.76

5. Consequent upon the above, the O & M expenses in working capital undergoes revision as under:

O & M expenses in working capital

(a) The table under para-51 of the order dated 8.3.2017 is modified as under:

(₹ in lakh)

STAGE-I					
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses allowed	15057.00	16002.00	17010.00	18081.00	19221.30
Water Charges allowed	98.90	98.90	98.90	98.90	98.90
Total O&M expenses allowed	15155.90	16100.90	17108.90	18179.90	19320.20

(₹ in lakh)

STAGE-II					
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses allowed	20076.00	21336.00	22680.00	24108.00	25628.40
Water Charges allowed	131.86	131.86	131.86	131.86	131.86
Total O&M expenses allowed	20207.86	21467.86	22811.86	24239.86	25760.26

O & M expenses for 1 month

(b) The table under para-57 of the order dated 8.3.2017 is modified as under:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Stage-I	1262.99	1341.74	1425.74	1514.99	1610.02
Stage-II	1683.99	1788.99	1900.99	2019.99	2146.69

Maintenance spares

(c) The table under para-60 of the said order dated 8.3.2017 is modified as under:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Stage-I	3031.18	3220.18	3421.78	3635.98	3864.04
Stage-II	4041.57	4293.57	4562.37	4847.97	5152.05



Annual fixed charges

6. Based on the above correction, the annual fixed charges allowed for Stages – I and II of the generating station by order dated 8.3.2017 shall stand modified as under:

Stage-I

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	729	733	733	733	733
Interest on Loan	0	0	0	0	0
Depreciation	0	0	0	0	0
Interest on Working Capital	4084	4152	4206	4272	4343
O & M Expenses	15156	16101	17109	18180	19320
Special Allowance	4365	4642	4937	5250	5584
Total	24335	25628	26985	28436	29980

Stage-II

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	3342	3166	2974	2782	2590
Interest on Loan	0	0	0	0	0
Depreciation	975	975	975	975	975
Interest on Working Capital	5523	5608	5676	5760	5851
O & M Expenses	20208	21468	22812	24240	25760
Special Allowance	0	0	0	1894	6044
Compensation Allowance	735	840	840	630	210
Total	30782	32057	33276	36281	41429

7. Except for above, all other terms of the order dated 8.3.2017 remain unchanged.

Sd/-
(Dr. M.K.Iyer)
Member

Sd/-
(A. S. Bakshi)
Member

Sd/-
(A. K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson

