

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.142/2009

Coram: **1. Dr.Pramod Deo, Chairperson**
 2. Shri S.Jayaraman, Member
 3. Shri V.S.Verma, Member
 4. Shri M.Deena Dayalan, Member

DATE OF ORDER: 7.7.2011

IN THE MATTER OF

Revision of order dated 11.1.2010 in the light of the judgment of the Appellate Tribunal for Electricity dated 13.6.2007 in Appeal No.216/2006 and judgment dated 19.4.2011 in Appeal No. 86/2011-Approval of revised fixed charges for the period 2004-09, after considering the impact of additional capital expenditure incurred during 2006-07, 2007-08 and 2008-09 for Ramagundam STPS, Stages-I & II (2100 MW).

AND

IN THE MATTER OF

NTPC Ltd, New Delhi
Vs

.... Petitioner

- (1) Transmission Corporation of Andhra Pradesh Ltd, Hyderabad
- (2) AP Eastern Power Distribution Co. Ltd, Visakhapatnam
- (3) AP Southern Power Distribution Co. Ltd, Tirupathi
- (4) AP Northern Power Distribution Co. Ltd, Warangal
- (5) AP Central Power Distribution Co. Ltd, Hyderabad
- (6) Tamil Nadu Electricity Board, Chennai
- (7) Karnataka Power Transmission Corp. Ltd, Bangalore
- (8) Bangalore Electricity Supply Co. Ltd, Bangalore
- (9) Mangalore Electricity Supply Co. Ltd, Mangalore
- (10) Chamundeshwari Electricity Supply Corp. Ltd, Mysore
- (11) Gulbarga Electricity Supply Co. Ltd, Gulbarga
- (12) Hubli Electricity Supply Co. Ltd, Hubli
- (13) Kerala State Electricity Board, Thiruvananthapuram
- (14) Puducherry Electricity Department, Puducherry
- (15) Electricity Department, Govt. of Goa, Goa.

...Respondents

ORDER

This petition was filed by NTPC Ltd, the petitioner herein, for approval of revised fixed charges for the period 2004-09, after considering the impact of additional capital

expenditure incurred during 2006-07, 2007-08 and 2008-09 for Ramagundam STPS, Stage- I & II (2100 MW), (hereinafter referred to as “the generating station”) based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as “the 2004 regulations”). The Commission by its order dated 11.1.2010, revised the tariff of the generating station based on the capital cost as under:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital Cost	227149.66	228222.70	228561.97	228729.70	229159.91
Additional capital expenditure allowed	1073.04	339.27	167.73	430.21	320.59
Closing Capital cost	228222.70	228561.97	228729.70	229159.91	229480.49
Average Capital cost	227686.18	228392.34	228645.83	228944.80	229320.20

2. The revised annual fixed charges approved by the Commission in order dated 11.1.2010 is as under:

(₹ in lakh)					
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	601.38	251.69	35.58	0.00	0.00
Interest on Working Capital	4754.24	4791.99	4833.69	4774.38	4816.64
Depreciation	8236.45	8262.00	8271.17	1624.69	1695.56
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	15768.06	15797.72	15808.37	15820.92	15836.69
O & M Expenses	20280.00	21087.00	21930.00	22800.00	23727.00
Total	49640.13	50190.40	50878.81	45019.99	46075.89

3. Aggrieved by the said order, the petitioner filed appeal before the Appellate Tribunal for Electricity (the Tribunal) in Appeal No.86/2010, raising the following issues:

- (a) *Exclusion of part of the capital expenditure validly incurred but pending actual disbursement/ payment from the capital cost for the purposes of tariff.*
- (b) *Equating depreciation with normative loan repayment.*
- (c) *Disallowance of cost of maintenance spares;*
- (d) *Impact of de-capitalisation of assets on cumulative repayment of loan; and*
- (e) *Re-adjustment of FERV.*

4. The Tribunal by its judgment dated 19.4.2011 allowed the said appeal in line with decision contained in its earlier judgment dated 13.6.2007 in Appeal Nos.139 to142 etc of 2006, 10, 11 and 23 of 2007 and judgments dated 10.12.2008 and 16.3.2009 in Appeal Nos.151 & 152/2007 and Appeal Nos.133, 135 etc of 2008 respectively and the judgment dated 1.9.2010 in Appeal No. 58/2010.

Background

5. The petitioner filed Petition No.148/2004 for determination of tariff of the generating station for the period 2004-09 and the Commission by its order dated 30.6.2006 determined the tariff of the generating station for the said period. Aggrieved by the said order, the petitioner filed Appeal No.216/2006 before the Tribunal. Similar appeals [Appeal Nos.139 to 142 etc of 2006, 10, 11 and 23/2007 (NTPC-v-CERC & ors)] were also filed by the petitioner challenging the various orders of the Commission determining tariff for other generating stations of the petitioner during the period 2004-09. Appeal No.216/2006 was clubbed along with the said appeals and the Tribunal by its common judgment dated 13.6.2007 allowed the prayers of the petitioner and remanded the matters for re-determination of tariff by the Commission.

6. Against the judgment dated 13.6.2007, the Commission has filed Civil Appeals before the Hon'ble Supreme Court (C.A. Nos. 5434/2007 to 5452/2007 and 5622/2007) including Civil Appeal No. 5439/2007 pertaining to this generating station, on issues such as:

- (a) Consequences of refinancing of loan;*
- (b) Treating of depreciation as deemed repayment of loan;*
- (c) Cost of maintenance spares related to additional capitalization;*
- (d) Depreciation availability up to 90% in the event of disincentive; and*
- (e) Impact of de-capitalization of assets on cumulative repayment of loan.*

7. The Hon'ble Supreme Court on 26.11.2007 granted interim order of stay of the operation of the order dated 13.6.2007 of the Tribunal. However, on 10.12.2007, the Hon'ble Supreme Court passed interim order as under:

“Learned Solicitor General appearing on behalf of the National Thermal Power Corporation stated that pursuant to the remand order, following five issues shall not be pressed for fresh determination:

- (a) Consequences of refinancing of loan;*
- (b) Treating of depreciation as deemed repayment of loan;*
- (c) Cost of maintenance spares related to additional capitalization;*
- (d) Depreciation availability up to 90% in the event of disincentive; and*
- (e) Impact of de-capitalization of assets on cumulative repayment of loan*

The Commission may, however, proceed to determine other issues.

It is clarified that this order shall apply to other cases also.

In view of this, the interim order passed by the Court on 26th November, 2007, is vacated. The interlocutory applications are, accordingly, disposed of.”

8. During the pendency of the above Civil Appeals, the petitioner filed Petition No. 29/2007 for revision of tariff of the generating station after considering the impact of additional capital expenditure for the years 2004-05 and 2005-06 and the Commission by its order dated 30.7.2008 revised the tariff of the generating station. Against this order, the petitioner filed Appeal No.133/2008 before the Tribunal challenging the decision of the Commission to deduct un-discharged liabilities on the ground that *“the expenditure for the liability incurred for which payment was not made would not come under the category ‘actual expenditure incurred”*. Similar appeals (Appeal Nos.135/2008, 136/2008 and 148/2008) were also filed by the petitioner before the Tribunal against the orders of the Commission in respect of other generating stations, on the issue of deduction of un-discharged liabilities.

9. While so, Appeal Nos.151 & 152/2007 filed by the petitioner before the Tribunal against the orders of the Commission revising the tariff of the generating stations (Rihand STPS and Ramagundam STPS) of the petitioner, after deduction of un-discharged liabilities, was allowed by the Tribunal by judgment dated 10.12.2008 observing as under:

“25. Accordingly, we allow both the appeals in part. We direct that the appellant be allowed to recover capital cost incurred including the portion of such cost which has been retained or has not yet been paid for. We also direct that in case the Commission attributes

any loan taken at the corporate level to a particular project under construction and considers any repayment out of it before the date of commercial operation the sum deployed for such repayment would earn interest as pass through in tariff.

26. The Commission is directed to give effect to the directions given herein in the truing up exercise and consequent subsequent tariff orders.”

10. In line with the above decision dated 10.12.2008, the Tribunal by a common judgment dated 16.3.2009 disposed of Appeal No.133/2008 along with Appeal Nos.135/2008, 136/2008 and 148/2008 filed by the petitioner.

11. Against the above said judgments of the Tribunal dated 10.12.2008 and 16.3.2009, the Commission has filed Civil Appeals before the Hon'ble Supreme Court in C.A Nos. 4112-4113/2009 and C.A Nos. 6286 to 6288/2009 and the same are pending.

12. Subsequently, Petition No.142/2009 was filed by the petitioner for approval of revised fixed charges for the generating station after considering the impact of additional capital expenditure incurred during the period 2006-09. The petitioner also filed Interlocutory Application No. 36/2009 (not I.A.No.37/2009 as mentioned in order) to the said petition and claimed revision of tariff of the generating station in terms of the judgment of the Tribunal dated 13.6.2007 by considering those issues covered by the interim order dated 10.12.2007 of the Hon'ble Supreme Court and the judgments of the Tribunal dated 10.12.2008 and 16.3.2009. The claims of the petitioner were disposed of by order dated 11.1.2010 as discussed in the subsequent paragraphs.

Judgment dated 13.6.2007

13. Keeping in view the spirit of the interim order of the Hon'ble Supreme Court dated 10.12.2007, the claim of the petitioner in I.A.36/2009 (in Petition No.142/2009) for implementation of the judgment of the Tribunal dated 13.6.2007 was deferred till the final disposal of the Civil Appeals by the Hon'ble Supreme Court. The relevant portion of

the order containing the observations of the Commission in order dated 11.1.2010 in
Petition No. 142/2009 is extracted hereunder:

“7. The petitioner has submitted that it has been advised that the statement of the Solicitor General of India (SGI) before the Hon’ble Supreme Court resulting in the interim order dated 10.12.2007 does not restrict it from claiming additional capitalization based on the principles laid down by the Tribunal in its judgment dated 13.6.2007 and that the effect of the statement of SGI was that it would not seek fresh determination pursuant to the remand order. The petitioner has also submitted that the Hon’ble Supreme Court has not stayed further proceedings before the Commission for determination of additional capitalization and even if it was construed as stay, the decision of the court (the Tribunal) does not become non est.

8. The Hon’ble Supreme Court in its interim order dated 26.11.2007 had granted stay of the operation of the judgment dated 13.6.2007 of the Appellate Tribunal. In view of the undertaking given by the Solicitor General of India on behalf of the petitioner that “the five issues shall not be pressed for fresh determination”, the Hon’ble Supreme Court vacated the interim order dated 26.11.2007 and directed that “the Commission may proceed to determine the other issues”. It was clarified that “this order shall apply to other cases also”. It is the contention of the petitioner that the undertaking before the Hon’ble Supreme Court does not restrict it from claiming additional capitalization based on the principle laid down by the Appellate Tribunal. In our view, the undertaking given by the petitioner before the Hon’ble Supreme Court that “the five issues shall not be pressed for fresh determination” is binding on the petitioner and the petitioner is estopped in law from seeking fresh determination of these issues. Moreover, the petitioner seems to create a distinction between the main tariff petition and the petition for additional capitalization by stating that while the undertaking is confined to the remand order pertaining to the main petition, the additional capitalization can be considered as per the principles laid down by the Appellate Tribunal. Such an approach will lead to dichotomous situations wherein tariff for the main petition and petition for additional capitalization are determined on the basis of different principles. The tariff for the period 2004-09 is a complete package which needs to be determined on the same principle. From the point of view of regulatory uniformity and continuity and also in line with the spirit of the interim order of the Hon’ble Supreme Court, we are of the view that the implementation of the judgment of the Appellate Tribunal on the five issues should be deferred till the final disposal of the said Civil Appeals by the Hon’ble Supreme Court. Accordingly, tariff for additional capitalization is determined on the basis of the existing principles, subject to the final outcome of the Civil Appeals pending before the Supreme Court”

Judgment dated 16.3.2009

14. On the issue of un-discharged liabilities, no stay of the operation of the judgment of the Tribunal dated 16.3.2009 in Appeal No.133/2008 was granted by the Hon’ble Supreme Court in the Civil Appeals (C.A Nos. 6286 to 6288/2009) filed by the Commission. Hence, the tariff of the generating station was revised by order dated 11.1.2010 in terms of the directions contained in the judgment dated 16.3.2009. The relevant portion of the order dated 11.1.2010 is extracted as under:

“15. The Appellate Tribunal in its judgment dated 10.12.2008 had directed that the capital cost incurred in respect of the generating station including the portion of such cost which has been retained or has not been paid for shall be recovered in tariff. In other words, un-discharged liability in respect of works which have been executed but payments deferred for future date has to be capitalized. As regards IDC, if the loan amount has been repaid out of the internal resources before the date of commercial operation, such repayments would earn interest. The

Commission has been directed by the Appellate Tribunal to give effect to the directions contained in the judgment in the truing up exercise and subsequent tariff orders.

16. The directions of the Appellate Tribunal pertain to additional capitalization for the tariff period 2004-09 which has come to an end on 31.3.2009 and the exercise for implementation of the directions have been undertaken after the expiry of the said tariff period. Accordingly, tariff of the generating station is revised after considering the additional capital expenditure, capitalization of un-discharged liabilities and IDC after truing up of the expenditure as on 31.3.2009. While truing up, the liabilities discharged, liabilities reversed on account of de-capitalization of assets during the tariff period have been accounted for”

15. Against the order of the Commission dated 11.1.2010, the petitioner filed appeal No.86/2010 (NTPC-v-CERC & ors) before the Tribunal (as stated in para 3 above) and the same has been disposed of by the Tribunal on 19.4.2011 in line with its decision contained in the judgments of dated 13.6.2007 (in Appeal No. 216/2006) and 16.3.2009 (Appeal No. 133/2008) as stated *supra*.

Judgment of the Tribunal dated 1.9.2010 in Appeal No.58/2010

16. The petitioner's claim for revision of normative FERV for the period 2001-04 was considered in order dated 11.1.2010 and accordingly, FERV was apportioned by the Commission in the debt-equity ratio of 100:0. This issue was also challenged by the petitioner in Appeal No. 86/2010 and the Tribunal by its judgment dated 19.4.2011 has directed the Commission to apportion FERV to loan and equity in the ratio of 50:50, in line with its earlier judgment dated 1.9.2010 in Appeal No. 58/2010 (NTPC-v-CERC & ors)] .

17. In compliance with the directions of the Tribunal contained in the judgment dated 19.4.2011 in Appeal No.86/2010 and considering the fact that tariff is a composite package which needs to be determined on the same principle, the tariff of the generating station for 2004-09 is sought to be revised now after considering the issues raised by the petitioner in terms of the directions contained in the judgments of the Tribunal as stated above, subject to the final decision of the Hon'ble Supreme Court in the said Civil Appeals.

18. In the above background, we now proceed to revise the annual fixed charges of the generating station through this order, as under:

Un-discharged liabilities

19. The additional capital expenditure admitted vide order dated 11.1.2010 has been revised after including the un-discharged liabilities disallowed earlier and removal of the un-discharged liabilities already discharged. The revised additional capital expenditure for the period 2004-09 is as under:

	(₹ in lakh)				
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Additional capital expenditure admitted in order dated 11.1.2010	1073.04	339.27	167.73	430.21	320.59
Add: Un-discharged liabilities deducted earlier	37.00	0.97	8.05	22.08	1.68
Less: Discharge of liabilities allowed earlier	0.00	10.00	0.00	36.02	22.05
Additional capital expenditure admitted now	1110.04	330.24	175.78	416.27	300.22

Adjustment of FERV

20. The normative FERV for the tariff period 2001-04 approved vide order dated 11.1.2010 has been reallocated to debt and equity in the debt-equity ratio of 50:50, in line with the direction contained in the judgment of the Tribunal dated 19.4.2011 in Appeal No.86/2011 to apportion FERV to loan and equity in the ratio of 50:50, in terms of the judgment dated 1.9.2010 in Appeal No. 58/2010.

Capital Cost

21. The capital cost as approved vide order dated 11.1.2010 is revised as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital cost (considered now)	227149.66	228259.70	228589.95	228765.72	229182.00
Additional capital expenditure approved	1110.04	330.24	175.78	416.27	300.22
Closing Capital cost	228259.70	228589.95	228765.72	229182.00	229482.22
Average Capital cost	227704.68	228424.82	228677.84	228973.86	229332.11

Debt-Equity ratio

22. For the purpose of allowing additional capital expenditure for the period 2004-09, the debt-equity ratio would remain the same as considered in order dated 11.1.2010. However, the normative FERV for the period 2001-04 has been apportioned in the debt-equity ratio of 50:50, as against the debt-equity ratio of 100:0 considered in order dated 11.1.2010.

Return on Equity

23. Based on the above, the return on equity approved vide order dated 11.1.2010 is revised as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Equity –Opening considered now	113574.83	113907.84	114006.92	114059.65	114184.53
Addition of Equity due to admitted additional capital expenditure	333.01	99.07	52.73	124.88	90.07
Equity-Closing	113907.84	114006.92	114059.65	114184.53	114274.60
Average equity	113741.34	113957.38	114033.28	114122.09	114229.56
Return on Equity @ 14%	15923.79	15954.03	15964.66	15977.09	15992.14

Interest on loan

24. Adjustment of repayment corresponding to de-capitalization of assets: In Petition No.148/2004, the petitioner has sought adjustment in cumulative repayment on account of de-capitalization of assets in such a manner that the net loan opening prior to de-cap does not undergo a change. The Appellate Tribunal by its judgment dated 13.6.2007 has decided as under:

“When asset is not in use it is only logical that the capital base for the purpose of tariff is also proportionately reduced. It follows therefore that the appellant will not earn any depreciation, return on equity and O&M charges. However, despite the de-capitalization, the appellant is required to pay interest on loan. Whereas 10% salvage value of the de-capitalized asset should be non-tariff revenue, the interest on loan has to be borne by the beneficiaries. If the salvage value is more than 10%, amount realized above 10% should be counted as additional revenue. If salvage value is less than 10%, it will be counted as loss in the revenue.

Therefore, in this view of the matter, the cumulative repayment of the loan proportionate to those assets de-capitalized required to be reduced. The CERC shall act accordingly”.

25. In the instant petition, the petitioner has claimed such adjustment applying the formula as under:

$$\text{Repayment to be adjusted} = \frac{\begin{array}{l} \text{Cumulative repayment at the beginning} \\ \times \\ \text{Gross value of de-capitalised asset} \\ \times \\ \text{Debt proportion corresponding to normative debt-} \\ \text{equity ratio for the respective period} \end{array}}{\text{Gross Debt at the beginning of the year of de-} \\ \text{capitalisation}}$$

26. In terms of the above decision of the Appellate Tribunal, the cumulative repayment adjustment has been worked out proportionate to assets de-capitalized such that the net opening loan prior to de-capitalisation and after de-capitalisation do not change.

27. Interest on loan has been re-worked out as mentioned below:

- (a) Gross opening loan on normative basis as on 1.4.2004 as considered in order dated 11.1.2010 was ₹114681.60 lakh. However, on account of re-allocation of normative FERV for the period 2001-04 in debt-equity ratio of 50:50, the gross opening loan on normative basis as on 01.04.2004 is revised to ₹113574.83 lakh.
- (b) Cumulative repayment of normative loan as on 1.4.2004 as considered in order dated 11.1.2010 was ₹97741.17 lakh. However, on account of cumulative repayment adjustment corresponding to asset de-capitalized (amounting to ₹528.00 lakh) up to 31.3.2004 the cumulative repayment of normative loan as on 1.4.2004 is revised to ₹97477.17 lakh.
- (c) Accordingly, the net opening normative loan as on 1.4.2004 is revised to ₹16097.66 lakh.
- (d) The addition of notional loan on account of additional capital expenditure approved for the period 2004-09 will be revised to ₹777.03 lakh, ₹231.17 lakh, ₹123.04 lakh, ₹291.39 lakh and ₹210.15 lakh for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, respectively.
- (e) Weighted average rate of interest as considered in order dated 11.1.2010 has been considered.
- (f) Normative repayment =
$$\frac{\text{Actual Repayment} \times \text{Normative Loan}}{\text{Actual Loan}}$$

- (g) Cumulative repayment during 2004-09, has been adjusted on account of de-capitalized assets in proportion to debt-equity ratio adopted for allowing additional capital expenditure during the respective years.

28. Interest on loan has been computed as under:

	<i>(₹ in lakh)</i>				
	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Opening loan – considered now	113574.83	114351.86	114583.03	114706.07	114997.47
Cumulative Repayment of Loan upto previous year	97477.17	101844.82	106714.40	110891.11	112930.29
Net Loan Opening	16097.66	12507.04	7868.63	3814.97	2067.17
Addition of loan due to approved additional capital expenditure	777.03	231.17	123.04	291.39	210.15
Repayment of loan (Normative)	4549.91	4940.95	4176.70	2098.87	474.24
Less: Adjustment for de-cap during the period	182.26	71.37	0.00	59.69	0.56
Repayment of loan during the year (net)	4367.65	4869.58	4176.70	2039.19	473.68
Net Loan Closing	12507.04	7868.63	3814.97	2067.17	1803.64
Average Loan	14302.35	10187.83	5841.80	2941.07	1935.41
Weighted Average Rate of Interest on Loan	4.5567%	4.6243%	4.9740%	5.7997%	7.1711%
Interest on Loan	651.71	471.12	290.57	170.57	138.79

Depreciation

29. In our order dated 11.1.2010, depreciation was calculated by applying weighted average rate of depreciation of 3.6175% for the period up to 31.3.2007 and considering spread over for the year 2007-08 and 2008-09 (as the net normative loan as on 1.4.2007 was nil). However, on account of considering the repayments based on directions of the Tribunal, there exists net opening normative loan during the entire year of the period 2004-09. As such, the weighted average rate of depreciation of 3.6175% has been considered for the purpose of calculating depreciation in the petition. The necessary calculations are as stated overleaf:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Opening capital cost	227149.66	228259.70	228589.95	228765.72	229182.00
Closing capital cost	228259.70	228589.95	228765.72	229182.00	229482.22
Average capital cost	227704.68	228424.82	228677.84	228973.86	229332.11
Depreciable value @ 90%	202558.61	203206.74	203434.45	203700.87	204023.29
Cumulative depreciation at the beginning of the year	168090.90	176096.82	184276.29	192548.61	200754.90
Balance depreciable value (at the beginning)	34467.71	27109.92	19158.16	11152.26	3268.39
Balance useful life	9.85	8.85	7.85	6.85	5.85
Depreciation	8237.12	8263.17	8272.32	8283.03	3268.39
Cumulative depreciation adjustment on account of de-capitalization	231.20	83.70	0.00	76.74	0.72

Advance Against Depreciation

30. Advance Against Depreciation allowed vide order dated 11.1.2010 remain unchanged.

O&M expenses

31. O&M Expenses approved vide order dated 11.1.2010 remain unchanged.

Interest on Working capital

32. For the purpose of calculation of working capital the operating parameters including the price of fuel components as considered in the order dated 11.1.2010 have been kept unchanged. The additional capital expenditure allowed after the date of commercial operation has been considered while arriving at the maintenance spares for the purpose of calculating interest on working capital. The “receivables” component of the working capital has been revised for the reason of revision of return on equity, interest on loan, maintenance spares. The necessary details in support of calculation of interest on working capital are as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Coal stock- 1.1/2 months	13452.07	13452.07	13452.07	13488.92	13452.07
Oil stock -2 months	771.54	771.54	771.54	773.66	771.54
O & M expenses	1690.00	1757.25	1827.50	1900.00	1977.25
Maintenance Spares	4248.94	4506.85	4778.91	5069.76	5376.82
Receivables	27029.26	27150.67	27272.31	27462.54	26720.45
Total Working Capital	47191.81	47638.38	48102.33	48694.88	48298.13
Rate of Interest	10.2500%	10.2500%	10.2500%	10.2500%	10.2500%
Total Interest on Working capital	4837.16	4882.93	4930.49	4991.22	4950.56

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

	<i>(₹ in lakh)</i>				
	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	651.71	471.12	290.57	170.57	138.79
Interest on Working Capital	4837.16	4882.93	4930.49	4991.22	4950.56
Depreciation	8237.12	8263.17	8272.32	8283.03	3268.39
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	15923.79	15954.03	15964.66	15977.09	15992.14
O & M Expenses	20280.00	21087.00	21930.00	22800.00	23727.00
Total	49929.78	50658.25	51388.04	52221.91	48076.88

34. The target availability of 80% considered by the Commission in the order dated 11.1.2010 remains unchanged. Similarly other parameters viz. specific fuel consumption Auxiliary Power consumption and Station Heat rate etc considered in the order dated 11.1.2010 have been retained for the purpose of calculation of the revised fixed charges.

35. The annual fixed charges determined in this order are subject to the outcome of Civil Appeals as stated above, pending before the Hon'ble Supreme Court.

36. The petitioner shall claim the difference in respect of the tariff determined by order dated 11.1.2010 and the tariff determined by this order, from the beneficiaries in three equal monthly installments.

Sd/-
(M.DEENA DAYALAN)
MEMBER

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(S.JAYARAMAN)
MEMBER

Sd/-
(DR.PRAMOD DEO)
CHAIRPERSON