

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. Dr. Pramod Deo, Chairperson
2. Shri. S. Jayaraman, Member
3. Shri. V.S.Verma, Member

Petition No. 40/2009

In the matter of

Approval of revised fixed charges after considering the impact of additional capital expenditure incurred during the years 2004-05 and 2005-06 in respect of Rangit Hydroelectric Project, (3 x 20 MW) for the period 1.4.2004 to 31.3.2009.

And in the matter of

NHPC Ltd.

Vs

1. West Bengal State Electricity Distribution Company Ltd, Kolkata
2. Damodar Valley Corporation, Kolkata
3. Jharkhand State Electricity Board, Ranchi
4. Bihar State Electricity Board, Patna
5. Department of Power, Govt. of Sikkim, Gangtok

...Petitioner

...Respondents

The following were present

1. Shri Prashant Kaul, NHPC
2. Shri S.K.Meena, NHPC
3. Ms. Niti Singh, NHPC
4. Shri R.B.Sharma, Advocate, BSEB

**ORDER
(DATE OF HEARING: 16.7.2009)**

This petition has been filed by the petitioner, NHPC Ltd, for revision of annual fixed charges after considering the impact of additional capital expenditure for the years 2004-05 and 2005-06, in respect of Rangit Hydroelectric Project, (3 x 20 MW) (hereinafter referred to as “the generating station”) for the period from 1.4.2004 to 31.3.2009 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as “the 2004 regulations”). The petitioner has made the following specific prayers:

- (i) Approve the revised annual fixed charges in respect of Rangit HE project after considering the impact of net additional capitalization as per details given in Annexure-I, for the tariff period 1.4.2004 to 31.3.2009.
- (ii) allow the servicing of the capital expenditure from the year the same is incurred.
- (iii) allow the petitioner to approach the Hon'ble Commission for one more time for revision of annual fixed charges after the accounts of FY 2008-09 are finalized.
- (iv) allow the reimbursement of filing fee of this petition by the respondents.
- (v) pass any other orders in this regard as the Hon'ble Commission may find appropriate in the circumstances pleaded above".

2. The generating station was declared under commercial operation on 15.2.2000. The tariff for the generating station for the period from 1.4.2004 to 31.3.2009 was approved by the Commission vide its order dated 9.5.2006 in Petition No.175/2004 and was revised by order dated 5.2.2007 in Review Petition No. 49/2006 (in Petition No.175/2004). The annual fixed charges approved by the Commission based on capital cost of Rs.49155.43 lakh (inclusive of FERV and additional capital expenditure for the period 2001-04) as on 31.3.2004, are given hereunder:

Particulars	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	1156.05	1156.05	1156.05	916.77	916.77
Interest on Loan	621.29	198.75	71.77	0.00	0.00
Return on Equity	2615.07	2615.07	2615.07	2615.07	2615.07
Advance Against Depreciation	1891.59	0.00	347.07	0.00	0.00
Interest on Working Capital	194.21	158.65	167.40	161.17	166.66
O & M Expenses	839.19	872.76	907.67	943.98	981.73
TOTAL	7317.39	5001.28	5265.03	4636.99	4680.23

3. Reply to the petition has been filed by the fourth respondent, BSEB.

ADDITIONAL CAPITALISATION

4. Regulation 34 of the 2004 regulations provides for considering the additional capital expenditure for tariff purposes as under:

"(1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and up to the cut off date may be admitted by the Commission subject to prudence check.

- (i) *Deferred liabilities,*
- (ii) *Works deferred for execution,*
- (iii) *Procurement of initial capital spares in the original scope of works subject to ceiling specified in regulation 33,*
- (iv) *Liabilities to meet award of arbitration or in compliance of the order or decree of a court, and*
- (v) *On account of change in law.*

Provided that original scope of works along with estimates of expenditure shall be submitted along with the application for provisional tariff.

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of generating station.

(2) *Subject to the provision of clause (3) of this regulation, the capital expenditure of the following nature actually incurred after the cut off date may be admitted by the Commission subject to prudence check:*

- (i) *Deferred liabilities relating to works/services within the original scope of work;*
- (ii) *Liabilities to meet award of arbitration or in compliance of the order or decree of a court;*
- (iii) *On account of change in law; and*
- (iv) *Any additional works/service which has become necessary for efficient and successful operation of plant but not included in the original capital cost.*

(3) *Any expenditure incurred on acquiring minor items/assets like tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, T.V, washing machine, heat-convectors, mattresses, carpets, etc brought after the cut off date shall not be considered for additional capitalization for determination of tariff with effect from 1.4.2004.*

Note

The list of items is illustrative and not exhaustive.

(4) *Impact of additional capitalisation in tariff revision may be considered by the Commission twice in a tariff period, including revision of tariff after the cut off date.*

Note 1

Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 36.

Note 2

Any expenditure on replacement of old assets shall be considered after writing off the gross value of the original assets from the original capital cost, except such items as are listed in Clause (3) of this regulation.

Note 3

Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 36.

Note 4

Any expenditure admitted on renovation and modernization and life extension shall be serviced on normative debt-equity ratio specified in regulation 36 after writing off the original amount of the replaced assets from the original capital cost."

5. The additional capital expenditure for the years 2004-05 and 2005-06 claimed by the petitioner, after reconciliation with the books of accounts, is as under:

(Rs. In lakh)		
	2004-05	2005-06
Additional capitalization as per Books of Accounts (A)	(-) 64.72	(-) 257.35
Exclusions		
Exclusion of minor assets -Regulation 34(3)	3.46	3.94
Deletion of minor assets -Regulation 34(3)	(-) 0.77	(-) 0.04
FERV	0.00	0.00
Assets not in use as on 31.3.2004 (Obsolete / Unserviceable assets)	0.00	0.21
Deletion against Assets not in use (Obsolete / Unserviceable Assets)	(-)170.75	0.00
Assets transferred to Assets not in use (Obsolete / Unserviceable assets)	0.00	(-) 0.21
Capital spares as per AS-2	54.44	11.63
Deletion of spares capitalized in financial year 2004-05 and 2005-06 due to consumption	0.00	(-) 296.74
Deletion of capital spares disallowed during the period 2001-04	0.00	0.00
Change of Head of Account (Addition)	4.30	0.00
Change of Head of Account (Deletion)	(-) 4.30	0.00
Total Exclusions (B)	(-) 113.61	(-) 281.21
Additional capital expenditure claimed (C=A-B)	48.90	23.86

Exclusion

6. In the first instance, we consider the exclusions under different heads in the claim.

(a) **Minor assets:** In terms of clause (3) of Regulation 34, the petitioner has excluded the amounts of Rs.3.46 lakh and Rs.3.94 lakh for the years 2004-05 and 2005-06 respectively, against minor assets like furniture and fixtures, projectors and audio visual equipments, telephones, computers, printers, convectors, colour TVs, and other fixed assets of minor value. The exclusions claimed have been allowed.

(b) **Deletion of minor assets:** The petitioner has de-capitalised minor assets amounting to Rs. 0.77 lakh and Rs. 0.04 lakh for the years 2004-05 and 2005-06 respectively in the books of accounts. These minor assets include furniture and fixtures, telephones and other fixed/surplus assets of minor value, apparently on the ground that since capitalization of minor assets was not allowed for the purpose of tariff, de-capitalisation of minor assets should also be excluded. The Commission has taken a consistent view that assets which have been capitalized and are no longer in service have to be de-capitalised for the purpose of tariff. In the present case, capitalization of minor assets which was disallowed in terms of the 2004 regulations are now sought to be de-capitalised by the petitioner for the purpose of tariff. Accordingly, de-capitalisation under this head is not allowed for the purpose of tariff.

(c) **Assets not in use:** The petitioner has de-capitalised an amount of Rs. 0.21 lakh for the period 2005-06, towards old/unserviceable items like motor cycle and scooters, not in use as on 31.3.2004. The same is in order and hence exclusion is allowed.

(d) **Assets deleted from the head “Assets not in use”:** The petitioner has excluded negative entries amounting to Rs.170.75 lakh for the year 2004-05. The assets like loaders, air compressors, hydraulic excavators, concrete pumps, trucks, transit mixers, cranes etc, amounting to Rs 201.92 lakh had already been deducted from the capital cost by the Commission in order dated 9.5.2006 in Petition No. 121/2005, pertaining to additional capitalization for the period 2001-04. As such, the exclusion is allowed.

(e) **Assets transferred to the head “Assets not in use”:** The petitioner has excluded negative entries amounting Rs.0.21 lakh for the year 2005-06. This amount represents the gross value of the surplus assets like motor cycle and scooters, transferred to the head “assets not in use” on the ground of obsolete/unserviceable assets. As exclusion of negative entry results in addition to the capital cost in respect of the assets not in use, exclusion under this head is not allowed.

(f) **Capital spares as per AS-2:** Since capitalization of spares over and above initial spares procured upto the cut-off date are not allowed for the purpose of tariff, the petitioner has excluded amounts of Rs.54.44 lakh and Rs.11.63 lakh respectively, for the years 2004-05 and 2005-06. The exclusions under this head are allowed.

(g) **Deletion of capital spares not allowed:** The petitioner has de-capitalised an amount of Rs.296.74 lakh for the year 2005-06, which had arisen in books of accounts due to consumption of capital spares capitalized amounting to Rs 257.64 lakh during the period 2001-04 and Rs 39.10 lakh during 2004-05. The exclusion of capital spares under this head is allowed.

(h) **Addition of change of Head of Account:** The petitioner has excluded an amount of Rs 4.30 lakh during the year 2004-05 corresponding to addition under the head of account of capital spares. In view this, exclusion under this head is allowed.

(i) **Deletion of change of Head of Account:** The petitioner by negative entry has excluded an amount of Rs.4.30 lakh during the year 2004-05,

corresponding to deletion of addition in the head of account of capital spares, during the year 2004-05. The exclusion under this head is allowed.

7. The Commission during the hearing on 14.5.2009 directed the petitioner to furnish the detailed categorization for each asset under different clauses of Regulation 34 of the 2004 regulations for which capitalization had been claimed, with proper justification. The petitioner by its affidavit dated 17.6.2009 had submitted details of capitalization of items under different clauses of Regulation 34 of the 2004 regulations. The year-wise and category-wise break-up of the additional expenditure claimed by petitioner is as under:

(Rs.in lakh)		
	2004-05	2005-06
Works deferred for execution (Regulation 34 (1) (ii))	29.78	0.00
Liabilities to meet award of arbitration or in compliance of order or decree of the court (Regulation 34 (2) (ii))	0.00	0.00
Works/services which have become necessary for efficient and successful operation of station. (Regulation 34 (2) (iv))	52.83	27.77
Expenditure on replacement of old assets (Regulation 34, Note 2)	0.22	1.29
Total addition	82.83	29.06
Total deletion on account of de-capitalization	(-) 33.93	(-) 5.20
Additional capitalization claimed	48.90	23.86

8. After examining the asset-wise details and justification for additional capitalisation/ de-capitalisation claimed by the petitioner, under various categories and by applying prudence check, the admissibility of additional capitalisation is discussed in the subsequent paragraphs.

Works deferred for execution (Regulation 34 (1) (ii))

9. The petitioner has claimed an amount of Rs.29.78 lakh during the year 2004-05 under this category, stating that the assets like concreting and tunneling equipments, drill machines etc, were transferred and purchased prior to the date of

commissioning of the generating station but could not be capitalized at that time as the debit notes in regard to the transferred equipments were received during the year 2004-05 and the purchased assets were lying in the inventory. Though these assets were transferred/purchased before the cut-off-date, the same had not been capitalized at that time. Hence, the claim of the petitioner for capitalization under sub-clause (ii) of clause (1) of Regulation 34 of the 2004 regulations is not allowed. Since expenditure of the assets amounting to Rs 29.78 lakh are in the nature of deferred liabilities relating to works/services within the original scope of work, the same is allowed to be capitalized under sub-clause (i) of clause (2) of Regulation 34, for the purpose of tariff.

Works/services which have become necessary for efficient and successful operation of station- (Regulation 34(2) (iv))

10. The petitioner has claimed amounts of Rs.52.83 lakh and Rs.27.77 lakh during the year 2004-05 and 2005-06 respectively, under this category. Based on the prudence check, amounts of Rs. 51.78 lakh and Rs. 24.44 lakh for the years 2004-05 and 2005-06 respectively have been allowed on works like construction of school building, water supply installation, computer software, fire extinguishers, etc, considered necessary for the efficient and successful operation of the plant. However, claims for the year 2004-05 in respect of minor assets like hand drills, furniture and fixtures and claims for the year 2005-06 in respect of assets like submersible pumps and tubular poles added against original assets without reducing the gross value of the old assets, have been disallowed.

Expenditure on replacement of old assets (Regulation 34 Note 2)

11. The petitioner has claimed amounts of Rs.0.22 lakh and Rs.1.29 lakh during the year 2004-05 and 2005-06 respectively, under this category. The items claimed under this category include minor assets like furniture and fixtures, computers and

accessories. Hence, expenditure on minor assets has not been allowed to be capitalized in view of clause (3) of Regulation 34.

12. In addition to the capitalization under the above categories, the petitioner has de-capitalised an amount of Rs.33.93 lakh in respect of assets like jeeps, buses, tool kits, fire extinguishers, H.T. Transformers, which had been sold off, during the year 2004-05, and Rs 5.20 lakh during the year 2005-06 in respect of DG sets which had been transferred to other generating station of the petitioner. The said amounts are allowed to be de-capitalized for the purpose of tariff.

Un-discharged Liabilities

13. The petitioner vide its affidavit dated 17.6.2009 has submitted that the additional expenditure claimed for the years 2004-05 and 2005-06 has actually been paid for and does not include any un-discharged liabilities.

14. Based on the above discussion, the additional capital expenditure allowed for the purpose of tariff is as under:

	(Rs in lakh)	
	2004-05	2005-06
Works deferred for execution (Regulation 34 (1) (ii))	0.00	0.00
Deferred liabilities relating to works / services within the original scope of work (Regulation 34 (2) (i))	29.78	0.00
Liabilities to meet award of arbitration or in compliance of order or decree of the court (Regulation 34 (2) (ii))	0.00	0.00
Works/services which have become necessary for efficient and successful operation of station. (Regulation 34 (2) (iv))	51.78	24.44
Expenditure on replacement of old assets (Regulation 34, Note 2)	0.00	0.00
Total Addition (A)	81.56	24.44
Deletion (B)	33.93	5.20
Additional capitalization allowed before adjustment for exclusions not allowed C= (A)-(B)	47.63	19.25
Exclusion not allowed for the purpose of tariff (D)		

Exclusion of minor assets -Regulation 34(3)	3.46	3.94
Deletion of minor assets -Regulation 34(3)	0.00	0.00
FERV	0.00	0.00
Assets not in use as on 31.3.2004 (Obsolete / Unserviceable assets)	0.00	0.21
Deletion against Assets not in use (Obsolete / Unserviceable Assets)	(-)170.75	0.00
Assets transferred to Assets not in use (Obsolete / Unserviceable assets)	0.00	0.00
Capital spares as per AS-2	54.44	11.63
Deletion of spares capitalized in financial year 2004-05 and 2005-06 due to consumption	0.00	(-) 296.74
Deletion of capital spares disallowed during the period 2001-04	0.00	0.00
Change of Head of Account (Addition)	4.30	0.00
Change of Head of Account (Deletion)	(-) 4.30	0.00
Total Exclusions	(-) 112.84	(-) 280.96
Exclusion not allowed (E)	(-) 0.77	(-) 0.25
Additional capital expenditure allowed (F=C+E)	46.86	18.99

Capital cost

15. As already noted, the Commission had admitted capital cost of Rs.49155.43 lakh (inclusive of additional capital expenditure for 2001-04 and FERV) as on 31.3.2004, for determining tariff for the period 2004-09.

16. Taking into account the capital cost of the generating station as on 1.4.2004 and the additional capital expenditure approved as per para 14 above, the capital cost for the period 2004-09 is worked out as under:

	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital cost as on 1 st April of the financial year	49155.43	49202.29	49221.28	49221.28	49221.28
Additional capital expenditure for the financial year	46.86	18.99	0.00	0.00	0.00
Capital cost as on 31 st March of the financial year	49202.29	49221.28	49221.28	49221.28	49221.28

Debt-Equity Ratio

17. Regulation 36 of the 2004 Regulations provides as under:

“(1) In case of the existing generating stations, debt-equity ratio considered by the Commission for the period ending 31.3.2004 shall be considered for determination of tariff with effect from 1.4.2004:”

Provided that in cases where the tariff for the period ending 31.3.2004 has not been determined by the Commission, debt-equity ratio shall be as may be decided by the Commission:

Provided further that in case of the existing generating stations where additional capitalisation has been completed on or after 1.4.2004 and admitted by the Commission under Regulation 34, equity in the additional capitalization to be considered shall be,-

30% of the additional capital expenditure admitted by the Commission, or equity approved by the competent authority in the financial package, for additional capitalization, or actual equity employed, whichever is the least:

Provided further that in case of additional capital expenditure admitted under the second proviso, the Commission may consider equity of more than 30% if the generating company is able to satisfy the Commission that deployment of such equity of more than 30% was in the interest of general public.

(2) In case of the generating stations for which investment approval was accorded prior to 1.4.2004 and which are likely to be declared under commercial operation during the period 1.4.2004 to 31.3.2009, debt and equity in the ratio of 70:30 shall be considered:

Provided that where equity actually employed to finance the project is less than 30%, the actual debt and equity shall be considered for determination of tariff:

Provided further that the Commission may in appropriate cases consider equity higher than 30% for determination of tariff, where the generating company is able to establish to the satisfaction of the Commission that deployment of equity higher than 30% was in the interest of general public”.

(3) In case of the generating stations for which investment approval is accorded on or after 1.4.2004, debt and equity in the ratio of 70:30 shall be considered for determination of tariff:

Provided that where equity actually employed is more than 30%, equity in excess of 30% shall be treated as notional loan;

Provided further that where deployment of equity is less than 30%, the actual debt and equity shall be considered for determination of tariff.

(4) The debt and equity amount arrived at in accordance with above clause (1), (2) or (3), as the case may be, shall be used for calculation of interest on loan, return on equity, advance against depreciation and foreign exchange rate variation.”

18. The petitioner has stated that the additional capital expenditure has been financed through its internal accruals/resources. The petitioner has claimed debt-equity ratio of 70:30 for the purpose of additional capitalization. Debt-equity ratio of 70:30 has been considered for additional capitalization in terms of sub-clause (a) of clause (1) of Regulation 36 of the 2004 regulations. Accordingly, additional notional equity for the generating station on account of capitalization approved, works out as under:

	(Rs. in lakh)	
	2004-05	2005-06
Notional Equity	14.06	5.70

Return on Equity

19. Return on equity is allowed @ 14% on the average normative equity, as under:

(Rs in lakh)

Return on Equity	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Equity	18679.06	18693.12	18698.82	18698.82	18698.82
Addition due to additional capital expenditure	14.06	5.70	0.00	0.00	0.00
Closing Equity	18693.12	18698.82	18698.82	18698.82	18698.82
Average Equity	18686.09	18695.97	18698.82	18698.82	18698.82
Return on Equity	2616.05	2617.44	2617.83	2617.83	2617.83

Interest on Loan

20. As no fresh loans have been added to the actual loans, the weighted average rate of interest, as worked out in order dated 5.2.2007 in Review Petition No. 49/2006, has been considered.

21. Interest on loan has been computed as under:

(Rs in lakh)

Interest on Loan	Upto 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Normative Loan	30476.37	30476.37	30509.17	30522.46	30522.46	30522.46
Cumulative repayment upto previous year		19071.10	27817.20	28973.04	30522.46	30522.46
Net loan-opening		11405.26	2691.97	1549.43	0.00	0.00
Addition due to additional capitalisation		32.80	13.30	0.00	0.00	0.00
Repayment during the year		8746.10	1155.84	1549.43	0.00	0.00
Net loan-closing		2691.97	1549.43	0.00	0.00	0.00
Average loan		7048.61	2120.70	774.71	0.00	0.00
Weighted Average Rate of Interest on loan		8.8349%	9.5500%	9.5500%	0.0000%	0.0000%
Interest		622.74	202.53	73.99	0.00	0.00

Depreciation

22. For calculating depreciation, the cumulative depreciation of 9119.89 lakh recovered upto 31.3.2004 and the weighted average rate of depreciation of 2.37% as per order dated 5.2.2007 in Review Petition No. 49/2006 (in Petition No.175/2004) has been considered.

23. The Commission has approved de-capitalization of assets worth Rs 34.71 lakh and Rs 5.45 lakh during the years 2004-05 and 2005-06 respectively. The amount of cumulative depreciation allowed in tariff against the de-capitalised assets has been calculated on pro-rata basis and the same has been cumulatively adjusted from the cumulative depreciation of the year 2005-06.

24. Accordingly, depreciation of the generating station has been worked out as under:

(Rs in lakh)					
Depreciation	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Block as on 31.3.2004	49155.43	49202.29	49221.28	49221.28	49221.28
Additional capital expenditure during 2004-09	46.86	18.99	0.00	0.00	0.00
Closing gross block	49202.29	49221.28	49221.28	49221.28	49221.28
Average gross block	49178.86	49211.78	49221.28	49221.28	49221.28
Rate of Depreciation	2.37%	2.37%	2.37%	2.37%	2.37%
Depreciable Value	43643.57	43673.21	43681.75	43681.75	43681.75
Balance Useful life of the asset	34.4	33.4	32.4	31.4	30.4
Remaining Depreciable Value	34523.68	31505.68	30369.25	28819.82	27902.29
Depreciation	1155.06	1155.84	1156.06	917.54	917.54

Advance Against Depreciation

25. Advance Against Depreciation as considered in order dated 9.5.2006 has been re-calculated after considering the additional capital expenditure. The Advance Against Depreciation has been worked as under:

(Rs in lakh)						
Advance against Depreciation	Upto 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	0.10	3047.64	3050.92	3052.25	3052.25	3052.25
Repayment of the Loan		8746.10	1155.84	1549.43	0.00	0.00
Minimum of the above		3047.64	1155.84	1549.43	0.00	0.00
Depreciation during the year		1155.06	1155.84	1156.06	917.54	917.54
(A) Difference		1892.58	0.00	393.36	-917.54	-917.54
Cumulative Repayment of the Loan		27817.20	28973.04	30522.46	30522.46	30522.46
Cumulative Depreciation/ Advance against Depreciation		10274.95	13323.36	14468.56	15779.46	16697.00
(B) Difference		17542.25	15649.67	16053.90	14743.00	13825.46
Advance against Depreciation Minimum of (A) and (B)		1892.58	0.00	393.36	0.00	0.00

O&M Expenses

26. O&M expenses as allowed in the order dated 5.2.2007 in Review Petition No.49/2006 have been considered.

Interest on Working Capital

27. For the purpose of calculation of working capital, the operating parameters including the price of fuel components as considered in the order dated 9.5.2006 have been kept unchanged. The “receivables” component of the working capital in the order dated 5.2.2007 has been revised for the reason of revision of return on equity, interest on loan, etc.

28. The SBI PLR of 10.25% as on 1.4.2004 has been considered as the rate of interest on working capital during the tariff period as considered in order dated 9.5.2006. The necessary details in support of calculation of interest on working capital are as under:

	(Rs in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	605.26	641.57	680.06	720.87	764.12
O & M expenses	69.93	72.73	75.64	78.67	81.81
Receivables	1219.98	834.55	886.20	773.43	780.64
Total	1,895.17	1,548.85	1,641.91	1,572.96	1626.57
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	194.25	158.76	168.30	161.23	166.72

ANNUAL FIXED CHARGES

29. The revised annual fixed charges for the period from 1.4.2004 to 31.3.2009 are summarized as under:

	(Rs in lakh)				
Annual Fixed Charges	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	1155.06	1155.84	1156.06	917.54	917.54
Interest on Loan	622.74	202.53	73.99	0.00	0.00
Return on Equity	2616.05	2617.44	2617.83	2617.83	2617.83
Advance against Depreciation	1892.58	0.00	393.36	0.00	0.00
Interest on Working Capital	194.25	158.76	168.30	161.23	166.72
O & M Expenses	839.19	872.76	907.67	943.98	981.73
Total	7319.87	5007.32	5317.21	4640.58	4683.82

30. The reimbursement of the filing fee is not being allowed in view of the Commission's general order dated 11.9.2008 in Petition No.129/2005.

31. The petitioner shall claim the difference between the fixed charges approved vide order dated 5.2.2007 and those approved now, from the beneficiaries in three equal monthly installments.

32. Petition No.40/2009 stands disposed of in terms of the above.

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(S. JAYARAMAN)
MEMBER

Sd/-
(DR.PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 12th October, 2009