

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 210/2009**

**Coram:**

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

**DATE OF HEARING: 18.2.2010**

**DATE OF ORDER: 2.6.2010**

**In the matter of**

Approval of two-part tariff for Kopili Hydro Electric Project-Kopili Power Station (4 x 50 MW) for the period from 1.4.2004 to 31.3.2009 after inclusion of actual additional capital expenditure and application of actual interest rates incurred on the syndicated loan for the period 1.4.2006 to 31.3.2009.

**And in the matter of**

North Eastern Electric Power Corporation Ltd, Shillong

..... **Petitioner**

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Department of Power, Govt. of Arunachal Pradesh, Itanagar
4. Electricity Deptt, Govt. of Manipur, Imphal
5. Power and Electricity Department, Govt. of Mizoram, Aizawl
6. Department of Power, Govt. of Nagaland, Kohima
7. Tripura State Electricity Power Corporation Ltd, Agartala
8. North Eastern Regional Power Committee, Shillong
9. North Eastern Regional Load Despatch Centre, Shillong

.....**Respondents**

**The following were present:**

1. Shri P. K. Borah, NEEPCO
2. Shri Rana Bose, NEEPCO
3. Shri A.K.Jain, NERPC

**ORDER**

The petitioner has filed this petition for revision of tariff in respect of Kopili Hydro Electric Project-Kopili Power Station (4 x 50 MW) (hereinafter referred to as "the generating station") after inclusion of actual additional capital expenditure and application of actual interest rates incurred on the syndicated loan for the

period 1.4.2006 to 31.3.2009, in accordance with the provisions of 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:

*(a) Allow the additional capital expenditure capitalized during the period 1.4.2006 to 31.3.2009 ;*

*(b) Allow the actual interest rates incurred on the syndicated loan during the period 1.4.2006 to 31.3.2009;*

*(c) Allow the petitioner to recover from the beneficiaries the relevant components of annual fixed charges arising from such additional capital expenditure and application of actual interest rates incurred on the syndicated loan;*

*(d) Allow reimbursement of filing fee by the beneficiaries to the petitioner; and*

*(e) Pass any such order or orders as the Hon'ble Commission may deem just and proper in the circumstances of the case.*

2. The tariff for the generating station for the period from 1.4.2004 to 31.3.2009 along with additional capitalization/de-capitalization during the years 2004-05 and 2005-06, was determined by the Commission vide its order dated 19.2.2008 in Petition No.76/2007 based on the capital cost of Rs.25766.53 lakh as on 31.3.2006. The annual fixed charges approved by the Commission by order dated 19.2.2008 is as under:

(Rs in lakh)					
<b>Annual Fixed Charges</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Interest on Loan	307.13	267.26	226.17	184.67	143.09
Interest on Working Capital	151.48	155.71	160.11	164.75	169.65
Depreciation	657.35	658.26	658.46	658.46	658.46
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	1799.82	1801.33	1801.65	1801.65	1801.65
O & M Expenses	2559.73	2662.12	2768.60	2879.35	2994.52
<b>TOTAL</b>	<b>5475.52</b>	<b>5544.68</b>	<b>5614.99</b>	<b>5688.89</b>	<b>5767.38</b>

3. The respondent No. 1, Assam State Electricity Board (ASEB) has filed reply to the petition.

### **Additional capitalization**

4. Clauses (2) of Regulation 34 of the 2004 regulations provides for considering the additional capital expenditure for tariff as under:

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

- (i) Deferred liabilities relating to works/services with in the original scope of work;*
- (ii) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;*
- (iii) On account of change in law;*
- (iv) Any additional works/services which have become necessary for efficient and successful operation of the generating station, but not included in the original project cost; and*
- (v) Deferred works relating to ash pond or ash handling system in the original scope of work.*

5. The petitioner has claimed additional capital expenditure for the years 2006-07, 2007-08 and 2008-09 as under:

*(Rs in lakh)*

<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Additional capital expenditure	49.78	117.08	1349.93

6. The petitioner vide affidavit dated 18.9.2009, has submitted a certificate from the chartered accountant certifying that the books of accounts of the petitioner have been verified and the additional capital expenditure/ transfer of assets has been accounted for by the petitioner in respect of the generating station. The additional capital expenditure as per books vis-à-vis the additional capital expenditure claimed by the petitioner is as under:

*(Rs. in lakh)*

<b>Year</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Closing balance as per Books of Accounts	38395.45	38512.53	39862.46
Less: Opening balance as per Books of Accounts	38345.67	38395.45	38512.53
<b>Additional capitalization claimed</b>	<b>49.78</b>	<b>117.08</b>	<b>1349.93</b>

7. The year-wise and category-wise break-up of the additional capital expenditure claimed by petitioner is as under:

<i>(Rs. in lakh)</i>			
<b>Capitalization</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Deferred liabilities relating to works / services within the original scope of work - <b>Regulation 34 (2) (i)</b>	4.94	13.23	0.00
On account of change in law- <b>Regulation 34(2)(iii)</b>	0.00	0.00	710.00
Additional works/services necessary for efficient and successful operation of the generating station, but not included in the original project cost- <b>Regulation 34 (2) (iv)</b>	44.83	103.86	639.93
<b>Total Additional capital expenditure claimed</b>	<b>49.78</b>	<b>117.08</b>	<b>1349.93</b>

8. After applying prudence check on the asset-wise details and justification of additional capitalization claimed by the petitioner the admissibility of additional capitalization is discussed in the succeeding paragraphs

**Deferred liabilities relating to works/services within the original scope of work- Regulation 34(2)(i)**

9. The petitioner has claimed amounts of Rs.4.94 lakh and Rs.13.23 lakh during the years 2006-07 and 2007-08 respectively under this head. The expenditure pertains to capitalization of the deferred proportionate payments made towards consultancy charges to Central Electricity Authority (CEA) during project execution and in respect of Steel liner and penstock. The claims for the respective years are discussed as under:

**2006-07**

10. The expenditure of Rs 4.94 lakh for the deferred proportionate payment of consultancy charges to Central Electricity Authority (CEA) during project execution is in order and allowed.

**2007-08**

11. The petitioner has claimed an amount of Rs 13.23 lakh for Steel liner and penstock. The petitioner has submitted that the value of scrap has been wrongly credited to works during the year 2003-04, thereby reducing the capital expenditure. The petitioner has clarified that the above error has been rectified by debiting the expenditure to the appropriate head of account. As the scrap materials are normally sold at the end of construction period, a part of the cost would be recovered. Assuming that scraps could be sold at a price equal to 50% of the claimed price, an amount of Rs.6.61 lakh (50% of the claimed amount of Rs.13.23 lakh) has been considered to have been realized by selling the scraps. Accordingly, only the balance amount of Rs.6.61 lakh towards the value of scrap has been allowed to be capitalized, under this head.

12. Based on the above, amounts of Rs. 4.94 lakh for 2006-07, Rs. 6.61 lakh for 2007-08, has been allowed.

**On account of change of law- Regulation 34(2)(iii)**

13. The petitioner has claimed an expenditure of Rs.710 lakh for the year 2008-09 und this head, towards the payment of third and final installment for compensatory afforestation for diversion of 3685.6 H.A of forest land for the generating station, in North Cachar Hills, in line with the notification dated 19.7.2000 of the Govt. of Assam and the Letter No. 369/89/284 dated 10.10.2002 of the Forest Department, Govt. of Assam. As the expenditure incurred by the petitioner is statutory in nature based on the notification as aforesaid, the amount f Rs 710 lakh is allowed to be capitalized.

**Additional works/services necessary for efficient and successful operation of the generating station, but not included in the original project cost- Regulation 18(2)(iv):**

14. The petitioner has claimed amounts of Rs.44.83 lakh, Rs.103.86 lakh and Rs.639.93 lakh during the years 2006-07, 2007-08 and 2008-09 respectively, under this head. The expenditure pertains to assets like Sintex make water tank, rail for transformers, ordinary tools and plant like 150 AMP welding rectifier machine and brazing torch etc, vertical turbine pump, furniture and fixtures, miscellaneous office equipments, books and manuals, hospital equipments, communication equipments, miscellaneous equipments, audio-visual equipments, transport equipments, boundary wall, umrong dyke, construction of security post, main plant building and civil engineering, steel liner and penstock, switch gear and cable connection, sub-station equipments, microprocessor and digital temperature indicator, plant and machinery in generating station, special tools and plant, EDP equipments, permanent residential and non-residential buildings, temporary building, transformers, main frame computer and other assets. The claim for the respective years is discussed as under:

**2006-07**

15. The petitioner has claimed expenditure for Rs 44.83 lakh during the year. **Out of this**, the claim for Rs 0.09 lakh for assets like furniture and fixtures, Rs 7.16 lakh for ordinary tools and plant like 150 AMP welding rectifier machine and brazing torch etc, Rs. 4.98 lakh for furniture and fixtures, Rs. 0.75 lakh for miscellaneous office equipments like laser printer and DOL starter, Rs. 0.34 lakh for miscellaneous equipments like printer and mobile sets, Rs. 0.17 lakh for audio-visual equipments and Rs. 0.02 lakh for books and manuals are in the nature of minor assets and hence disallowed. Also, an expenditure of Rs 1.46 lakh for extension of rail for

transformers at switchyard is in the nature of O&M expenses. In view of this, the expenditure incurred in respect of these assets is not allowed to be capitalized under this head.

#### **2007-08**

16. The petitioner has claimed expenditure for Rs.103.86 lakh during the year. Out of this, the claim for Rs. 7.00 lakh for assets like ordinary tools and plants, Rs 3.67 lakh for air-conditioners, Rs 3.14 lakh for office equipments, and Rs. 0.58 lakh for audio-visual equipments like TV etc, are not allowed for capitalization as these assets are in the nature of minor assets. Also, the claim for Rs 2.50 lakh for 132 kV Voltage transformer, Rs. 12.11 lakh for 33 kV outdoor current transformer and 132 kV transformer, Rs. 4.23 lakh for 33 kV 1000 amp circuit breaker, Rs. 3.18 lakh for 24 point temperature recorder-cum- indicator, Rs 17.30 lakh for mosaic control desk with accessories and dual channel auto synchronizing system are in the nature of replacements and hence not allowed to be capitalized under this head. However, the expenditure on these assets is considered in terms of Note 2 under Regulation 34. As regards the expenditure of Rs 4.55 lakh for 'Steel liner and penstock', the petitioner has submitted that the value of scrap has been wrongly credited to works, thereby reducing the capital expenditure. The petitioner has further clarified that the above error has been rectified by debiting the expenditure to the appropriate head of account. As the scrap materials are normally sold at the end of construction period, a part of the cost would be recovered. Assuming that scraps could be sold at a price equal to 50% of the claimed price, an amount of Rs.2.27 lakh (50% of the claimed amount of Rs.4.55 lakh) has been considered to have been realized by selling the scraps. Accordingly, only the balance amount of Rs.2.27 lakh towards the value of scrap has been allowed to be capitalized, under this head.

## 2008-09

17. The petitioner has claimed expenditure for Rs 639.93 lakh during the year. The claim for Rs. 5.06 lakh for assets like switchgear including cable connection like non-moving spares, Rs.41.34 lakh for circuit breaker and 28.5 MVA generator transformers, Rs 414.42 lakh for plant and machinery in generating station are in the nature of spares and hence not allowed to be capitalized. Also, the claim for Rs. 5.86 lakh for ordinary tools and plants, Rs 2.27 lakh for 4 nos air-conditioners, Rs 4.42 lakh for special tools and plants, Rs 7.85 lakh for furniture and fixtures, Rs 17.77 lakh for EDP machines, Rs 1.52 lakh for office equipments, Rs 3.00 lakh for miscellaneous equipments, Rs 0.11 lakh for rope etc, and Rs 0.19 lakh for audio-visual equipments like TV stabilizer, etc, are in the nature of minor assets and hence disallowed. The claim for Rs. 10.10 lakh for transformer is in the nature of replacement and the expenditure on this asset is considered in terms of Note 2 under Regulation 34. Also, the claim of Rs 1.35 lakh towards 33kV line is in the nature of O&M expenses and hence not allowed to be capitalized.

18. Based on the above discussions, amounts of Rs 29.86 lakh, Rs. 47.88 lakh and Rs. 124.68 lakh has been allowed to be capitalized for the years 2006-07, 2007-08 and 2008-09 respectively, under this head.

### **Replacement of assets- Regulation 34, Note 2**

19. As stated at para 16 above, the claim for Rs 2.50 lakh for 132 kV Voltage transformer, Rs. 12.11 lakh for 33 kV outdoor current transformer and 132 kV transformer, Rs. 4.23 lakh for 33 kV 1000 amp circuit breaker, Rs. 3.18 lakh for 24 point temperature recorder-cum- indicator, Rs 17.30 lakh for mosaic control desk with accessories and dual channel auto synchronizing system, for the year 2007-08, are in the nature of replacements. Similarly, the claim for Rs. 10.10 lakh for



transformer, for the year 2008-09 is in the nature of replacement. In view of this, the expenditure amounting to Rs. 39.32 lakh for 2007-08 and Rs 10.10 lakh for 2008-09, has been allowed to be capitalized, after reduction of the gross value of the original assets.

20. As stated above, the replacement of assets has been allowed after reduction of the gross value of the original assets i.e replaced assets. The gross value of the replaced assets submitted by the petitioner is as under:

(Rs in lakh)			
Asset	Value of replacement	Gross value of replaced assets	Year of replacement
132 kV Voltage transformer	2.50	0.24	2007-08
33 kV outdoor current transformer and 132 kV transformer	12.11	0.39	2007-08
33 kV 1000 amp circuit breaker	4.23	0.35	2007-08
24 point temperature recorder-cum-indicator	3.18	0.32	2007-08
Mosaic control desk with accessories and dual channel auto synchronizing system	17.30	1.73	2007-08
<b>Sub-total</b>	<b>39.32</b>	<b>3.03</b>	-
Transformer	<b>10.10</b>	<b>2.00</b>	2008-09

21. The gross value of replaced assets, amounting to Rs 3.03 lakh and 2.00 lakh has been considered as assumed deletion for the years 2007-08 and 2008-09 respectively for the years in which the asset has been replaced, for the purpose of tariff.

### **Un-discharged liabilities**

22. The petitioner vide its affidavit dated 18.9.2009 has submitted that there is no undischarged liabilities in its claim of additional capital expenditure, as on 31.3.2007, 31.3.2008 and 31.3.2009.

23. Based on the above, the additional capital expenditure approved is as under:

(Rs in lakh)			
Capitalization	2006-07	2007-08	2008-09
Deferred liabilities relating to works / services within the original scope of work - <b>Regulation 34 (2) (i)</b>	4.94	6.61	0.00
On account of change in law- <b>Regulation 34(2)(iii)</b>	0.00	0.00	710.00
Additional works/services necessary for efficient and successful operation of the generating station, but not included in the original project cost- <b>Regulation 34 (2) (iv)</b>	29.86	47.88	124.68
Replacement of assets- <b>Note 2, Regulation 34</b>	0.00	39.32	10.10
Assumed Deletions	0.00	3.03	2.00
<b>Net Additional capital expenditure allowed</b>	<b>34.81</b>	<b>90.78</b>	<b>842.78</b>

### Capital Cost

24. As stated earlier, the Commission had considered the capital cost of Rs.25766.53 lakh as on 31.3.2006, for the purpose of tariff for the period 2004-09 in Petition No. 76/2007. The same is considered as the capital cost as on 1.4.2006.

25. Taking into account the capital cost as on 1.4.2006 and the additional capital expenditure as approved at para 23 above, the capital cost considered for the purpose of tariff is as under:

(Rs. in lakh)			
Year	2006-07	2007-08	2008-09
Opening capital cost as on 1 <sup>st</sup> April of the financial year	25766.53	25801.34	25892.12
Additional Capitalization approved for the purpose of tariff	34.81	90.78	842.78
Capital Cost as on 31 <sup>st</sup> March of the financial year	<b>25801.34</b>	<b>25892.12</b>	<b>26734.91</b>

### Debt-Equity ratio

26. Regulation 36 of the 2004 Regulations provides that:

*"(1) In case of the existing project, 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 31.03.2004 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 capitalization 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:-,*

- (a) 30% of the additional capital expenditure admitted by the Commission; or*
- (b) Equity approved by the competent authority in the financial package, for additional capitalization; or*
- (c) 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."*

27. The petitioner has stated that the additional capital expenditure has been financed through internal resources. Debt-equity ratio of 70:30 has been

considered for additional capitalization in terms of the above regulations after adjustment of undischarged liability. Accordingly, additional notional equity for the generating station on account of capitalization approved, works out as under:

	(Rs in lakh)		
	2006-07	2007-08	2008-09
Additional Notional equity	10.44	27.24	252.83

### Return on Equity

28. Return on equity has been worked out @14% per annum on the normative average equity, as under:

	(Rs in lakh)		
Return on Equity	2006-07	2007-08	2008-09
Opening Balance	12868.94	12879.38	12906.62
Addition due to additional capitalization	10.44	27.24	252.83
Closing Equity	12879.38	12906.62	13159.45
Average Equity	12874.16	12893.00	13033.03
Rate of Return on Equity	14%	14%	14%
<b>Return on Equity</b>	<b>1802.38</b>	<b>1805.02</b>	<b>1824.62</b>

### Interest on loan

29. The petitioner has provided a statement of actual interest rate incurred on the syndicate loan carrying floating rate of interest, for the period 2004-09. The petitioner has claimed simple average interest rates for syndicate loan as 8.967%, 9.119% and 8.813% for the years 2006-07, 2007-08 and 2008-09 respectively. However, as regards syndicate loan, instead of simple interest rate, the weighted average rate of interest of 8.967%, 9.119% and 8.817% for the years 2006-07, 2007-08 and 2008-09 respectively has been considered. The interest on loan has been calculated as in order dated 19.2.2008 in Petition No. 76/2007, by applying the weighted average rate of Interest of syndicate loan for the years 2006-07, 2007-08 and 208-09 respectively. Accordingly, the weighted average rate of interest on total loan has been recalculated as 8.904%, 9.037% and 8.747% for the years 2006-07, 2007-08 and 2008-09 respectively. This revised weighted average rate of interest

on total loan has been considered for calculating the interest on loan. the Interest on loan computed is as under:

<i>(Rs in lakh)</i>			
<b>Interest on Loan</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Gross loan-Opening	12897.60	12921.96	12985.51
Cumulative repayments of loans up to previous year	9013.32	9672.23	10332.74
Net loan-Opening	3884.27	3249.73	2652.77
Additions due to additional capitalization	24.36	63.55	589.95
Repayments of loans during the year	658.91	660.51	672.44
Net loan- Closing	3249.73	2652.77	2570.28
Average loan	3567.00	2951.25	2611.52
Annualized Weighted average rate of interest on loan	8.9040%	9.0368%	8.7469%
<b>Interest on loan</b>	<b>317.61</b>	<b>266.70</b>	<b>228.43</b>

### Depreciation

30. Cumulative depreciation recovered up to 31.3.2006 has been considered as Rs.9037.21 lakh, as per order dated 19.2.2008 in Petition No.76/2007. Assets amounting to Rs. 3.03 lakh and Rs 2.00 lakh have been assumed to be de-capitalized during the years 2007-08 and 2008-09 respectively. The amount of cumulative depreciation allowed against the de-capitalized assets has been calculated on pro-rata basis. Depreciation has been worked out as under:

<i>(Rs in lakh)</i>			
	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Opening Balance	25766.53	25801.34	25892.12
Addition due to additional capitalization	34.81	90.78	842.78
Closing Balance	25801.34	25892.12	26734.91
Average Capital Cost	25873.94	25846.73	26313.51
Rate of depreciation	2.555%	2.555%	2.555%
Depreciable value @ 90%	22597.96	22654.48	23074.58
Remaining depreciable value	13560.75	12901.85	12242.55
<b>Depreciation</b>	<b>658.91</b>	<b>660.51</b>	<b>672.44</b>

### Advance against depreciation

31. As considered in order dated 19.2.2008 in Petition No.76/2007, Advance against depreciation has been computed as under:

(Rs in lakh)

<b>Advance against Depreciation</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
1/10th of Gross Loan(s)	1289.76	1292.20	1298.55
Repayment of the Loan	658.91	660.51	672.44
Minimum of the above	658.91	660.51	672.44
Depreciation during the year	658.91	660.51	672.44
(A) Difference	0.00	0.00	0.00
Cumulative Repayment of the Loan	9672.23	10332.74	11005.18
Cumulative Depreciation/AAD	9696.12	10356.63	11027.85
(B) Difference	(-) 23.89	(-) 23.89	(-) 22.68
<b>Advance against Depreciation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### **O&M Expenses**

32. O&M Expenses as considered in order dated 19.2.2008 in Petition No.76/2007 have been considered.

### **Interest on Working Capital**

33. For the purpose of calculation of working capital, the operating parameters as considered in the order dated 19.2.2008 in Petition No. 76/2007 have been kept unchanged. The "receivables" component of the working capital in the order dated 19.2.2008 in Petition No. 76/2007 have been revised for the reason of revision of return on equity, interest on loan, etc.

34. The SBI PLR of 10.25% as on 1.4.2004 as considered in order dated 30.4.2008 in Petition No. 76/2007 has been considered. The necessary details in support of calculation of interest on working capital are as under:

(Rs in lakh)

<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Maintenance Spares	395.50	419.23	444.39
O & M expenses	230.72	239.95	249.54
Receivables	951.54	962.97	981.97
Total	1577.75	1622.15	1675.90
<b>Interest</b>	<b>161.72</b>	<b>166.27</b>	<b>171.78</b>

### **Annual Fixed Charges**

35. The revised annual fixed charges for the period from 1.4.2006 to 31.3.2009 are summarized as under:

(Rs in lakh)

<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Depreciation	658.91	660.51	672.44
Interest on Loan	317.61	266.70	228.43
Return on Equity	1802.38	1805.02	1824.62
Advance Against Depreciation	0.00	0.00	0.00
Interest on Working Capital	161.72	166.27	171.78
O & M Expenses	2768.60	2879.35	2994.52
<b>TOTAL</b>	<b>5709.21</b>	<b>5777.85</b>	<b>5891.79</b>

36. The petitioner's prayer for reimbursement of the filing fee is not allowed in view of the Commission's order dated 11.9.2008 in Petition No.129/2005, wherein it was directed that filing fee during the period 2004-09 would not be reimbursed, as the same has been factored in the normalized O&M expenses under the 2004 regulations.

37. The petitioner shall be reimbursed the difference between the fixed charges approved vide order dated 19.2.2008 in Petition No. 76/2007 and those approved now, from the beneficiaries in three equal monthly installments.

38. Petition No.210/2009 stands disposed of in terms of the above.

Sd/-  
**(V.S.VERMA)**  
**MEMBER**

Sd/-  
**(S. JAYARAMAN)**  
**MEMBER**

Sd/-  
**(DR.PRAMOD DEO)**  
**CHAIRPERSON**