

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 230/GT/2013

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A.K.Singhal, Member

Ms. Neerja Mathur, Member (EO)

Date of Hearing: 04.03.2014

Date of Order: 05.11.2014

In the matter of

Revision of tariff of Korba Super Thermal Power Station, Stage-I & II (2100 MW) for the period from 1.4.2009 to 31.3.2014 -Truing up of tariff determined by order dated 12.10.2012 in Petition No. 264/2009

And

In the matter of

NTPC Ltd
NTPC Bhawan,
Core-7, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003

...Petitioner

Vs

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhavan, Vidyut Nagar, Jabalpur-482 008
2. Maharashtra State Electricity Distribution Company Ltd,
'Prakashgad', Bandra (EAST), Mumbai-400 051
3. Gujarat Urja Vikas Nigam Limited,
Vidyut Bhavan, Race Course, Vadodara-390 007
4. Chhattisgarh State Power Distribution Company Ltd,
Dhagania, Raipur-492 013
5. Electricity Department, Govt. of Goa,
Vidyut Bhavan, Panaji, Goa
6. Electricity Department, Administration of Daman & Diu,
Daman-396 210
7. Electricity Department Administration of Dadra and Nagar Haveli,
Silvassa Via VAPI

...Respondents



Parties present:

For Petitioner: Shri Ajay Dua, NTPC
Shri A.K.Chaudhary, NTPC
Shri Sameer Agarwal, NTPC
Shri Sachin Jain, NTPC
Shri Y.R. Dhingra, NTPC
Shri Bhupinder Kumar, NTPC

For Respondents: None

ORDER

This petition has been filed by the petitioner, NTPC for revision of tariff of Korba Super Thermal Power Station, Stage-I & II (2100 MW) (hereinafter referred to as “the generating station”) for the period from 1.4.2009 to 31.3.2014 in terms of the proviso to Regulation 6(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 Tariff Regulations”).

2. The generating station with a capacity of 2100 MW comprises of three units of 200 MW each and three units of 500 MW each. The dates of commercial operation of different units of the generating station are as under:

Unit-I	1.8.1983
Unit-II	1.1.1984
Unit-III	1.6.1984
Unit-IV	1.3.1988
Unit-V	1.4.1989
Unit-VI / Generating station	1.6.1990

3. Petition No. 264/2009 was filed by the petitioner for approval of tariff of the generating station for the period 2009-14 and the Commission by its order dated 12.10.2012 approved the annual fixed charges considering the capital cost of ` 175653.11 lakh, after deduction of un-discharged liabilities of ` 553.44 lakh as on 1.4.2009. The annual fixed charges approved by the said order dated 12.10.2012 was as under:

(' in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	2207.01	2434.03	3028.55	5182.41	2681.39
Interest on Loan	617.67	478.49	327.19	158.26	36.58
Return on Equity	20353.39	20418.93	20520.48	20705.92	20875.23
Interest on Working Capital	5388.53	5511.02	5641.68	5791.90	5919.12
O&M Expenses	30420.00	32154.00	33999.00	35946.00	38004.00
Cost of Secondary fuel oil	6085.34	6085.34	6102.01	6085.34	6085.34
Compensation Allowance	955.00	825.00	975.00	975.00	650.00
Special Allowance	2000.00	3171.60	3353.02	3544.81	6870.55
Total	68026.94	71078.42	73946.93	78389.65	81122.21

4. The petitioner presently seeks revision of the annual fixed charges based on the actual additional capital expenditure incurred for the years 2009-10, 2010-11 and 2011-12 and revised projected estimated expenditure for the years 2012-13 and 2013-14 in accordance with clause (1) of Regulation 6 of the 2009 Tariff Regulations. Clause (1) of Regulation 6 of the 2009 Tariff Regulations provides as under:

"6. Truing up of Capital Expenditure and Tariff

(1) The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2014, as admitted by the Commission after prudence check at the time of truing up.

Provided that the generating company or the transmission licensee, as the case may be, may in its discretion make an application before the Commission one more time prior to 2013-14 for revision of tariff."

5. In terms of the above, the petitioner vide its affidavit dated 26.3.2013 had filed this petition for revision of tariff of the generating station for the period 2009-14. Subsequently, the petitioner vide affidavit dated 11.10.2013 has revised the claim for annual fixed charges after considering the actual additional capital expenditure for 2012-13 also as under:

(' in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	2197.20	2396.15	3055.21	4391.36	1724.75
Interest on Loan	592.76	485.81	398.11	152.54	6.74
Return on Equity	20246.17	20070.11	19949.69	20062.21	20161.48
Interest on Working Capital	5419.41	5532.34	5666.37	5796.42	5906.71
O&M Expenses	30420.00	32154.00	33999.00	35946.00	38004.00
Secondary Fuel Oil Cost	6085.34	6085.34	6102.01	6085.34	6085.34
Compensation Allowance	955.00	825.00	975.00	975.00	650.00
Special Allowance	2000.00	3171.60	3353.12	3544.81	6870.55
Total	67915.88	70720.36	73498.41	76953.69	79409.58

6. Reply to the petition has been filed by the respondent No.1, MPPMCL and the petitioner has filed its rejoinder to the said reply. The petitioner has also filed additional submissions as directed by the Commission.

Capital cost

7. The last proviso to Regulation 7 of the 2009 Tariff Regulations, as amended on 21.6.2011, provides as under:

"Provided also that in case of the existing projects, the capital cost admitted by the Commission prior to 1.4.2009 duly trued up by excluding un-discharged liability, if any, as on 1.4.2009 and the additional capital expenditure projected to be incurred for the respective year of the tariff period 2009-14, as may be admitted by the Commission, shall form the basis for determination of tariff."

8. The approved capital cost as on 1.4.2009 works out to ` 175653.11 lakh, after deduction of un-discharged liabilities amounting to ` 553.44 lakh (all pertaining to period 2004-09).

Actual/ Projected Additional Capital Expenditure

9. Regulation 9 of the 2009 Tariff Regulations, as amended on 21.6.2011 and 31.12.2012 provides as under:

*"9. **Additional Capitalisation.** (1) The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

(i) Un-discharged liabilities;

(ii) Works deferred for execution;

(iii) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulation 8;

(iii) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and

(v) Change in law:

Provided that the details of works included in the original scope of work along with estimates of expenditure, un-discharged liabilities and the works deferred for execution shall be submitted along with the application for determination of tariff.

(2) The capital expenditure incurred or projected to be incurred on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check:

(i) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;

(ii) Change in law;

(iii) Deferred works relating to ash pond or ash handling system in the original scope of work;

(iv) In case of hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation; and

(v) In case of transmission system any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, DC batteries, replacement of switchyard equipment due to increase of fault level, emergency restoration system, insulators cleaning infrastructure, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system:

Provided that in respect sub-clauses (iv) and (v) above, any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff w.e.f. 1.4.2009.

(vi) In case of gas/liquid fuel based open/ combined cycle thermal generating stations, any expenditure which has become necessary on renovation of gas turbines after 15 year of operation from its COD and the expenditure necessary due to obsolescence or non-availability of spares for successful and efficient operation of the stations.

Provided that any expenditure included in the R&M on consumables and cost of components and spares which is generally covered in the O&M expenses during the major overhaul of gas turbine shall be suitably deducted after due prudence from the R&M expenditure to be allowed.

(vii) Any capital expenditure found justified after prudence check necessitated on account of modifications required or done in fuel receipt system arising due to non-materialisation of full coal linkage in respect of thermal generating station as result of circumstances not within the control of the generating station.

(viii) Any un-discharged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date, after prudence check of the details of such deferred liability, total estimated cost of package, reason for such withholding of payment and release of such payments etc.

(ix) Expenditure on account of creation of infrastructure for supply of reliable power to rural households within a radius of five kilometers of the power station if, the generating company does not intend to meet such expenditure as part of its Corporate Social Responsibility.”

10. The additional capital expenditure claimed by the petitioner and allowed by order dated 12.10.2012

in Petition No. 264/2009 is as under:

(` in lakh)

	2009-10 Actual	2010-11 Projected	2011-12 Projected	2012-13 Projected	2013-14 Projected	Total
Additional Capital Expenditure claimed	2282.85	1011.78	15432.33	20068.62	19706.78	58502.36
Additional Capital Expenditure allowed	777.99	867.33	1958.00	3307.00	1500.00	8410.32

11. The break-up of the additional capital expenditure allowed by the Commission in its order dated 12.10.2012 in Petition No. 264/2009 is as under.

(` in lakh)

Sl. No.		Projected Additional Capital expenditure				
		2009-10	2010-11	2011-12	2012-13	2013-14
	Ash handling system					
1	Existing Dhanras Ash dyke raising works	511.72	566.00	108.00	0.00	0.00
2	Ash evacuation from Dhanras Ash dyke	0.00	200.00	1000.00	1400.00	500.00
3	Proposed new Ash Dyke 2	0.00	0.00	0.00	0.00	1000.00
4	Additional Pump set & Piping system from Stage-II pump house to Ash dyke	0.00	0.00	700.00	900.00	0.00
	Sub-total	511.72	766.00	1808.00	2300.00	1500.00
	Environmental protection related works					
5	Replacement of Halon system of Stage II	0.00	0.00	0.00	850	0.00
6	Environment Action Plan - Ambient Air Quality Measurement System	120.77	11.33	0.00	0.00	0.00
7	Environment Action Plan –Fugitive ash control system	106.34	50.00	150.00	157.00	0.00
8	Air conditioner based Vapor absorption system	39.16	0.00	0.00	0.00	0.00
	Sub-total	266.27	61.33	150.00	1007.00	0.00
9	Procurement and installation of Energy meters	0.00	40.00	0.00	0.00	0.00
	Total Additional capital expenditure allowed	777.99	867.33	1958.00	3307.00	1500.00

12. The actual additional capital expenditure for the period 2009-13 and projected additional capital expenditure for the year 2013-14 claimed vide affidavit dated 11.10.2013 is summarized as under:

(` in lakh)

	2009-10 (actual)	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (Projected)	Total
Actual/Projected additional capital expenditure	804.38	631.03	2477.24	394.67	2100.00	6407.32

13. The break-up of the additional capital expenditure claimed by the petitioner for 2009-14 is detailed as under:

(` in lakh)							
Sl. No.	Package Name	Actual Capital expenditure				Projected capital expenditure 2013-14	Total
		2009-10	2010-11	2011-12	2012-13		
A	Ash Handling system						
1	Existing Dhanras Ash Dyke raising works	511.73	305.32	656.34	126.23	300.00	1899.62
2	Ash evacuation from Dhanras Ash Dyke	0.00	0.00	1694.90	267.02	1800.00	3761.92
3	Proposed new Ash Dyke-2	0.00	0.00	0.00	0.00	0.00	0.00
4	Additional pump set & piping system from Stage-II pump house to Ash Dyke	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total	511.73	305.32	2351.24	393.24	2100.00	5661.53
B	Environmental Protection related works						
5	Replacement of Halon system of Stage-II	0.00	0.00	0.00	0.00	0.00	0.00
6	Environmental Action Plan Ambient Air Quality Measurement System.	120.77	0.91	0.00	1.44	0.00	123.12
7	Environmental Action Plan Fugitive ash control System	106.34	0.00	24.56	0.00	0.00	130.90
8	Air conditioner based vapor absorption system	65.55	0.00	0.00	0.00	0.00	65.55
	Sub-Total	292.65	0.91	24.56	1.44	0.00	319.56
9	Energy Meters procurement installation	0.00	23.70	2.19	0.00	0.00	25.89
(i)	Total Additional Capitalization (1 to 9)	804.38	329.93	2377.99	394.68	2100.00	6006.98
C	New Claims						
10	Modification of Fire Water pipeline	0.00	252.50	0.50	0.00	0.00	253.00
11	Implementation of RGMO in Stage-I & II	0.00	0.00	98.75	0.00	0.00	98.75
	Total- Other capital cost	0.00	252.50	99.25	0.00	0.00	351.75
12	Afforestation cost of diverted land	0.00	48.60	0.00	0.00	0.00	48.60
(ii)	Total Additional Capitalization on new claims (10 to 12)	0.00	301.10	99.25	0.00	0.00	400.35
	Grand Total additional capital expenditure	804.38	631.03	2477.24	394.67	2100.00	6407.32

14. It is observed that the actual/ projected additional capital expenditure claimed for the period 2009-14 is ` 6006.98 lakh as against the additional capital expenditure of ` 8410.32 lakh allowed vide order dated 12.10.2012 in Petition No. 264/2009. The petitioner has further claimed expenditure of

`400.35 lakh towards 'New claims' as mentioned above. Accordingly, the total claim of the petitioner towards additional capitalization for 2009-14 is `6407.32 lakh.

15. We now proceed to consider the claims of the petitioner for capitalization based on the available records and submissions of the parties as stated in the subsequent paragraphs.

Ash Handling System

16. The Commission in order dated 12.10.2012 had allowed the projected expenditure of `6885.70 lakh pertaining to works related to Ash pond and Ash handling system under Regulation 9(2)(iii) of the 2009 Tariff Regulations. The above expenditure also includes the work of construction of new Ash dyke for Stage-I & II and pump set and piping system associated with it. The petitioner in this petition has claimed expenditure of `5661.53 lakh during 2009-14, which include an actual expenditure of `511.73 lakh in 2009-10, `305.32 lakh in 2010-11, `2351.24 lakh in 2011-12 and `393.24 lakh in 2012-13 and the projected expenditure of `2100.00 lakh in 2013-14 towards Ash handling system. The petitioner has submitted that the existing Dhanras Ash dyke which is under operation from May, 2000 has three number of lagoons namely 1A, 1B and Lagoon-II and out of these, two lagoons namely-1A & 1B, after four raising, had already reached their final height of RL 350 M and in Lagoon-II, two raising of 3M each were completed and third raising was in progress in 2011-12. The petitioner has further submitted that the generating station has proposed to construct a new ash dyke to meet the future requirements as the existing dyke has reached to its peak capacity. The petitioner has stated that due to land acquisition issues pending in Court, the ash generated from Korba STPS Stage-III (another generating station of petitioner) was being disposed of in the existing Dhanras dyke and hence higher ash evacuation (than the earlier one) was required for creating capacity in existing dyke.

17. As regards increase in expenditure from `500 lakh to `1800 lakh in respect of Ash evacuation from Dhanras Ash dyke, the petitioner has submitted that the Commission had allowed an expenditure of

` 1000 lakh for new ash dyke for this generating station as the same was required since the existing ash dyke had already reached the permissible limit. Accordingly, the petitioner has submitted that the above factors have resulted in an emergent situation for evacuation of ash from existing dyke in order to sustain the generation of the generating station.

18. We have examined the matter. It is observed that on completion of useful life of 25 years by Units-I & II in 2008-09, Unit-III in 2009-10 and Unit-IV of Stage-II in 2013-14, the petitioner was allowed Special Allowance of ` 18940 lakh, by order dated 12.10.2012. Since these Units have completed their useful life either prior to or during this tariff period, there remains no deferred work for Ash Handling system under the original scope of work. Once the useful life of the units /generating station have expired and Special Allowance has been allowed as compensation for meeting the requirement of expenses including renovation & modernization beyond the useful life under Clause-4 of Regulation 10 of the 2009 Tariff Regulations, the claim of the petitioner under Regulation 9(2)(iii) i.e. deferred work relating to ash pond and ash handling system in the original scope of work cannot be permitted. However, the expenditure on Ash handling system has been *pro rated* based on the capacity of Units V and VI which are yet to complete their useful life, to the actual /projected additional capital expenditure claimed by the petitioner and the same is allowed as under:

	(` in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Total expenditure of Ash handling system	511.73	305.32	2351.24	393.24	2100.0	5661.53
Pro-rata expenditure for Units 5 & 6 with respect to capacity	243.68	145.39	1119.64	187.26	1000.00	2695.97

Environment System

19. The Commission in its order dated 12.10.2012 had allowed the actual/ projected expenditure of ` 1484.60 lakh for works related to Environmental system under Regulation 9(2)(ii) of the 2009 Tariff Regulations. The petitioner in this petition has claimed expenditure of ` 319.56 lakh under this head

during 2009-14. The asset-wise claim of petitioner under Environmental protection system is discussed as under:

Replacement of Halon system

20. The Commission in order dated 12.10.2012 had allowed expenditure of ` 850.00 lakh in 2012-13 for replacement of Halon system for Stage-II towards protection of the ozone layer. This expenditure has not been claimed by the petitioner and hence there is no capitalization of expenditure towards Halon system.

Environmental Action Plan-Ambient Air Quality Measurement System

21. The Commission had allowed expenditure of ` 120.77 lakh in 2009-10 and ` 11.33 lakh in 2010-11 for Ambient Air Quality Management System (AAQMS) in order to comply with the directions of Chhattisgarh Pollution Control Board. The petitioner has now claimed actual expenditure of ` 120.77 lakh in 2009-10, ` 0.91 lakh in 2010-11 and ` 1.44 lakh in 2012-13. The expenditure claimed by the petitioner had been justified and was approved by the Commission in order dated 12.10.2012 after prudence check. Hence, the additional capital expenditure claimed of ` 120.77 lakh in 2009-10, ` 0.91 lakh in 2010-11 and ` 1.44 lakh in 2012-13 has been allowed.

Environmental Action Plan-Fugitive Ash Control System

22. The Commission had allowed expenditure of ` 106.34 lakh in 2009-10, ` 50.00 lakh in 2010-11, ` 150.00 lakh in 2011-12 and ` 157.00 lakh in 2012-13 for suppression of ash from Ash dyke. The petitioner has now claimed actual expenditure of ` 106.34 lakh in 2009-10 and ` 24.56 lakh in 2011-12. The expenditure claimed by the petitioner had been justified and was approved by the Commission in order dated 12.10.2012 after prudence check. Hence, the additional capital expenditure of ` 106.34 lakh in 2009-10 and ` 24.56 lakh in 2011-12 has been allowed under Regulation 9 (2)(ii) of the 2009 Tariff Regulations.

Air conditioner based on Vapor Absorption System.

23. The petitioner has claimed expenditure for `65.55 lakh in 2009-10 for replacement of old Vapor Compression system with Vapor Absorption system for Air Conditioner. The Commission vide order dated 12.10.2012 had allowed the actual expenditure of `39.16 lakh on net basis, in 2009-10 after de-capitalization of the gross value of old assets of `26.39 lakh . Since the expenditure as claimed by the petitioner has already been approved by the Commission by order dated 12.10.2012, the additional capital expenditure of `39.16 lakh(65.55-26.39) in 2009-10 after de-capitalization of the value of old asset has been allowed under Regulation 9 (2) (ii) of the 2009 Tariff Regulations.

Procurement and installation of Energy Meter

24. The Commission in order dated 12.10.2012 had allowed expenditure of `40.00 lakh in 2010-11 for procurement of Energy Meters. In terms of the provisions of the Energy Conservation Act, 2001, Energy Meters are required to be installed in all HT & LT drives above 100 kW, for energy management system in the generating station. The petitioner has claimed actual expenditure of `23.70 lakh in 2010-11 and `2.19 lakh in 2011-12. Considering the fact that the benefit of reduction in the auxiliary power consumption due to energy management system has not been passed on to the beneficiaries during the period 2009-14, we are of the view that said expenditure should be borne by the petitioner, Hence, the expenditure claimed has not been allowed on this count.

New Claims

25. The expenditure claimed by the petitioner under this head is examined as under:

Modification of Fire water pipeline

26. The petitioner has claimed actual expenditure of `252.50 lakh in 2010-11 and `0.50 lakh in 2011-12 for Modification of fire water pipelines. The petitioner while pointing out that the healthiness of fire water pipe lines are critical to meet any emergency situations has submitted that the existing fire water

pipelines, some of which were laid underground, are facing frequent leakages due to ageing and corrosion of pipes. The petitioner has also submitted that this has led to frequent leakages in the fire water pipelines, creating fire risk for areas whenever the fire lines are under maintenance. The petitioner has further submitted that the leakages of underground pipelines take lot of time for identification and rectification. Hence, in order to overcome the above problems and to improve the reliability of fire water system and fire safety, the modification work of fire water system by replacing the corroded fire water pipelines and relaying them over the ground has been undertaken by the petitioner.

27. We have examined the submissions of the petitioner. It is observed that the generating station has been allowed Compensation Allowance of `4380.00 lakh under Regulation 19(e) in order to meet expenditure on new assets of capital nature including minor assets and also Special Allowance of `18940.00 lakh under Regulation 10(4) of the 2009 Tariff Regulations, by order dated 12.10.2012 as compensation for the capital expenditure including expenditure for Renovation & Modernization. Accordingly, we are of the considered view that any expenditure towards Modification / rectification / replacement of old system etc, should be met by the petitioner from the Compensation Allowance and /or the Special Allowance allowed to the generating station. In view of this, the claim for capitalization of `253.00 lakh separately for Modification of fire water pipeline has not been allowed.

Implementation of RGMO

28. The petitioner has claimed actual expenditure of `98.75 lakh in 2011-12 under Regulation 9(2)(ii)-Change-in-law towards implementation of RGMO in Stages -I&II of the generating station. The petitioner has submitted that Regulation 5.2(f) (i) of the CERC (Indian Electricity Grid Code) Regulations, 2010 (IEGC Regulations) provides that all thermal generating stations of 200 MW and above shall be operated under Restricted Governor Mode of Operation (RGMO) with effect from 1.8.2010 and RGMO shall have the features as stipulated in Regulation 5.2(f) (ii) of IEGC Regulations. The petitioner has submitted that

the implementation of the features specified under the IEGC Regulations in the units of this generating station which are of old design, was not possible without the additional software & hardware module. Accordingly, the petitioner has submitted that the capital expenditure has been incurred for implementation of RGMO in compliance with the directives specified under the IEGC Regulations notified by the Commission.

29. We have examined the submissions of the petitioner. It is observed that on completion of useful life of 25 years by Units-I & II in 2008-09, Unit-III in 2009-10 and Unit-IV of Stage-II in 2013-14, the petitioner was allowed Special Allowance of ` 18940 lakh, by order dated 12.10.2012 for meeting the expenses including expenses for Renovation & Modernization beyond useful life. In view of this, the expenditure required for implementation of RGMO in Units I, II, III and IV of the generating station shall be met from the Special Allowance allowed in respect of these units. Accordingly, the claim of the petitioner for expenditure under Change-in-law under Regulation 9(2)(ii) for RGMO in respect of Units I,II,III and Unit-IV of the generating stations is not justified and has not been allowed. However, in respect of Units-V & VI of the generating station, we notice that these units had not been allowed Special Allowance due to non-completion of 25 years of useful life. Hence, the expenditure claimed in respect of implementation of RGMO for these units has been allowed under Change in law. Accordingly, the expenditure on implementation of RGMO have been *pro rated* to the Units V & VI based on the capacity to the actual additional capital expenditure claimed by the petitioner. Accordingly, the pro-rata expenditure for Units V & VI has been worked out and allowed to be capitalized as under:

	(` in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Total expenditure of ash handling system	0.00	0.00	98.75	0.00	0.00	98.75
Pro-rata expenditure for Units V & VI with respect to capacity	0.00	0.00	47.02	0.00	0.00	47.02

Afforestation cost of diverted land

30. The petitioner has claimed expenditure of ` 48.60 lakh in 2010-11 towards cost of afforestation of diverted land under Regulation 9(2(ii))-Change in law. The Commission vide order dated 11.1.2010 in Petition No. 128/2009 had allowed the capitalization of ` 776.01 lakh towards cost of 87.002 hectare of forest land diverted for construction of Oxidation Pond, Link Road and Township. However, the present expenditure claimed by the petitioner based on documentary evidence is in respect of the payment made to the Ministry of Environment & Forests, Govt. of India as against the demand for differential amount towards alternate afforestation of 87.002 hectare of forest land on the current rates, raised by the Forest Division, Korba District of Chhattisgarh. In view of this, the expenditure for ` 48.60 lakh in 2010-11 is found justified and has been allowed for capitalization.

31. The petitioner has reconciled the actual additional capital expenditure for the period 2009-10 to 2012-13 with the books of accounts as under:

(` in lakh)

		2009-10	2010-11	2011-12	2012-13
1	Opening Gross Block of the year	186745.50	189513.11	192028.36	197303.40
2	Closing Gross Block of the year	189513.11	192028.36	197303.40	200296.35
3	Additional Capitalization as per the books (2-1)	2767.61	2515.25	5275.03	2992.95
4	Exclusions for Additional Capitalization as per the books of Accounts.	2014.65	1897.79	2129.33	2475.10
5	Additional Capitalization including liability (3-4)	752.96	617.46	3145.71	517.85
6	Un-discharged liabilities included in above	(-)51.42	(-)13.56	668.46	123.18
7	Additional Capital Expenditure Claim excluding liability (5-6)	804.38	631.02	2477.25	394.68
8	Discharge out of Un-discharged liabilities	151.01	68.31	7.70	389.79
9	Total Additional Capital Expenditure claimed (7+8)	955.39	699.33	2484.94	784.47

32. The summary of exclusions claimed as per books of accounts is as under:

(` in lakh)

S. No.	Head	2009-10	2010-11	2011-12	2012-13	Total
1	Capitalization of spares	1388.78	2597.06	3271.08	4136.62	11393.54
2	De-Capitalization of spares	(-)966.93	(-)697.61	(-)1278.08	(-)1556.84	(-)4499.46
3	Capitalization of MBOA items	200.12	3.62	96.88	48.67	349.29
4	De-Capitalization of MBOA	(-)3.62	(-) 28.42	(-)0.71	(-)160.08	(-)192.83
5	FERV	(-) 89.25	12.75	56.04	22.67	2.21

6	Inter-unit transfer	(-)3.36	14.9	(-)15.88	0.00	(-)4.34
7	Items disallowed by the Commission	1488.92	2.31	0.00	0.26	1491.49
8	Reversal of Liabilities	0.00	(-) 6.82	0.00	(-)16.19	(-)23.01
	Total Exclusions	2014.65	1897.79	2129.33	2475.10	8516.87

Exclusions

33. We consider the exclusions for the years 2009-10, 2010-11, 2011-12 and 2012-13 under different heads in the claim for the purpose of tariff as discussed in subsequent paragraphs:

Capitalization of spares

34. The petitioner has procured spares amounting to `1388.78 lakh during the year 2009-10, `2597.06 lakh during the year 2010-11, `3271.08 lakh during the year 2011-12 and `4136.62 lakh during the year 2012-13 for maintaining stock of necessary spares. Since capitalization of capital spares over and above the initial spares procured after cut-off date are not allowed for the purpose of tariff as they form part of O&M expenses as and when consumed, the exclusions of the said amounts during the period 2010-13 are in order and hence allowed.

De-capitalization of Spares

35. The petitioner has excluded de-capitalized spares in books of accounts amounting to (-) `966.93 lakh during the year 2009-10, (-) `697.61 lakh during the year 2010-11, (-) `1278.08 lakh during the year 2011-12 and (-) `1556.84 lakh during the year 2012-13 in books of accounts on these spares becoming unserviceable. After examining the exclusions on account of de-capitalization of spares it is found that an amount of (-) `541.19 lakh in 2009-10, (-) `533.46 lakh in 2010-11, (-) `738.57 lakh in 2011-12 and (-) `1503.92 lakh in 2012-13 pertains to spares which were part of the capital cost of the generating station for the purpose of tariff. Hence, exclusion on account of de-capitalization of these spares is not justified and has not been allowed for the purpose of tariff. The remaining amount of de-capitalized spares of (-) `425.75 lakh in 2009-10, (-) `164.16 lakh in 2010-11, (-) `539.51 lakh in 2011-

12 and (-) ` 52.92 lakh during the year 2012-13 do not form part of the capital cost considered for the purpose of tariff. Hence, exclusion of de-capitalization of these spares is in order and has been allowed.

Capitalization of Miscellaneous Bought Out Assets (MBOA)

36. The petitioner has capitalized MBOA items in books of accounts amounting to `200.12 lakh in 2009-10, `3.62 lakh in 2010-11, `96.88 lakh in 2011-12 and `48.67 lakh in 2012-13. Since the capitalization of minor assets is not allowed after cut-off date, the exclusions of the said amounts during 2009-13 is in order and has been allowed.

De-Capitalization of Miscellaneous Bought Out Assets (MBOA)

37. The petitioner has also excluded de-capitalized MBOA in books of accounts amounting to (-) `3.62 lakh during 2009-10, (-) `28.42 lakh during 2010-11, (-) `0.71 lakh during 2011-12 and (-) `160.08 lakh during 2012-13 in books of accounts on these MBOA becoming unserviceable. After examining the exclusion on account of de-capitalization of MBOA, it is noticed that an amount of (-) `2.49 lakh in 2009-10 and (-) `25.06 lakh in 2010-11 and (-) `124.10 lakh in 2012-13 pertains to MBOA which were part of the capital cost of the generating station for the purpose of tariff. Hence, exclusion on account of de-capitalization of these spares is not justified and has not been allowed for the purpose of tariff. Some of the other de-capitalized MBOA amounting to (-) `1.13 lakh in 2009-10 and (-) `3.36 lakh in 2010-11, (-) `0.71 lakh in 2011-12 and (-) `35.96 lakh in 2012-13 do not form part of the capital cost and had been earlier disallowed by the Commission. Hence, exclusion of de-capitalization of these assets is in order and has been allowed.

FERV

38. The petitioner has excluded an amount of (-) `89.25 lakh in 2009-10, `12.75 lakh in 2010-11, `56.04 lakh in 2011-12 and `22.67 lakh in 2012-13 on account of impact of FERV. As the petitioner has billed FERV directly on the beneficiaries, the exclusion of FERV is in order and has been allowed.

Reversal of Liability

39. The petitioner has excluded an amount of (-) ` 6.82 lakh during 2010-11 and (-) ` 16.19 lakh in 2012-13 on account of reversal of liability out of un-discharged liability as on 1.4.2009. Since the admitted capital base as on 31.3.2009 has already been reduced by excluding the un-discharged liability as on 1.4.2009, the exclusion of reversal of liability has been allowed.

Inter-unit transfer

40. An amount of (-) ` 3.36 lakh in 2009-10, ` 14.90 lakh in 2010-11, and (-) ` 15.88 lakh in 2011-12 has been excluded under this head on account of transfer of certain assets. These inter-unit transfers are stated to be of temporary nature. The Commission while dealing with applications for additional capitalization in respect of other generating stations of the petitioner, had decided that both positive and negative entries arising out of inter unit-transfers of temporary nature shall be ignored for the purpose of tariff. In consideration of the same, the exclusions of the amount of (-) ` 3.36 lakh in the year 2009-10, ` 14.90 lakh in the year 2010-11, and (-) ` 15.88 lakh in the year 2011-12 on account of inter-unit transfers of on temporary basis is in order and has been allowed.

Items disallowed

41. The petitioner has excluded an amount of ` 1488.92 lakh during 2009-10, ` 2.31 lakh during 2010-11 and ` 0.26 lakh during 2012-13 on account of various assets which had been disallowed by the Commission in its order dated 12.10.2012 in Petition No. 264/2009. As such, the exclusion of the said amount for the purpose of tariff is in order and has been allowed.

42. Based on the above discussions, the exclusions admissible are summarized as under:

Sl.No.	Head	2009-10	2010-11	2011-12	2012-13	Total
A	Exclusions allowed					
1	Capitalization of spares	1388.78	2597.06	3271.08	4136.62	11393.54
2	De-Capitalization of spares	(-) 426.25	(-)164.16	(-) 539.51	(-) 52.92	(-)1182.34
3	Capitalization of MBOA items	200.12	3.62	96.88	48.67	349.29

4	De-Capitalization of MBOA	(-)0.62	(-)3.36	(-)0.71	(-)35.98	(-)41.19
5	FERV	(-)89.25	12.75	56.04	22.67	2.21
6	Inter unit transfer	(-)3.36	14.9	(-)15.88	0.00	(-)4.34
7	Items disallowed by the Commission	1488.92	2.31	0.00	0.26	1491.49
8	Reversal of Liability	0.00	(-) 6.82	0.00	(-)16.19	(-)23.01
	Exclusion allowed (A)	2558.30	2456.30	2867.90	4103.13	11985.66
B	Exclusions not allowed					
9	De-Capitalization of spares	(-)541.19	(-)533.46	(-)738.57	(-)1503.92	(-)3317.14
10	De-Capitalization of MBOA	(-)2.49	(-)25.06	0.00	(-)124.10	(-)151.65
	Exclusions not allowed (B)	(-)543.68	(-)558.52	(-)738.57	(-)1628.02	(-)3468.79
	Total Exclusions	2014.65	1897.79	2129.33	2475.10	8516.87

43. Based on the above discussions, the actual additional capital expenditure for the years 2009-10, 2010-11, 2011-12 and 2012-13 and the projected additional capital expenditure for the year 2013-14, excluding discharge of un-discharge liabilities, is allowed as under:

		(` in lakh)					
	Head of work / Equipment	2009-10 (actual)	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (Projected)	Total
A	Ash Handling System						
1	Existing Dhanras Ash Dyke raising works.	243.68	145.39	312.54	60.11	142.86	904.58
2	Ash evacuation from Dhanras Ash Dyke	0.00	0.00	807.10	127.15	857.14	1791.39
	Total (1 to 2)	243.68	145.39	1119.64	187.26	1000.00	2695.97
3	Environmental Action Plan Ambient Air Quality Measurement Sys.	120.77	0.91	0.00	1.44	0.00	123.12
4	Environmental Action Plan Fugitive ash control Sys.	106.34	0.00	24.56	0.00	0.00	130.90
5	Air conditioner based vapor absorption sys.	39.16	0.00	0.00	0.00	0.00	39.16
	Total (3 to 5)	266.27	0.91	24.56	1.44	0.00	293.18
6	Energy Meters procurement installation	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1 to 6)	509.95	146.30	1144.20	188.70	1000.00	2989.15
7	Modification of Fire water pipeline	0.00	0.00	0.00	0.00	0.00	0.00
8	Implementation of RGMO in Stage-I&II	0.00	0.00	47.02	0.00	0.00	47.02
	Total other capital cost	0.00	0.00	0.00	0.00	0.00	0.00
9	Afforestation cost of diverted land	0.00	48.60	0.00	0.00	0.00	48.60
	Total (1 to 9)	509.95	194.90	1191.22	188.70	1000.00	3084.77
	Add : Exclusions not allowed	(-)543.68	(-)558.52	(-)738.57	(-)1628.00	0.00	(-)3468.79
	Total Additional Capital Expenditure	(-)33.73	(-)363.63	452.65	(-)1439.34	1000.00	(-)384.02

Discharge of liabilities

44. As stated, the petitioner vide affidavit dated 17.10.2013 has revised the opening position of the un-discharged liabilities as on 1.4.2009 which was earlier reconciled while determining tariff of the generating station vide order dated 12.10.2012 Petition no. 264/2009. Hence, the un-discharged liabilities as on 1.4.2009 now considered by the petitioner is `1472.51 lakh instead of `553.44 lakh (as reconciled earlier), which constitutes an increase of `919.00 lakh. The increase in un-discharged liabilities corresponds to expenditure on Ash Handling system shown to have been created in the year 2003-04 and stated to have been un-discharged as on 31.3.2009. Further, the petitioner has shown negative value of liability against this item in the additional capital expenditure during the years 2009-10 and 2010-11 under the heading "Works ERV adjustments". This correction of liability as on 1.4.2009 shall be reconciled and considered after prudence check on the basis if the justification to be submitted by the petitioner at the time of truing-up of tariff of the generating station in terms of Regulation 6(1) of the 2009 Tariff Regulations. However, for the present, these negative values have been considered as reversal of liabilities. Further, out of the un-discharged liabilities deducted as on 1.4.2009, the petitioner has discharged an amount of `151.01 lakh, `57.76 lakh, `1.74 lakh and `14.65 lakh and reversed amounts of `69.95 lakh, `33.25 lakh and `13.44 lakh during the year 2009-10, 2010-11 and 2012-13 respectively. In addition to the above discharges and reversals, the petitioner has also discharged amounts of `10.55 lakh, `5.53 lakh and `373.12 lakh during the period 2010-11, 2011-12 and 2012-13 respectively (all pertaining to period 2009-14) and has reversed amount of `2.75 lakh during the year 2012-13. The above discharges of liabilities have been allowed during respective years in addition to the admitted additional capital expenditure for the said years.

		(` in lakh)				
		2009-10	2010-11	2011-12	2012-13	2013-14
Un-discharged liabilities as on 1.4.2009 (corresponding to allowed assets)- A	1472.51					
Discharges during the period out of liabilities as on 1.4.2009		151.01	57.76	1.74	14.65	0.00

(corresponding to allowed assets)- B						
Reversals during the period out of liabilities as on 1.4.2009 (corresponding to allowed assets)- C		69.95	33.25	0.00	13.44	0.00
Addition during the period 2009-14 (corresponding to allowed assets)- D		18.53	12.10	665.88	123.18	0.00
Discharges during the period out of liabilities added during 2009-14 (corresponding to allowed assets)- E		0.00	10.55	5.18	373.12	0.00
Reversal of liabilities out of liabilities added during 2009-14 (corresponding to allowed assets)- F		0.00	0.00	0.00	2.75	0.00
Discharges of liabilities for the period (B+E)		151.01	68.31	6.92	387.76	0.00

45. The actual/projected additional capital expenditure allowed after adjustment of discharges of liabilities is as under:

	(` in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Net additional capital expenditure allowed prior to adjustment of discharges of liabilities	(-) 33.73	(-) 363.63	452.65	(-) 1439.30	1000.00
Discharges of liabilities	151.01	68.31	6.92	387.76	0.00
Actual/ Projected additional capital expenditure allowed	117.28	(-) 295.32	459.57	(-) 1051.58	1000.00

46. Based on the above, the capital cost considered for the purpose of tariff for 2009-14 is as under:

	(` in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Opening Capital cost	174734.05	174851.33	174556.01	175015.58	173964.00
Additional capital expenditure Allowed	117.28	(-) 295.32	459.57	(-) 1051.58	1000.00
Closing capital cost	174851.33	174556.01	175015.58	173964.00	174964.00
Average Capital Cost	174792.69	174703.67	174785.80	174489.79	174464.00

Debt-Equity Ratio

47. In terms of the provisions of Regulation 12 of the 2009 Tariff Regulations gross loan and equity amounting to `88653.72 lakh and `86080.32 lakh, respectively has been considered after taking into

account the position of un-discharged liabilities as on 1.4.2009. Further, the actual/projected additional expenditure approved above has been allocated in debt-equity ratio of 70:30. This is subject to truing-up in terms of Regulation 6 of the 2009 Tariff Regulations.

Return on Equity

48. In terms of the provisions of Regulation 15 of the 2009 Tariff Regulations, as amended on 21.6.2011, Return on equity has been worked out based on the grossing up of the base rate with respect to actual tax rate applicable to the petitioner as a generating company for the years 2009-10, 2010-11 and 2011-12 and for the balance years, the rate of grossing up as applicable for the year 2011-12 per annum has been considered on the normative equity after accounting for actual/projected additional capital expenditure. Accordingly, return on equity worked out is as given under:

	(` in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Notional Equity-Opening	86080.32	86115.51	86026.91	86164.78	85849.31
Addition of equity due to additional capital expenditure	35.18	(-) 88.60	137.87	(-) 315.47	300.00
Normative Equity-closing	86115.51	86026.91	86164.78	85849.31	86149.31
Average Normative Equity	86097.91	86071.21	86095.85	86007.05	85999.31
Return on Equity (Base Rate)	15.500%	15.500%	15.500%	15.500%	15.500%
Tax Rate for the year 2008-09	33.990%	33.218%	32.445%	32.445%	32.445%
Rate of Return on Equity (Pre Tax)	23.481%	23.210%	22.944%	22.944%	22.944%
Return on Equity(Pre Tax)- Annualised	20216.65	19977.13	19753.83	19733.46	19731.68

Interest on loan

49. In terms of Regulation 16 of the 2009 Tariff Regulations, Interest on loan has been worked out based on the following:

- (a) The gross normative loan of ` 88653.72 lakh as on 1.4.2009 has been considered.
- (b) Cumulative repayment amounting to ` 79759.88 lakh as on 1.4.2009 has been considered after taking into account the revised position of liabilities as on 1.4.2009.
- (c) Accordingly, the net normative opening loan as on 1.4.2009 works out to ` 8893.84 lakh.
- (d) Addition to normative loan to the tune of 70% of additional capital expenditure approved above has been considered on year to year basis

(e) In line with the provisions of Regulation 16(5), the weighted average rate of interest has been calculated considering the actual loan portfolio existing as on 1.4.2009 for the generating station. In case of loans carrying floating rate of interest, the rate of interest as provided by the petitioner has been considered for the purpose of tariff. This is subject to trueing-up.

(f) The cumulative repayment has been adjusted @70% due to de-capitalization of assets/works considered for the purpose of tariff.

50. The necessary calculation for interest on loan is as under:

	(' in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Gross opening loan	88653.72	88735.82	88529.10	88850.80	88114.69
Cumulative repayment of loan upto previous year	79759.88	81558.28	83237.63	84784.47	85500.11
Net Loan Opening	8893.84	7177.54	5291.47	4066.33	2614.58
Addition due to Additional capitalisation	82.10	(-)206.72	321.70	(-)736.10	700.00
Repayment of loan during the year	2105.21	2032.33	2063.11	1843.55	262.62
Less: Repayment adjustment on account of de-capitalization	399.05	390.97	517.00	1139.63	0.00
Add: Repayment adjustment on account of discharges / reversals corresponding to un-discharged liabilities deducted as on 1.4.2009	92.24	37.99	0.72	11.72	0.00
Net Repayment	1798.40	1679.35	1546.83	715.64	262.62
Net Loan Closing	7177.54	5291.47	4066.33	2614.58	3051.97
Average Loan	8035.69	6234.50	4678.90	3340.46	2833.27
Weighted Average Rate of Interest on loan	7.3197%	7.6679%	8.4514%	7.1677%	6.6259%
Interest on Loan	588.19	478.05	395.43	239.43	187.73

Depreciation

51. In terms of Regulation 17 of the 2009 Tariff Regulations the cumulative depreciation works out to `147940.37 lakh as on 1.4.2009 after accounting for adjustment of un-discharged liabilities. After considering the approved additional capital expenditure for the year 2009-10 above, the balance depreciable value before providing depreciation for the year 2009-10 works out to `8631.36 lakh. The life of the generating station as on 1.4.2009 is 4.10 years as considered in order dated 12.10.2012 has been unchanged. Depreciation has been calculated by spreading over of the balance depreciation over the remaining useful life of the generating station. Further, proportionate adjustment has been made to the cumulative depreciation on account of de-capitalization of assets and also on account of discharges/reversal of liabilities out of un-discharged liabilities deducted from capital cost as on 1.4.2009.

The necessary calculations in support of depreciation are as shown below:

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Opening capital cost	174734.05	174851.33	174556.01	175015.58	173964.00
Closing capital cost	174851.33	174556.01	175015.58	173964.00	174964.00
Average capital cost	174792.69	174703.67	174785.80	174489.79	174464.00
Depreciable value @ 90%	156571.73	156491.61	156565.52	156299.12	156275.91
Balance useful life of the station	4.10	3.10	2.10	1.10	0.10
Balance depreciable value	8631.36	6300.22	4332.52	2027.90	262.62
Depreciation (annualized)	2105.21	2032.33	2063.11	1843.55	262.62
Cumulative depreciation at the end	150045.58	152223.72	154296.11	156114.77	156275.91
Less: Cumulative depreciation reduction due to de-capitalization	41.27	67.77	26.36	125.25	0.00
Add: Cumulative depreciation adjustment on account of discharges / reversal of liabilities out of liabilities deducted as on 1.4.2009	187.08	77.05	1.47	23.78	0.00
Net Cumulative depreciation (at the end of the period)	150191.39	152233.00	154271.22	156013.29	156275.91

O&M Expenses

52. O&M expenses as considered in order dated 12.10.2012 as stated below has been considered.

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
O&M expenses	30420.00	32154.00	33999.00	35946.00	38004.00

Interest on Working Capital

53. Cost of coal for 1.1/2 months and cost of secondary fuel for 2 months as considered in order dated 12.10.2012 as stated below, has been considered.

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Cost of coal – 1.1/2 months	9864.41	9864.41	9891.44	9864.41	9864.41
Cost of secondary fuel oil – 2 month	1014.22	1014.22	1017.00	1014.22	1014.22

54. Maintenance spares as considered in order dated 12.10.2012 as stated below, has been considered.

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	2535.00	2679.50	2833.25	2995.50	3167.00

55. Receivables have been worked out on the basis of two months of fixed and energy charges as under:

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Variable Charges -2 months	13152.55	13152.55	13188.58	13152.55	13152.55
Fixed Charges - 2 months	11292.22	11702.81	12041.40	12345.22	12939.99
Total	24444.77	24855.36	25229.98	25497.77	26092.54

56. O&M expenses for 1 month for the purpose of working capital as considered in order dated 12.10.2012 has been considered.

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
O & M for 1 month	6084.00	6430.80	6799.80	7189.20	7600.80

57. SBI PLR of 12.25% has been considered in the computation of the interest on working capital.

Necessary computations in support of calculation of interest on working capital are given as under:

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Cost of coal – 1.1/2 months	9864.41	9864.41	9891.44	9864.41	9864.41
Cost of secondary fuel oil –2 month	1014.22	1014.22	1017.00	1014.22	1014.22
Maintenance Spares	2535.00	2679.50	2833.25	2995.50	3167.00
O&M expenses – 1 month	6084.00	6430.80	6799.80	7189.20	7600.80
Receivables – 2 months	24444.77	24855.36	25229.98	25497.77	26092.54
Total working capital	43942.40	44844.29	45771.47	46561.10	47739.15
Rate of interest	12.2500%	12.2500%	12.2500%	12.2500%	12.2500%
Interest on working capital	5382.94	5493.43	5607.01	5703.73	5848.02

Annual Fixed Charges for 2009-14

58. The annual fixed charges for the period 2009-14 in respect of the generating station are summarized as under:

(` in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	2105.21	2032.33	2063.11	1843.55	262.62
Interest on Loan	588.19	478.05	395.43	239.43	187.73
Return on Equity	20216.65	19977.13	19753.83	19733.46	19731.68
Interest on Working Capital	5382.94	5493.43	5607.01	5703.73	5848.02
O&M Expenses	30420.00	32154.00	33999.00	35946.00	38004.00
Cost of secondary fuel oil	6085.34	6085.34	6102.01	6085.34	6085.34
Compensation Allowance	955.00	825.00	975.00	975.00	650.00
Special allowance	2000.00	3171.60	3353.02	3544.81	6870.55
Total	67753.33	70216.88	72248.41	74071.32	77639.94

Note: (1) All figures are on annualized basis. (2) All the figures under each head have been rounded. The figure in total column in each year is also rounded. Because of rounding of each figure the total may not be arithmetic sum of individual items in columns.

59. The annual fixed charges allowed as above are subject to truing up as per Regulation 6(1) of the 2009 Tariff Regulations.

60. The difference in the annual fixed charges determined by order dated 12.10.2012 and those determined by this order shall be adjusted in accordance with Regulation 6 (6) of the 2009 Tariff Regulations.

61. Petition No. 230/GT/2013 is disposed of in terms of the above.

Sd/-
(Neerja Mathur)
Member (EO)

Sd/-
(A.K.Singhal)
Member

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson