

of (+) Rs. 1641.34 Cr. has already been incurred on R&R Works of ISPS upto 31<sup>st</sup> March'2009.

- 18) As per CCEA (GoI) Sanction for ISPS, the cap of Rs. 1160 Cr. was kept for the R&R Works. Any increase in cost beyond this cap of Rs. 1160 Cr., has to be borne equally by GoMP and the Project. Accordingly, as per terms of CCEA Clearance, 50% of increased R&R Cost i.e. (+) Rs. 281.50 Cr. shall be borne by GoMP as 'Subvention'. The balance 50% of increased R&R cost, shall be borne by Project, which is being booked to the cost of Unit-I (Dam). The details of sharing of R&R Expenditure as per Clause 7.0 of CCEA Approval (Page 32 to 37) are given as below:

Table -2

(Rs. in Crores)

Date	Gross Expenditure on R&R works	Sharing of R&R Expenditure as per Clause 7.0 of CCEA Approval		Remarks
		Project's Share*	GoMP's Subvention (Accrued)	
31-03-08	1605.51	1382.75	222.76	Admitted by CERC in Petition No. 33/2009.
31-03-09	1641.34	1400.67	240.67	As per Audited Balance Sheets.

*Note: \* The NHDC's share, shall further be apportioned on SSP (17.63%) & Irrigation Component (16.75%) as per Para 7 of this Petition.*

- 19) The particulars of Cumulative Capital Cost and its apportionment amongst various components as on 31-03-2008 and as admitted by Hon'ble CERC in Para 28 of order dated 20-10-2009 in Petition No. 33/2009 are as under:

Table -3

(Rs. in Crores)

Particulars (as on 31-03-2008)	Amount
Unit-I (Dam)	2973.53
Unit-III (Power House)	1234.81
<b>Total</b>	<b>4208.34</b>
Less : SSP Component	484.96
Less : Irrigation Component	379.53
Less : R&R Subvention	222.76
<b>Cost of Power Component</b>	<b>3121.09</b>
Less: Minor Assets (attributable to Power Component)	0.55
Less: Undischarged Liability (attributable to Power Component)	61.92
<b>Net Power Component admitted for Tariff</b>	<b>3058.62</b>

- 20) As indicated in Para 13 above, NHDC has further capitalized the expenditure of Rs. 70.92 Cr. incurred during FY 2008-09, under different categories as per Clause 34 (2) of CERC Regulation '2004. Accordingly, the cumulative Capital Expenditure upto 31-03-2009 works out to Rs. 4279.26 Cr. as detailed below:

Table -4

(Rs. in Crores)

CATEGORIES AS PER CLAUSE 34 (2) OF CERC REGULATION '2004	FY 2008-09
<b>Admitted Cumulative Capitalized Expenditure upto 31-03-2008</b>	<b>4208.34</b>
(i) Deferred liabilities relating to works/services within the original scope of work	31.41
(ii) Liabilities to meet award of arbitration or in compliance of the order or decree of a court	36.92
(iii) On account of change in law	Nil
(iv) Any additional works/service, which has become necessary for efficient and successful operation of plant but not included in the original capital cost	2.20
<b>Sub Total</b>	<b>70.53</b>
Less Total De-capitalization /Deletion/ Transfer of Asset	(-) 0.07
Capitalized Expenditure on acquiring Minor Assets	0.46
Additional Capitalization during 01-04-2008 to 31-03-2009	70.92
<b>Cumulative Capitalized Expenditure upto 31-03-2009</b>	<b>4279.26</b>

The Item-wise justification & categories against each additions have been recorded at Annexure to Form - 9 (Refer Details attached from Page No. 51 to 63).

- 21) Based on apportionment of cumulative Capitalized Cost of Rs. 4279.26 Cr. upto 31-03-2009 (Para 20), the cost of Power Component works out to Rs. 3158.74 Cr. as hereunder:

Table -5

(Rs. in Crores)

Period		Additional Cost Capitalized*		Capitalized Expenditure at the end of Period*		Remarks
From	To	Gross	Power Component	Gross	Power Component	
As on 31-03-2008		-	-	4208.34	3121.09	Admitted by CERC in Petition No. 33/2009
01-04-08	31-03-09	70.92	37.65	4279.26	3158.74	As per Audited Balance Sheet

Note: \* Inclusive of Undischarged Liabilities & Minor Assets.

It is worth-mentioning that as per CCEA, the approved cost for Power Component is **Rs. 3527.54 Cr.** at Price Level Sept. '2000 (Para 10).

- 22) The details of un-discharged liabilities attributable to Power Component as on 31-03-2009 is given as below:

Table -6

(Rs. in Crores)

Particulars	As on 31-03-08*	Actual as on 31-03-09	Remarks
Undischarged Liabilities attributable to Power Component	61.92	62.04	Please refer details at Page 66

Note: \* Admitted in Petition No. 33/2009

- 23) For the Computation of Tariff, the net power component has been worked out as on 31-03-2009 after considering above un-discharged liabilities and deduction towards cost of minor assets as per the details given below:

Table -7

(Rs. in Crores)

Particulars	FY 2007-08*	FY 2008-09	Remarks
Net Power Component at the beginning of the FY	3009.20	3058.62	Please refer details at Page 19
Additions to Power Component	77.57	37.65	
Undischarged liabilities attributable to Power Component at beginning of FY	34.32	61.92	
Undischarged liabilities attributable to Power Component at end of the FY	61.92	62.04	
Undischarged Liabilities Discharged	(-) 27.60	(-) 0.12	
Less Minor Assets attributable to Power Component <sup>5</sup>	(-) 0.55	(-) 0.35	
<b>Net Power Component for Tariff at end of FY</b>	<b>3058.62</b>	<b>3095.80</b>	
<b>Additions in Net Power Component</b>	<b>49.42</b>	<b>37.18</b>	

Note: \* Admitted in Petition No. 33/2009.

<sup>5</sup> In terms of provisions of CERC Regulation 34 (3), the Capital Expenditure incurred in acquiring minor assets like Computers, Furniture etc. amounting to Rs. 0.35 Cr. (attributable to power component) has not been considered for Tariff Determination

- 24) The Hon'ble Commission in Tariff Order dated 20-10-2009 has admitted following parameters while disposing the Petition No. 33/2009:
- (i) Debt: Equity Ratio for 'Additions' as 70:30 (Ref. Clause No. 30 of Order).
  - (ii) Return on Equity @ 14% per annum (Ref. Clause No. 31 of Order).
  - (iii) The weighted average rate of depreciation as 2.1606 % per annum of capitalized cost (Ref. Clause No. 36 of Order).
  - (iv) Rate of interest @ 7.6742 % p.a. (fixed) payable monthly on long-term loan finalized from Syndicate of Banks (Ref. Clause 34 of Order).
  - (v) O&M Expenses @ 1.5% of the Capitalized Cost of *Power Component* as on 24-08-2005 with an escalation @4% p.a. from FY 2006-07 onwards (Ref. Clause 38 of Order).
  - (vi) The rate of interest on working capital has been taken as SBI's PLR @ 10.25% p.a. as on 01-04-2004 (Ref. Clause 45 of Order).

The above parameters have been considered for working out the tariff as per CERC Regulation'2004, for re-determination for the period from 01-04-2008 to 31-03-2009 after considering the impact of Additional Capitalization on 31-03-2009.

The total additions in Net Power Component during FY 2008-09 as per Table -7 is Rs. 37.18 Cr. As such, based on Debt:Equity Ratio as 70:30, the average Normative Equity & Normative Loan during FY 2008-09 have been worked out as detailed below:

Table -8

(Rs. in Crores)

Particulars	Normative Equity	Net Normative Loan
Opening Balance (as on 01-04-08)*	1157.99	1650.87
Repayment (-)	N.A.	150.08
Additions in Net Power Component	11.15	26.03
Closing Balance (as on 31-03-2009)	1169.14	1526.82
<b>Average during FY 2008-09</b>	<b>1163.57</b>	<b>1588.84</b>

Note: \* As per Order dated 20-10-2009 in Petition No. 33/2009.

Based on Average Normative Equity and Average Normative Loan as above, the different components of Annual Fixed Charges (AFC) for the period from 01-04-2008 to 31-03-2009 have been worked out in different prescribed Forms and the summary of the same is brought out in Form-I (Page 18). The AFC for re-determination now works out to Rs. 500.21 Cr. against Rs. 495.48 Cr. as allowed vide order dated 20-10-2009 in Petition No. 33/2009.

- 25) Hon'ble CERC under Para 43 of Tariff Order dated 20-10-2009 in Petition No. 33/2009, had allowed the liberty to the Petitioner and taking up the matter directly with Respondent No. 2 for the recovery of proportionate O&M Expenses of SSP and Irrigation Components of Unit-I (Dam). Accordingly, it is brought to the kind Notice of Hon'ble Commission that NHDC vide No. NHDC/1/Comm./2009/680 dated 12-11-2009 (Page 323 to 326) lodged its claim of Rs. 47.72 Cr. towards proportionate O&M Expenses towards SSP (Rs. 26.77 Cr.) and Irrigation (Rs. 20.95 Cr.) Component to Respondent No. 2 for the periods from 25-08-2005 to 31-03-2009. The Respondent No. 2 is yet to settle the claims lodged by NDHC for the above said period.
- 26) The proposal for re-determination of tariff for the period from 01-04-2008 to 31-03-2009 is exclusive of statutory taxes, levies, duties, cess or any other kind of imposition(s) whatsoever imposed/ charged by any Government (Central/ State) and / or any other local bodies/ authorities/ regulatory authorities in relation to generation of electricity including auxiliary consumption or any other types of consumption including water, transmission of power, environmental protection, sale or on supply of power/ energy, and/ or in respect of any of its installations associated with Generating Stations and / or on transmission System.
- The Tax on income for the above period i.e. prior to 31-03-2009, may be allowed to be recovered from the Beneficiary as per CERC Regulation 2004 vis-à-vis Clause 39 of CERC Regulation '2009. The total amount of other taxes/ duties/ cess/ levies etc. payable by NHDC to the authorities concerned in any period as above may be borne and additionally paid by the respondents to NHDC and the same may be allowed to be charged in the monthly bills raised by NHDC on the respondents.
- 27) Hon'ble Commission while disposing the Petition No. 33/2009 pertaining to Additional Capitalization upto March '2008 of Indira Sagar Project, had directed to pay the filing fee of Rs. 2.0 Lacs as per Clause 3.0 of Regulation 3 of notification vide No. L-7/142/157/2008-CERC dated 17-10-2008. Accordingly, the instant petition is hereby filed along-with a filing Fee of **Rs. 2,00,000/- (Rupees Two Lacs Only)** in the form of Demand Draft vide No. **666028** dated **15-07-2010** issued by **State Bank of India, Main Branch, Bhopal** in favour of '**Assistant Secretary, Central Electricity Regulatory Commission**' and payable at New Delhi.

-----END-----



**PRAYER**

1. The Hon'ble Commission may re-determine and revise the Final Fixed Charges on account of Additional Capitalization of Indira Sagar Project for the period 01-04-2008 to 31-03-2009 as per Para-24.
2. NHDC may be allowed to bill the beneficiaries for consequent increase in levies, taxes, duties, cess etc. (Including MAT).
3. Consequent increase in CI Incentive for the period from 01-04-2008 to 31-03-2009 may be allowed to recover from the beneficiary.
4. The other terms & conditions pronounced in the Final tariff order dated 06-02-2007 of Hon'ble Commission in Petition No. 119/2005 and Tariff Order dated 20-10-2009 in Petition No. 33/2009 may be allowed to remain applicable.
5. The Hon'ble CERC may take note of the status as indicated in Para 25 and may like Respondent No. 2 to apprise the latest status in the matter to Hon'ble CERC.
6. Pass such order and further order/orders, as are deemed fit and proper in the facts and circumstances of the case.

NHDCLtd.

Through



Name:

**S. SANYAL**

Designation:

**CHIEF ENGINEER**

Place: Bhopal

Date: \_\_-07-2010

REDETERMINATION OF TARIFF FOR THE FY 2008-09Checklist of Forms and other information/ documents for tariff filing for Hydro Stations

Form No.	Title of Tariff Filing Forms (Hydro)	Tick
FORM-1	Summary of Tariff Proposal	√
FORM-2	Details of type of hydro station, Capacity Index, Primary energy rate	√
FORM-3	Salient Features of hydro electric project	√
FORM-4	Details of Foreign loans	√
FORM-5	Abstract of Admitted Capital Cost for the existing Projects	√
FORM- 5A	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects	√
FORM-5B	Break up of capital Cost	√
FORM-5C	Break up of Project Cost for Plant and Equipment	√
FORM-5D	Break-up of Construction/Supply/Service packages	√
FORM-6	Financial Package upto COD	√
FORM-7	Details of Project Specific Loans	√
FORM- 8	Details of Allocation of corporate loans to various projects	√
FORM-9	Statement of Additional Capitalization after COD	√
FORM-10	Financing of Additional Capitalization	√
FORM-11	Statement of Depreciation	√
FORM-12	Calculation of Depreciation Rate	√
FORM-13	Calculation of weighted average rate of interest on actual loan	√
FORM 13A	Calculation of interest on loan	√
FORM-14	Calculation of Advance Against Depreciation (AAD)	√
FORM-15	Calculation of Interest on Working Capital	√
FORM- 16	Draw Down Schedule for Calculation of IDC & Financing Charges	√
FORM-17	Calculation of Operation & Maintenance Expenses	√
FORM-18	Details of Operation & Maintenance Expenses	√
Other Information/ Documents		
Sl. No.	Information/Document	Tick
1	Stationwise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules for the relevant years.	√
2	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	√
3	Copies of the Equity participation agreements and necessary approval for the foreign equity	N.A
4	Filing fees details	√

Summary of Tariff

Name of the Company : **NHDC Limited**

Name of the Power Station : **Indira Sagar Power Station ( 8 X 125 MW)**

Region : **Western Region**

State: **Madhya Pradesh**

Rs. in Lakhs

S.No.	Particulars		2008-09
1	2		01-04-2008 to 31-03-2009
1	Depreciation	FORM- 11	6648.71
2	Interest on Loan	FORM- 13	12573.78
3	Return on Equity		16289.95
4	Advance Against Depreciation	FORM-14	8359.18
5	Interest on Working Capital	FORM- 15	1248.35
6	O & M Expenses	FORM- 17	4900.81
<b>Total</b>			<b>50020.78</b>
<b>Total AFC on Annualised basis</b>			<b>50020.78</b>

Details of calculations enclosed as working sheets.

  
PETITIONER

**INDIRA SAGAR POWER STATION**  
**WORKING SHEET - CALCULATION OF TARIFF**  
 (For the period from 01-04-2008 to 31-03-2009)

CAPITAL COST

Rs.in Lakhs.

S. No.	Description	2008-09
1	Opening Power Component of Capital Cost *	305861.71
2	Additional Capital Expenditure (Power Component)	3765.19
3	Un-discharged Liabilities at the beginning of the year	6192.00
4	Un-discharged Liabilities as on 31-03-2009	6204.00
5	Un-discharged Liabilities Discharged	-12.00
6	Less Minor Assets attributable to Power Component**	-34.97
7	Additional Capital Expenditure (Power Component) considered for Tariff calculation	3718.22
8	Closing Power Component of Capital Cost	309579.93

\* As admitted by Hon'ble Commission vide para No. 28 of Tariff Order dated 20-10-2009 in Petition No. 33/2009.

\*\* An amount of Rs. 34.97 Lakhs (Refer Appendix to Annexure - C of Form - 9) has not been considered for Additional Capitalisation during FY 2008-09 for determination of Tariff in line with Regulation 34 (3) of CERC (Terms and Conditions of Tariff) Regulations, 2004.

CALCULATION OF DEPRECIATION

Rs.in Lakhs.

S. No.	Description	2008-09
1	Opening Power Component of Capital Cost	305861.71
2	Closing Power Component of Capital Cost	309579.93
3	Average Capital Cost (Power Component)	307720.82
4	Rate of Depreciation as on COD i.e. 25-05-2005 (As admitted by Hon'ble Commission vide Final Tariff Order dated 06-02-2007)	2.16063%
5	Depreciable Value	276948.74
6	Cumulative Depreciation/ AAD upto FY 2007-08	24975.91
7	Remaining Depreciable Value	251972.83
8	Depreciation	6648.71
	<b>Depreciation =</b>	<b>6648.71</b>

**INDIRA SAGAR POWER STATION**  
**WORKING SHEET - CALCULATION OF TARIFF**  
(For the period from 01-04-2008 to 31-03-2009)

**CALCULATION OF INTEREST ON NORMATIVE LOAN**

Rs.in Lakhs.

S. No.	Description	2008-09
1	Gross Loan Opening	190082.65
2	Cummulative Repayment of deemed loan upto Previous Year	24975.91
3	Net Loan Opening	165086.74
5	Repayment of Loan During the Year	15007.89
4	Addition of Loan due to Additional Capitalisation	2602.75
6	Net Loan Closing	152681.61
7	Average Loan	158884.17
8	Weighted Average Rate of Interest	7.9138%
9	Interest on Loan	12573.78
	<b>Interest on loan =</b>	<b>12573.78</b>

**CALCULATION OF RETURN ON EQUITY**

Rs.in Lakhs.

S. No.	Description	2008-09
1	Equity Opening	115799.06
2	Equity due to Additional Capitalisation	1115.47
3	Equity Closing	116914.53
4	Average Equity	116356.79
5	Rate of Return on Equity	14.00%
6	Return on Equity	16289.95
	<b>Return on Equity=</b>	<b>16289.95</b>

