

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.160/2009**

**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: 17.10.2011**

**IN THE MATTER OF**

Revision of order dated 21.1.2011 in the light of the judgment of the Appellate Tribunal for Electricity dated 19.4.2011 in Appeal No.159/2010.

**AND**

**IN THE MATTER OF**

Determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 in Petition No.44/2009 and impact of additional capital expenditure for 2008-09 in Petition No.160/2009 in respect of Kawas GPS (656.20 MW).

**AND**

**IN THE MATTER OF**

NTPC Ltd, New Delhi  
Vs

**.....Petitioner**

1. Madhya Pradesh Power Trading Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd, Mumbai
3. Gujarat Urja Vikas Nigam Ltd, Vadodara
4. Chhattisgarh State Power Distribution Company Ltd, Raipur
5. Electricity Department, Govt. of Goa, Panjim
6. Electricity Department, Administration of Daman & Diu, Daman
7. Electricity Department, Administration of Dadra and Nagar Haveli, Silvassa

**.....Respondents**

**ORDER**

Petition No. 44/2009 was filed by the petitioner for determination of impact of additional capital expenditure incurred during the years 2004-05, 2005-06, 2006-07 and 2007-08 in respect of Kawas GPS (656.20 MW) (hereinafter referred to as “the generating station”) 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”) and the Commission by its order dated 30.12.2009 determined the annual fixed charges of the generating station for 2004-09.

2. Petition No. 160/2009 was filed by the petitioner for determination of impact of additional capital expenditure incurred during the year 2008-09 in respect of the generating station and the Commission by its order dated 28.5.2010 revised the annual fixed charges for the generating station for 2004-09.

3. Subsequently, the annual fixed charges for the generating station for 2004-09 determined by order dated 28.5.2010 was revised by Commission’s order dated 21.1.2011 in Petition No.44/2009 (based on order dated 28.9.2010 in Review Petition No. 27/2010 against Petition No.44/2009) filed by the petitioner. The capital cost as approved by order dated 21.1.2011 in Petition No. 44/2009 was as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Capital cost as on 1.4.2004 considered vide order dated 30.12.2009	151394.75	-	-	-	-
Add: Additional FERV on normative basis for tariff period 2001-04	2745.70	-	-	-	-
Opening Capital cost	154140.45	154093.29	154140.07	154170.41	154246.87
Additional capital expenditure allowed	(-) 47.16	46.79	30.34	76.46	(-) 641.25
Closing Capital cost	<b>154093.29</b>	<b>154140.07</b>	<b>154170.41</b>	<b>154246.87</b>	<b>153605.62</b>
Average Capital cost	<b>154116.87</b>	<b>154116.68</b>	<b>154155.24</b>	<b>154208.64</b>	<b>153926.25</b>

4. The additional capital expenditure approved above for the period 2004-09 is after excluding the un-discharged liabilities amounting to Rs.190.09 lakh for the year 2005-06 and is inclusive of discharges of liabilities amounting to ₹2.71 lakh for the year 2007-08.

5. The annual fixed charges approved by order dated 21.1.2011 was as under:



	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Interest on loan	149.49	0.00	0.00	0.00	0.00
Interest on Working Capital	4457.77	4396.47	4417.40	4449.59	4878.15
Depreciation	8214.43	3709.21	3715.21	3724.44	3667.48
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	10788.84	10788.83	10790.45	10792.70	10780.83
O & M Expenses	5118.36	5321.78	5538.33	5754.87	5984.54
<b>Total</b>	<b>28728.89</b>	<b>24216.29</b>	<b>24461.39</b>	<b>24721.60</b>	<b>25311.00</b>

Note: The figures stated above are on annualized basis.

## Background

6. Petition No.79/2005 was filed by the petitioner for determination of tariff of the generating station for 2004-09 and the Commission by its order dated 16.11.2006 determined the tariff for 2004-09. Aggrieved by the said order, the petitioner filed Appeal No.11/2007 before the Tribunal on various issues. Similar appeals (Appeal Nos.139 to 142 etc of 2006, 11 and 23/2007) were also filed by the petitioner before the Tribunal challenging the various orders of the Commission determining tariff for other generating stations of the petitioner during 2004-09. Appeal No.11/2007 was also clubbed with the other 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 by the Commission.

7. 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. 5435/2007 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.



8. 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.”*

9. Thereafter, the Commission by its order dated 3.2.2009 in Petition No. 79/2005 revised the annual fixed charges of the generating station for the period 2004-09 taking into account the order of the Commission dated 2.11.2007 in Petition No. 99/2002 and order 23.1.2008 in Petition No. 31/2001, wherein the annual fixed charges for the period from 1998-2001 and 2001-04 were revised on account of changes in Naptha /NGL fuel & Heat Rate and changes in repayment of loan methodology, respectively.

10. Subsequently, in Petition No. 44/2009 filed by the petitioner, the Commission by its order dated 30.12.2009, revised the annual fixed charges of the generating station for 2004-09 after accounting for the additional capital expenditure for 2004-08. Meanwhile, the petitioner also filed Petition No.160/2009 for determination of impact of additional capital expenditure incurred during the year 2008-09 in respect of the generating station.

11. Thereafter, the Commission by its order dated 10.2.2010 in Petition No. 44/2009 revised the annual fixed charges after correction of certain ministerial errors in



paragraph 56 of the order dated 30.12.2009. Against the order dated 30.12.2009 in Petition No. 44/2009, the petitioner filed Review Petition (R.P. No. 27/2010) raising the following issues:

- (a) *Disallowance of an amount of ₹78.31 lakh claimed towards capitalization of Enterprise Resource Planning (ERP module); and*
- (b) *Correction of ministerial error in table of revised fixed charges at para 56 of the order dated 30.12.2009.*

12. During the pendency of the above review petition, the Commission by its order dated 28.5.2010 in Petition No.160/2009, revised the annual fixed charges of the generating station for 2004-09 after accounting for the additional capital expenditure for 2008-09. The petitioner also filed interlocutory Application (I.A.No.51/2009) in the said petition, praying for revision of the annual fixed charges after considering the principles laid down in the judgment of the Tribunal dated 13.6.2007 in Appeal Nos.139 to 142 etc of 2006, 10,11 and 23/2007. The petitioner had also prayed for changes in the opening capital cost on account of change in the normative FERV allowed for the period 2001-04. However, the Commission by its order dated 28.5.2010 deferred the implementation of the judgment of the Tribunal dated 13.6.2007 on the five issues and determined the annual fixed charges for the generating station based on the existing principles subject to the final outcome of the Civil Appeals pending before the Hon'ble Supreme Court. The relevant portion of the order dated 28.5.2010 is extracted as under:

*"10.....In our view, the petitioner has given an undertaking in the Civil Appeals pertaining to the tariff in the original petition before the Hon'ble Supreme Court that "the five issues shall not be pressed for fresh determination". It is logical that original tariff as well as revision of tariff for the generating station on the basis of additional capital expenditure is to be decided on the basis of the same principles. Accepting the contention of the petitioner would mean that additional capitalization should be determined on the principles different from those which have fallen for consideration while determining the tariff for the generating station in the original petition. The tariff for the period 2004-09 is a composite 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 extension of the impact of the judgment of the Tribunal on the five issues should be deferred till the final disposal of the said Civil Appeals by the Hon'ble Supreme Court"*



13. Subsequently, in Appeal Nos.151 & 152/2007 filed by the petitioner before the Tribunal challenging 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, the Tribunal by its judgment dated 10.12.2008 allowed the said appeals 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.”*

14. Similar appeals, Appeal Nos.133/2008, 135/2008, 136/2008 and 148/2008 were also filed by the petitioner before the Tribunal in respect of other generating stations on the issue of disallowance of un-discharged liabilities and the Tribunal, in line with its earlier decision dated 10.12.2008, disposed of these appeals by a common judgment dated 16.3.2009. 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. Since, no stay of the operation of the judgment of the Tribunal dated 16.3.2009 was granted by the Hon’ble Supreme Court, the Commission in its order allowed the un-discharged liabilities, subject to truing up. The relevant portion of the order dated 28.5.2010 is extracted as under:

*“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 dated 28.5.2010, the petitioner filed Appeal No.159/2010 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.*
- (e) *Consequences of refinancing of loan; and*
- (f) *Admissibility of depreciation up to 90 %*

16. Subsequently, the Commission by its order dated 28.9.2010 allowed review of order dated 30.12.2009 with a direction to list the main petition (Petition No. 44/2009) for hearing on the question of capitalization of an expenditure of ₹78.31 lakh towards Enterprise Resource Planning (ERP) module (*since the ministerial errors were already corrected by order dated 10.2.2010*). Thereafter, by order dated 21.1.2011 in Petition No. 44/2009, the Commission revised the annual fixed charges for 2004-09 as determined by order dated 28.5.2010 in Petition No.160/2009, after considering the capitalization of an expenditure of ₹78.31 lakh towards Enterprise Resource Planning (ERP) module and the correction of ministerial errors.

17. While so, Appeal No.159/2010 filed by the petitioner on the issues (as stated in paragraph 15 above) was allowed by the Tribunal on 19.4.2011 in line with its decision contained in the earlier judgments dated 13.6.2007 (in Appeal Nos.139 to 142 etc of 2006, 11 and 23/2007) and 16.3.2009 (in Appeal Nos.133/2008, 135/2008, 136/2008 and 148/2008).

18. In compliance with the judgment date 19.4.2011 of the Tribunal in Appeal No.159/2010 and considering the fact that the tariff for 2004-09 is a composite package, the tariff of some of the generating stations of the petitioner have been revised by the Commission after considering the issues raised by the petitioner in terms of the judgments of the Tribunal dated 13.6.2007 and 16.3.2009. In line with this, we proceed

to revise the annual fixed charges of the generating station after considering the issues claimed by the petitioner in terms of the judgment of the Tribunal dated 13.6.2007 and 16.3.2009, subject to the final outcome of the Civil Appeals pending before the Hon'ble Supreme Court.

### **Un-discharged liabilities**

19. The additional capital expenditure approved vide order dated 21.1.2011 is revised after including un-discharged liabilities disallowed earlier and removing discharges of un-discharged liabilities considered earlier. The revised additional capital expenditure for the period 2004-09 is as under:

	<i>(₹ in lakh)</i>				
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Additional capital expenditure admitted in order dated 21.1.2011	(-) 47.16	46.79	30.34	76.46	(-) 641.24
<b>Add:</b> Un-discharged liabilities deducted earlier	0.00	190.09	0.00	0.00	0.00
<b>Less:</b> Discharge of liabilities allowed earlier	0.00	0.00	0.00	2.71	0.00
<b>Additional capital expenditure allowed</b>	<b>(-) 47.16</b>	<b>236.88</b>	<b>30.34</b>	<b>73.75</b>	<b>(-) 641.24</b>

### **Normative FERV for 2001-04**

20. The petitioner's claim for revision of normative FERV for the tariff period 2001-04 was already considered in order dated 21.1.2011 and the revised FERV was allocated in debt-equity ratio of 50:50.

### **Capital Cost**

21. The capital cost approved vide order dated 21.1.2011 is revised as shown below:

	<i>(₹ in lakh)</i>				
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Opening Capital cost	154140.45	154093.29	154330.17	154360.51	154434.27
Additional capital expenditure allowed	(-) 47.16	236.88	30.34	73.75	(-) 641.24
Closing Capital cost	<b>154093.29</b>	<b>154330.17</b>	<b>154360.51</b>	<b>154434.27</b>	<b>153793.03</b>
Average Capital cost	<b>154116.87</b>	<b>154211.73</b>	<b>154345.34</b>	<b>154397.39</b>	<b>154113.65</b>



### Debt-Equity ratio

22. For the purpose of allowing additional capital expenditure for the period 2004-09, the debt-equity ratio remains the same as considered in order dated 21.1.2011.

### Return on Equity

23. Based on the above, the return on equity approved vide order dated 21.1.2011 is revised as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Equity –Opening considered now	77070.22	77056.08	77127.14	77136.24	77158.37
Addition of Equity due to admitted additional capital expenditure	(-) 14.15	71.07	9.10	22.13	(-) 192.37
Equity-Closing	77056.08	77127.14	77136.24	77158.37	76966.00
Average equity	77063.15	77091.61	77131.69	77147.31	77062.18
<b>Return on Equity @ 14%</b>	<b>10788.84</b>	<b>10792.83</b>	<b>10798.44</b>	<b>10800.62</b>	<b>10788.71</b>

### Interest on loan

24. Adjustment of repayment corresponding to de-capitalization of assets: In the original petitions filed by the petitioner for determination of tariff in respect of various generating stations for 2004-09, the petitioner had 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 Tribunal in 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:



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

26. In terms of the above decision of the 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 21.1.2011 was ₹77070.22 lakh.
- (b) Cumulative repayment of normative loan as on 1.4.2004 as considered in order dated 21.1.2011 was ₹71775.00 lakh. Further, in view of the fact that there was no de-cap during the period 2001-2004, no adjustment in cumulative repayment as on 1.4.2004 has been effected.
- (c) Accordingly, the net opening normative loan as on 1.4.2004 works out to ₹5295.22 lakh.
- (d) The addition of notional loan on account of admitted additional capital expenditure (inclusive of liabilities for the period 2004-09) is revised to (-)₹33.01 lakh, ₹165.82 lakh, ₹21.24 lakh, ₹51.63 lakh and (-)₹448.87 lakh for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, respectively.
- (e) Annual repayment of actual loan (original GOI loan) has been used to calculate normative repayment of loan. Normative repayment has been worked out as per formula below.

$$\text{Normative repayment} = \frac{\text{Actual Repayment} \times \text{Normative Loan}}{\text{Actual Loan}}$$

Regulation-21(1)(i)(f) of the 2004 Regulations, provides as under:

*“In case any moratorium period is availed by the generating company, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly”*



Since, actual repayment is 'nil' for the period 2008-09, the same is considered as deemed moratorium. Thus, in terms of the above regulation, the depreciation for the period 2008-09 has been treated as repayment for the year. However, the same has been restricted in such a manner so as to arrive at zero value of the net closing loan.

As stated, the weighted average rate of interest has been calculated applying the original GOI loans (carried forward from order dated 7.4.2005 in Petition No.31/2001) instead of refinanced bonds (as considered in orders dated 16.11.2006 / 3.2.2009 / 30.12.2009 / 10.2.2010 / 25.8.2010 / 21.1.2011 pertaining to the generating station).

- (f) Since there is no actual loan for the year 2008-09, the rate considered in 2007-08 has been taken to compute the interest on loan for the period 2008-09.
- (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 re-computed as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Gross Opening loan – considered now	77070.22	77037.21	77203.03	77224.27	77275.90
Cumulative Repayment of Loan upto previous year	71775.00	76691.01	76984.07	77119.57	77221.08
Net Loan Opening	5295.22	346.21	218.96	104.70	54.82
Addition of loan due to approved additional capital expenditure	(-) 33.01	165.82	21.24	51.63	(-) 448.87
Repayment of loan (Normative)	4950.28	295.86	136.82	104.70	136.71
Less: Adjustment for de-cap during the period	34.27	2.79	1.33	3.19	530.76
Repayment of loan during the year (net)	4916.01	293.06	135.50	101.51	-394.05
Net Loan Closing	346.21	218.96	104.70	54.82	0.00
Average Loan	2820.72	282.58	161.83	79.76	27.41
Weighted Average Rate of Interest on Loan	7.2638%	15.5714%	16.8184%	17.0000%	17.0000%
<b>Interest on Loan</b>	<b>204.89</b>	<b>44.00</b>	<b>27.22</b>	<b>13.56</b>	<b>4.66</b>

### Depreciation

29. Weighted average rate of depreciation of 5.33% has been considered for the purpose of calculating depreciation. The necessary calculations are as under.

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Opening capital cost	154140.45	154093.29	154330.17	154360.51	154434.27
Closing capital cost	154093.29	154330.17	154360.51	154434.27	153793.03
Average capital cost	154116.87	154211.73	154345.34	154397.39	154113.65
Depreciable value @ 90%	138044.01	138129.39	138249.64	138296.48	138041.11
Cumulative depreciation at the beginning of the year	102454.41	110632.75	118848.64	127073.54	135298.82
Balance depreciable value (before depreciation for the period)	35589.61	27496.64	19401.00	11222.94	2742.29
Balance Useful life	8.39	7.39	6.39	5.39	4.39
<b>Depreciation</b>	<b>8214.43</b>	<b>8219.49</b>	<b>8226.61</b>	<b>8229.38</b>	<b>2742.29</b>
Cumulative depreciation adjustment on account of de-capitalization	36.09	3.59	1.70	4.10	668.10

### Advance Against Depreciation

30. There is no change in the Advance Against Depreciation approved vide order dated 21.1.2011.

### O&M expenses

31. O&M Expenses approved vide order dated 21.1.2011 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 21.1.2011 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
Fuel Cost (Gas)- 1 month	10405.97	10405.97	10405.97	10434.48	11562.18
Liquid Fuel (Naphtha) -1/2 months	4772.92	4772.92	4772.92	4786.00	5303.25
O & M expenses	426.53	443.48	461.53	479.57	498.71
Maintenance Spares	2712.54	2877.67	3050.87	3235.38	3416.63
Receivables	25616.91	25628.82	25668.17	25765.67	27197.36



<b>Total Working Capital</b>	<b>43934.86</b>	<b>44128.86</b>	<b>44359.46</b>	<b>44701.09</b>	<b>47978.14</b>
Rate of Interest	10.2500%	10.2500%	10.2500%	10.2500%	10.2500%
<b>Total Interest on Working capital</b>	<b>4503.32</b>	<b>4523.21</b>	<b>4546.84</b>	<b>4581.86</b>	<b>4917.76</b>

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

	(₹ in lakh)				
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Interest on loan	204.89	44.00	27.22	13.56	4.66
Interest on Working Capital	4503.32	4523.21	4546.84	4581.86	4917.76
Depreciation	8214.43	8219.49	8226.61	8229.38	2742.29
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Return on Equity	10788.84	10792.83	10798.44	10800.62	10788.71
O & M Expenses	5118.36	5321.78	5538.33	5754.87	5984.54
<b>Total</b>	<b>28829.84</b>	<b>28901.31</b>	<b>29137.44</b>	<b>29380.29</b>	<b>24437.96</b>

34. The target availability of 80% considered by the Commission in the order dated 21.1.2011 remains unchanged. Similarly other parameters viz. Specific fuel consumption, Auxiliary Power consumption and Station Heat rate etc., considered in order dated 21.1.2011 have been retained for the purpose of calculation of the revised fixed charges.

35. The revised annual fixed charges determined by 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 21.1.2011 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**

