

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 254/GT/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K.Singhal, Member

Shri A. S. Bakshi, Member

Dr. M. K. Iyer, Member

Date of Order: 4th October, 2016

In the matter of

Approval of tariff in respect of NLC Thermal Power Station Stage-I Expansion (420 MW) for the period 2014-19

AND

Neyveli Lignite Corporation Limited
Neyveli House,
135, EVR Periyar Road,
Kilpauk, Chennai – 600010

.....Petitioner

Vs

Tamil Nadu Generation and Distribution Company Ltd
800- Anna Salai
Chennai – 600002

2. Power Company of Karnataka Ltd.
KPTCL Building, Kaveri Bhavan,
K.G.Road, Bangalore – 560009

3. Bangalore Electricity Supply Co. Ltd.
KR Circle, Bangalore – 560001

4. Mangalore Electricity Supply Co. Ltd.
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001

5. Gulbarga Electricity Supply Co. Ltd.
Station Main Road,
Gulbarga-585102

6. Hubli Electricity Supply Co. Ltd.
Corporate Office, Navanagar, PB Road
Hubli-580025

7. Chamundeshwari Electricity Supply Corporation Ltd.
Corporate Office, No.927, LJ Avenue,



New Kantaraja Urs Road, Saraswathipuram,
Mysore-570009

8. Kerala State Electricity Board Ltd.
Thiruvananthapuram-695004

9. Puducherry Electricity Department
Puducherry – 605001

.....Respondents

Parties Present:

Ms. Anushree Bardhan, Advocate, NLC
Ms. Poorva Saigal, Advocate, NLC
Shri. J Dhanasekaran, NLC
Shri S Vallinayagam, Advocate, TANGEDCO
Shri. R.Jayaprakash, TANGEDCO
Shri S.K Agarwal, Advocate, Rajasthan Discoms
Shri G.L Verma, Advocate, Rajasthan Discoms
Ms. Neelam, Advocate, Rajasthan Discoms

ORDER

This petition has been filed by the petitioner, NLC, for determination of tariff in respect of NLC Thermal Power Station Stage-I Expansion (2 x 210 MW) (hereinafter referred to as “the generating station”) for the period 2014-19, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The generating station with a total capacity of 420 MW comprises of 2 units of 210 MW each. The date of commercial operation of Unit-I is 9.5.2003 and that of Unit II and the generating station, as a whole is 5.9.2003.

3. The Commission vide order dated 27.7.2016 in Petition No. 474/GT/2014 revised the tariff of the generating station for the period 2009-14 after truing-up exercise in terms of Regulation 6(1) of the 2009 Tariff Regulations. Accordingly, the annual fixed charges



approved for the generating station for the period 2009-14 in the said order dated 27.7.2016 are as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Return on Equity	20979	19162	17383	15819	14589
Interest on Loan	424	409	393	378	363
Depreciation	7614	7617	7619	7621	7622
Interest on Working Capital	3115	3101	3095	3084	3088
O & M Expenses	7644	8081	8543	9034	9551
Cost of secondary fuel oil	1156	1156	1160	1156	1156
Total	40932	39526	38194	37093	36369

4. The annual fixed charges claimed by the petitioner for the period 2014-19 are as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	11483	10189	9254	8714	8169
Interest on Loan	348	333	318	303	288
Depreciation	7630	7658	3708	3733	3761
Interest on Working Capital	3453	3467	3392	3424	3459
O & M Expenses	10038	10668	11340	12054	12814
Cost of secondary fuel oil	0.00	0.00	0.00	0.00	0.00
Compensation allowance	84	84	84	84	84
Total	33036	32399	28095	28312	28574

5. In response to the directions of the Commission, the petitioner has filed the additional information and has served copies of the same on the respondents. The respondents, KSEB and TANGEDCO have filed their replies to the petition and the petitioner has also filed its rejoinder to the said replies. The matter was heard on 5.1.2016 and the Commission after directing the petitioner to submit certain additional information, reserved its order in the petition. Based on the submissions of the parties and the documents available on record, we proceed to determine the tariff of the generating station for the period 2014-19 as stated in the subsequent paragraphs:



Capital Cost as on 1.4.2014

6. Clause (1) of Regulation 9 of the 2014 Tariff Regulations provides that the capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects. Clause (3) of Regulation 9 provides as under:

“9(3) The Capital cost of an existing project shall include the following:

(a) the capital cost admitted by the Commission prior to 1.4.2014 duly tried up by excluding liability, if any, as on 1.4.2014;

(b) xxxx

(c) xxxx

7. Clause 2 of Regulation 48 of the 2014 Tariff Regulations provides as under:

“The tariff of the existing generating stations of Neyveli Lignite Corporation Ltd, namely, TPS-I and TPS-II (Stage I & II) and TPS-I (Expansion) and Badarpur TPS of NTPC Ltd., whose tariff for the tariff periods 2004-09 and 2009-14 has been determined by following the Net Fixed Assets approach, shall continue to be determined by adopting Net Fixed Assets approach”

8. The petitioner has claimed the opening capital cost of ₹144968.19 lakh as on 1.4.2014, based on the Net Fixed Asset (NFA) methodology adopted for determination of tariff for the generating station for 2014-19. The Commission in its order dated 27.7.2016 in Petition No.474/GT/2014 had approved the closing capital cost of ₹145107.88 lakh as on 31.3.2014. This has been considered as the opening capital cost as on 1.4.2014 for determination of tariff for the period 2014-19.

Projected Additional Capital Expenditure

9. Clause (3) of Regulation 7 of the 2014 Tariff Regulations provides that the application for determination of tariff shall be based on admitted capital cost including any additional capital expenditure already admitted upto 31.3.2014 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the



respective years of the tariff period 2014-15 to 2018-19. Regulation 14 (3) of the 2014 Tariff Regulations provides as under.

“14.(3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may 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 of law;

(ii) Change in law or compliance of any existing law;

(iii) Any expenses to be incurred on account of need for higher security and safety of the plant as advised or directed by appropriate Government Agencies or statutory authorities responsible for national security/internal security;

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

(v) Any liability for works executed prior to the cut-off date, after prudence check of the details of such un-discharged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments etc.;

(vi) Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;

(vii) Any additional capital expenditure which has become necessary for efficient operation of generating station other than coal / lignite based stations or transmission system as the case may be. The claim shall be substantiated with the technical justification duly supported by the documentary evidence like test results carried out by an independent agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;

(viii) 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) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation;

(ix) 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 due to obsolescence of technology, replacement of switchyard equipment due to increase of fault level, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, replacement of porcelain insulator with polymer insulators, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system; and



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

Provided that any expenditure on acquiring the minor items or the assets including tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, computers, 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. 1.4.2014

Provided further that any capital expenditure other than that of the nature specified above in (i) to (iv) in case of coal/lignite based station shall be met out of compensation allowance:

Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M), repairs and maintenance under (O&M) expenses and Compensation Allowance, same expenditure cannot be claimed under this regulation.”

10. The projected additional capital expenditure claimed by the petitioner for 2014-19 vide affidavit dated 13.8.2014 is as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Direct Assets	464.00	550.00	0.00	450.00	0.00
Common Assets	112.00	112.00	112.00	112.00	112.00
Total additional capital expenditure	576.00	662.00	112.00	562.00	112.00

11. The break-up details of the projected additional capital expenditure claimed for the period 2014-19 is as under:

Direct Assets	Regulations	(₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19
PVC fills for Cooling Towers	14(3)(iii)	450.00	550.00	-	-	-
LED display board	14(3)(ii)	14.00	-	-	-	-
Rotor handling car	14(3)(iii)	-	-	-	450.00	-
Sub-Total (A)		464.00	550.00	0.00	450.00	0.00
Common Assets (B)		112.00	112.00	112.00	112.00	112.00
Total (A+B)		576.00	662.00	112.00	562.00	112.00

Direct Assets

12. We examine the claims of the petitioner under “Direct Assets’ after considering the submissions of the parties and the documents available on record in the subsequent paragraphs.



PVC fills to Cooling Towers

13. The petitioner has claimed projected additional capital expenditure of ₹450.00 lakh in 2014-15 and ₹550.00 lakh in 2015-16 towards procurement of PVC fills to Cooling Towers under Regulation 14(3)(iii) of the 2014 Tariff Regulations. In justification of the same, the petitioner has submitted that the plant is running since 2003 and the PVC fills erected by the contractors during the construction phase have undergone wear and tear. It has also submitted that some of the fills were cleaned with pressurized water jet but this operation was found to be not so effective. Accordingly, the petitioner, in order to sustain the operating load of the plant further, has stated that the fills have to be refurbished and the damaged fills are required to be replaced.

14. The respondent, KSEB has submitted that the claim of the petitioner does not come under any of the provisions of Regulation 14(3) of the 2014 Tariff Regulations. It has further submitted that the claim for Rs 1000.00 lakh for 2014-16 may be met from the Compensation Allowance provided to the generating station of the petitioner in terms of Regulation 17 of the 2014 Tariff Regulations. The respondent, TANGEDCO has submitted that the claim of the petitioner for projected additional capital expenditure for the period 2014-19 is beyond the cut-off date of the generating station and does not fall under Regulation 14(3) of the 2014 Tariff Regulations and is beyond the scope of the said regulations. It has further submitted that the petitioner has not submitted any justification in support of its claim towards additional capital expenditure for 2014-19. The respondent has added that the claim may be disallowed and the petitioner may be directed to meet the expenditure from the Compensation Allowance allowed under the 2014 Tariff Regulations.



15. The matter has been examined. Regulation 14(3)(iii) of the 2014 Tariff Regulations provides for the grant of any expenses to be incurred on account of need for higher security and safety of the plant as advised or directed by appropriate Government Agencies or statutory authorities responsible for national/ internal security. The petitioner has not furnished any justification and/or any documentary evidence to show that the capitalization of the expenditure towards PVC fills to Cooling tower is on account of higher security and safety of the plant as advised or directed by the Government agency or statutory authorities responsible for national/ internal security, in terms of Regulation 14(3)(iii) of the 2014 Tariff Regulations. In our view, the expenses for PVC fills to Cooling tower are in the nature of O&M expenses and the same can be met from the normative O&M expenses allowed to the generating station. Accordingly, the claim for ₹450.00 lakh in 2014-15 and ₹550.00 lakh in 2015-16 towards procurement of PVC fills to Cooling towers is not allowed.

LED Display Board

16. The petitioner has claimed projected additional capital expenditure ₹14.00 lakh in 2014-15 towards the procurement of LED display board under Regulation 14(3)(ii) of the 2014 Tariff Regulations. In justification of the same, the petitioner has submitted that the procurement of LED display board is necessitated for real time display of air quality in the vicinity of the power plant in terms of the directions of the State Pollution Control Board. The respondent, KSEB has submitted that the claim of the petitioner may be disallowed as the LED display Board is a minor asset and capitalization of minor assets after the cut-off date is not permissible in terms of the proviso to Regulation 14(3) of the 2014 Tariff Regulations. The respondent, TANGEDCO has submitted that the claim of the petitioner for projected additional capital expenditure is without any justification and does not fall under Regulation 14(3) of the 2014 Tariff Regulations and also no operational efficiency will increase.



Accordingly, it has prayed that the claim of the petitioner may be negated. The petitioner has however clarified that the said expenses cannot be met from the O&M expenses and /or the Compensation allowance granted to the generating station.

17. The matter has been examined. It is noticed that the Commission in order dated 27.7.2016 in Petition No. 474/GT/2014 had allowed the actual additional expenditure of ₹13.87 lakh in 2013-14 for this asset on the ground that the expenditure is in compliance of directions/orders of the Tamil Nadu Pollution Control Board and is statutory in nature under Regulation 9(2)(ii) of the 2009 Tariff Regulations. In this background, the projected additional capital expenditure of ₹14.00 lakh claimed in 2014-15 is not allowed. However, the petitioner is granted liberty to submit the details of the actual expenditure incurred for this asset with proper justification to show that the expenditure of ₹13.87 lakh allowed in 2013-14 is separate and does not overlap with the expenditure of ₹14.00 lakh claimed in 2014-15.

Rotor Handling car

18. The petitioner has claimed projected additional capital expenditure of ₹450.00 lakh in 2017-18 towards procurement of Rotor handling car under Regulation 14(3)(iii) of the 2014 Tariff Regulations. In justification of the same, the petitioner has submitted that initially one rotor handling car has been supplied during the construction of boiler by M/s ANSALDO in the year 2002 and this went out and could not be repaired for the want of essential spares. It has stated that subsequently one more rotor handling car was purchased from M/s Tulip International in 2009 and at present the said rotor handling car is only in service. It has further submitted that this item has already served for 5 years and frequent problems have



started occurring. The petitioner has also stated that as this is very critical equipment which affects production, it has been proposed to procure one more rotor handling car in 2015-16.

19. The respondent, KSEB has submitted that the petitioner could have purchased this item along with the initial spares allowed for the project and it has failed to do so. It has also submitted that the projected capitalization of the expenditure under this head is not in line with the provisions of Regulation 14(3) of the 2014 Tariff Regulations. It has accordingly prayed that the claim of the petitioner may be disallowed and the petitioner may be directed to account such expenditure under R&M expenses. The respondent, TANGEDCO has submitted that claim of the petitioner may be disallowed and the petitioner may be directed to meet such expenditure from the O&M expenses allowed under Regulation 29(1) of the 2014 Tariff Regulations. The petitioner has clarified that the said expenses cannot be met from the O&M expenses and /or the Compensation allowance granted to the generating station.

20. The matter has been examined. It is observed from our records that the petitioner in Petition No. 230/2009 (determination of tariff for the period 2009-14) had claimed the capitalization of similar asset i.e. rotor removing car and spares for ₹245.20 lakh in 2009-10 under Regulation 9(2)(iv) of the 2009 Tariff Regulations and the Commission by order dated 31.8.2010 had disallowed the claim of the petitioner on the ground that Regulation 9(2)(iv) of the 2009 Tariff Regulations permits the capitalization of expenditure incurred by hydro-generating stations (on account of damage caused by natural calamities etc) and has no application in respect of coal/lignite based generating stations, like the petitioner. In the present case, the petitioner has not furnished any justification and/or any documentary evidence to show that the capitalization of the expenditure towards Rotor Handling car is on



account of higher security and safety of the plant as advised or directed by the Government agency or statutory authorities responsible for national/ internal security, in terms of Regulation 14(3)(iii) of the 2014 Tariff Regulations. Moreover, the provisions of Regulation 14(3) of the 2014 Tariff Regulations do not also permit the capitalization of capital spares/item after the cut-off date of the generating station. In this background, the claim of the petitioner for capitalization of the expenditure is not allowed. However, the petitioner is at liberty to consider the expenditure as part of capital spares consumed under O & M, as and when the same is put to use.

Common Assets

21. The petitioner has claimed projected additional capital expenditure of ₹112.00 lakh each for the respective years of the tariff period 2014-19. The respondents, KSEB and TANGEDCO have submitted that the claim of the petitioner does not fall within the scope of Regulation 14(3) of the 2014 Tariff Regulations and the same may be considered under the normative O&M expenses allowed to the generating station. In response, the petitioner in its rejoinder has submitted that NLC is an integrated industrial complex with several Mines and Power Stations and a well laid township for the employees and a hospital with sophisticated medical facility are available. It has also submitted that these facilities are to be maintained as employee welfare measure in order to maintain cordial industrial relations within the NLC campus so as to achieve good productivity. The petitioner has stated that expenses incurred for the common asset additions are essentially required for the ultimate achievement of sustained power generation.

22. The matter has been examined. It is observed that the expenditures on Common assets are generally booked under corporate office expenses. The normative O&M expenses allowed to the generating station under the 2014 Tariff Regulations, 2014 include



the Corporate office expenses. In our considered view, the expenses incurred by the petitioner under the head 'Common assets' can be recovered by the petitioner through the normative O&M expenses allowed to the generating station. Accordingly, the claim of the petitioner is not allowed.

23. Based on above discussions, the projected additional capital expenditure allowed for the period 2014-19 is as under:

(₹ in lakh)					
	Projected Additional Capital Expenditure				
	2014-15	2015-16	2016-17	2017-18	2018-19
Direct Assets					
PVC fills for Cooling Towers	0.00	0.00	0.00	0.00	0.00
LED display board	0.00	0.00	0.00	0.00	0.00
Rotor handling car	0.00	0.00	0.00	0.00	0.00
Common Assets	0.00	0.00	0.00	0.00	0.00

Capital Cost

24. As stated, the closing capital cost of ₹145107.88 lakh as on 31.3.2014 as allowed by the Commission vide order dated 27.7.2016 in Petition No. 474/GT/2014 has been considered as the opening capital cost as on 1.4.2014 for determination of tariff for the period 2014-19. Accordingly, the capital cost allowed for the purpose of tariff for the period 2014-19 is as under:

(₹ in lakh)					
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	145107.88	145107.88	145107.88	145107.88	145107.88
Additional Capital Expenditure	0.00	0.00	0.00	0.00	0.00
Closing Capital Cost	145107.88	145107.88	145107.88	145107.88	145107.88

Return on Equity

25. Regulation 24 of the 2014 Tariff Regulations provides as under:

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system and run of the river hydro



generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage:

Provided that:

i). in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in Appendix-I:
ii). the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:

iii). additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:

iv). the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system: v) as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues: vi) additional RoE shall not be admissible for transmission line having length of less than 50 kilometers.

26. Regulation 25 of the 2014 Tariff Regulations provides as under:

Tax on Return on Equity:

(1) The base rate of return on equity as allowed by the Commission under Regulation 24 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax income on other income stream (i.e., income of non generation or non transmission business, as the case may be) shall not be considered for the calculation of "effective tax rate".

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where "t" is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess.



(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2014-15 to 2018-19 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term transmission customers/DICs as the case may be on year to year basis.

27. Though the regulation provide for computation of effective tax rate on the basis of tax paid, we deem it proper to allow grossing up on MAT rate considering the fact that the matter is getting decided in 2016- 17. Accordingly, for the present, the effective tax rate (MAT) of 20.961% has been considered for the year 2014-15 and 21.342% for the year 2015-16 and onwards up to the year 2018-19 for the purpose of grossing up of the base rate of 15.5%. Based on the above, the rate of ROE works out to 19.610% for 2014-15 and 19.705% for 2015-16 and onwards. This is however, subject to truing up. Accordingly, return on equity has been worked out as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Average Equity	55304	48462	43530	40507	37484
Rate of ROE (pre-tax)	19.610%	19.705%	19.705%	19.705%	19.705%
Return on Equity	10845	9550	8578	7982	7386

Interest on loan

28. Regulation 26 of the 2014 Tariff Regulations provides as under:

“26. Interest on loan capital: (1) The loans arrived at in the manner indicated in regulation 19 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of Decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such asset.



(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.

(8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

(9) In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute:

Provided that the beneficiaries or the long term transmission customers /DICs shall not withhold any payment on account of the interest claimed by the generating company or the transmission licensee during the pendency of any dispute arising out of re-financing of loan.

29. As the Net Fixed Asset methodology has been considered for the generating station of the petitioner, the actual loan, the actual repayment and the actual rate of interest has been considered for the purpose of calculation of interest on loan. The weighted average rate of interest on loan @ 1.95% has been considered for the period 2014-19 for calculation of interest on loan as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	23673	23673	23673	23673	23673
Cumulative Repayment	5435	6211	6987	7763	8539
Net Loan-Opening	18238	17462	16686	15910	15134



Repayment during the year	776	776	776	776	776
Addition due to Additional Capitalization	0	0	0	0	0
Net Loan-Closing	17462	16686	15910	15134	14358
Average Loan	17850	17074	16298	15522	14746
Weighted Average Rate of Interest	1.95%	1.95%	1.95%	1.95%	1.95%
Interest on Loan	348	333	318	303	288

Depreciation

30. Regulation 27 of the 2014 Tariff Regulations provides as under:

“27. Depreciation:

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system including communication system or element thereof. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units or elements thereof.

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset: Provided that in case of hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff: Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

(4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-II to these regulations for the assets of the generating station and transmission system: Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.



(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2014 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure during the fag end of the project (five years before the useful life) along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure during the fag end of the project.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.”

31. Based on the weighted average rate of depreciation of 5.25% calculated in terms of the above provisions, the necessary computations in support of depreciation are as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	145107.88	145107.88	145107.88	145107.88	145107.88
Addition during 2014-19	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	145107.88	145107.88	145107.88	145107.88	145107.88
Average Gross Block	145107.88	145107.88	145107.88	145107.88	145107.88
Rate of Depreciation	5.250%	5.250%	-	-	-
Depreciable value	130597	130597	130597	130597	130597
Balance Useful life of the asset	14.4	13.4	12.4	11.4	10.4
Remaining Depreciable Value	62453	54835	47217	43417	39618
Depreciation	7618	7618	3799	3799	3799

O & M Expenses

32. Regulation 29(1) (a) of the 2014 Tariff Regulations provides the following O&M expense norms.

(₹ in lakh/MW)				
2014-15	2015-16	2016-17	2017-18	2018-19
23.90	25.40	27.00	28.70	30.51

33. In terms of the above norms, the O&M expenses allowed for the generating station is as under:

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
10038.00	10668.00	11340.00	12054.00	12814.20



Water Charges

34. As per Regulations 29(2) of the 2014 Tariff Regulations, water charges shall be allowed based on the water consumption depending upon type of plant, type of cooling water system etc., subject to prudence check. The petitioner has claimed water charges for the period 2014-19 as under:

	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Raw water charges on account of drawl from lake	0.33	0.33	0.33	0.33	0.33	1.65
Water Cess paid to Tamil Nadu Pollution Control Board	0.15	0.15	0.15	0.15	0.15	0.75
Annual Water consent fee	0.07	0.07	0.07	0.07	0.07	0.35
Total	0.55	0.55	0.55	0.55	0.55	2.75

(₹ in crores)

35. Thereafter, the petitioner vide affidavit dated 6.2.2016 has submitted as under:

Description	Remarks
Type of Plant	Coal/lignite
Type of cooling water system	Natural draft cooling tower
Consumption of water during 2013-14	14129978 kl/Annum
Rate of water charges during 2013-14	₹0.596 /kl
Total water charges in 2013-14	₹8421281

36. The petitioner in the said affidavit dated 6.2.2016 has clarified that the contracted quantum of water is not applicable as the water required are sourced from Mines and in-house bore wells which includes 70% of water pumped from mines with a pumping charges of ₹0.376/ KL. The petitioner has further submitted that all the turbines of the project are of condensing type with induced draft closed circuit cooling system. The petitioner had submitted the actual water consumption and rate of water charges for the last 5 years i.e 2009-10 to 2013-14 as under:

	2009-10	2010-11	2011-12	2012-13	2013-14
Actual Water Consumption(KL)	12643025	12217651	12505444	14292883	14129978
Total Water Charges (₹)	10149952	7239197	8727825	6936420	8421281
Rate of Water Charges (₹/KL)	0.803	0.593	0.698	0.485	0.596

(₹ in lakh)



37. The petitioner was directed to furnish the contracted quantity of water supply along with the detail of water charges. In response, the petitioner vide affidavit dated 6.2.2016 has stated that the contracted quantum of water is not applicable as the water required are sourced from Mines and in-house bore wells. i.e. the petitioner is not paying any water charges based on any Water Agreement with the State Govt. agency. However, the petitioner has claimed water charges on the basis of pumping charges and water cess/ consent fee, as paid to the statutory body (TNPCB) on the quantum of water the plant has consumed.

38. The respondent, KSEB has submitted that since the petitioner has to pay the Consent fee under Water Act and Air Act and since the expenses are not covered under O&M, the petitioner may be permitted to recover the same. Similarly, the respondent has submitted that since the reimbursement of fee and charges is in compliance towards Bio medical wastes (management and handling) Rules, 1998, the petitioner may be permitted to recover the same from the beneficiaries on pro rata basis. The respondent, TANGEDCO has submitted that as regards water cess the same may be considered on prudence check by the Commission. However as regards cost of outsourcing for disposal of bio-waste, the respondent has submitted that there is no provision under the 2014 Tariff Regulations for considering such expenses and the claim which is beyond the scope of the regulations may be rejected.

39. We have examined the matter. From the submissions of the petitioner and the details available on record, it is observed that the payment of pumping charges @ ₹0.376/ KL, water cess @5.00 paise/KL is made by the petitioner in compliance with the notification of the MOEF, GOI dated 6.5.2003 and annual water consent fee of ₹0.07 crore. In order to



examine the reasonableness of consumptive water in absence of any contracted quantum, a norm of 3.5 m³/hr/MW has been considered for the generating station, based on norms of CEA report on minimization of water requirement for 500 MW unit size. (CEA norm is 3 M³/Hr/MW for 500 mw unit). Considering that the two smaller size units of 210 MW each (as per CEA report water consumption norms for smaller units are more than 500 MW units), water consumption works out to 12.88 million KL per annum (i.e. 3.5x420x8760). The average of actual water consumption in the station for the last 5 years (i.e. 2009-14) has been found as 13.16 million KL per annum which is higher than 12.88 million KL. It is observed that during 2009-10 to 2011-12 the average water consumption is 12.46 million KL per annum and the average availability during 2009-10 to 2011-12 is around 82% whereas the average water consumption for the year 2012-13 and 2013-14 is 14.21 million KL per annum and availability during 2012-13 and 2013-14 is more than 90%. No justification has been furnished by the petitioner for higher water consumption during 2012-13 and 2013-14. Considering the fact that NAPAF specified for the generating station as 80% for the period 2014-19, the water charges have been allowed during 2014-19 based on average water consumption of 12.46 KL per annum. Accordingly, the projected water charges based on the rate of pumping charges of ₹0.376/KL, water cess of ₹0.05/KL and annual water consent fee of ₹700000 has been worked out as under:

Year	Projected Quantity Considered (KL) (1)	Pumping Charges (₹0.376/ KL) (2)=(1)x0.376	Water cess Rate (₹0.05/KL) (3)=(1)x0.05	Water Consent Fee (₹/Annum) (4)	Projected Water charge Allowed (₹ in lakh) (5)= (2)+(3)+(4)
2014-15	12455373.34	4683220.38	622768.67	700000	60.06
2015-16	12455373.34	4683220.38	622768.67	700000	60.06
2016-17	12455373.34	4683220.38	622768.67	700000	60.06
2017-18	12455373.34	4683220.38	622768.67	700000	60.06
2018-19	12455373.34	4683220.38	622768.67	700000	60.06



40. The Water charges allowed as above is subject to truing-up at the end of the tariff period and the petitioner is directed to place on record all relevant information.

41. Based on the above, the total O&M expenses, including water charges, allowed for the period 2014-19 is summarized as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses allowed	10038.00	10668.00	11340.00	12054.00	12814.20
Water Charges allowed	60.06	60.06	60.06	60.06	60.06
O&M Expenses allowed	10098.06	10728.06	11400.06	12114.06	12874.26

Statutory fees for General Hospital

42. The petitioner has submitted that in compliance of Bio medical waste Rule 1998, the petitioner has to dispose the Bio medical waste. The collection and disposal activities have been outsourced. The cost of outsourcing is ₹830375/- per annum and the amount is not covered under the normative O&M, hence, may be permitted to recover from the beneficiaries on pro rata basis.

43. The respondent, KSEB vide affidavit dated 9.1.2015 has submitted that the reimbursement of fees and charges for disposal of biomedical waste have to be covered under normative O&M expenses allowed for the petitioner and the claim for the petitioner for direct recovery may be disallowed.

44. The respondent, TANGEDCO vide affidavit dated 1.6.2015 has submitted that the petitioner has not mentioned the regulation under which the claim for disposal of Bio medical waste is made also there is no provision for inclusion of the same under Tariff Regulations, 2014. The respondent TANGEDCO has further submitted that the Commission in its order dated 7.6.2013 in Petition No 13/RP/2012 has disallowed the additional capital expenditure



claim of the petitioner towards hospital purpose. Hence, the claim of the petitioner is beyond the scope of the regulations and liable to be rejected in limine.

45. The normative O&M expenses allowed to the generating station are arrived after considering the actual O&M of the generating station during 2008-09 to 2012-13. Similar expenditure is also incurred by NTPC & other generating stations. The expenditure claimed by the petitioner cannot be allowed beyond normative O&M expenses allowed to the generating station.

Operational Norms

46. The petitioner has considered the following norms of operation in respect of the generating station:

Target Availability	%	80
Auxiliary Energy Consumption	%	8.50
Gross Station Heat Rate	kCal/kWh	2750
Specific Fuel Oil Consumption	ml/kWh	2.00

Target Availability

47. Regulation 36 (A) (b) of the 2014 Tariff Regulations provides the Target Availability for Lignite-fired thermal generating stations of the petitioner as under:-

“36 (A) Normative Annual Plant Availability Factor (NAPAF)
(b) Following Lignite-fired Thermal generating stations of Neyveli Lignite Corporation Ltd

<i>TPS-I</i>	<i>72%</i>
<i>TPS-II Stage I & II</i>	<i>75%</i>
<i>TPS-I (Expansion)</i>	<i>80%</i>

48. Hence, the target availability of 80% considered by the petitioner for 2014-19 is in order and is allowed.



Auxiliary Power Consumption

49. Regulation 36(E)(d)(iii) of the 2014 Tariff Regulations provides the Auxiliary Energy Consumption of the generating station as under:-

“36 (E) Auxiliary Energy Consumption

(d) Lignite-fired thermal generating stations:

(iii) TPS-I, TPS-I (Expansion) and TPS-II Stage-I&II of Neyveli Lignite Corporation Ltd

<i>TPS-I</i>	<i>12.00%</i>
<i>TPS-II Stage I & II</i>	<i>10.00%</i>
<i>TPS-I (Expansion)</i>	<i>8.50%</i>

50. Hence, the Auxiliary Energy Consumption of 12% considered by the petitioner is as per norms and is allowed.

Heat Rate (kcal/kwh)

51. Regulation 36(C)(a)(v) of 2014 Tariff Regulations provides Gross Station Heat Rate for this generating station as under:

“36 (C) Gross Station Heat Rate

(a) Existing Thermal Generating Station

(v) TPS-I and TPS-II (Stage I & II) of Neyveli Lignite Corporation Ltd

<i>TPS I</i>	<i>4000 kCal/kWh</i>
<i>TPS II</i>	<i>2900 kCal/kWh</i>
<i>TPS I (Expansion)</i>	<i>2750 kCal/kWh</i>

52. Hence, the Heat rate of 2750 kCal/kWh considered by the petitioner is as per norms and is allowed.

Interest on Working capital

53. Sub-section (a) of Clause (1) of Regulation 28 of the 2014 Tariff Regulations provides as under:

“28. Interest on Working Capital:

(1) The working capital shall cover

(a) Coal based/lignite fired thermal generating stations



i) Cost of coal towards stock for 15 days for pit-head generating stations and 30 days for non-pit-head generating station for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower.

ii) Cost of coal for 30 days for generating corresponding to the normative annual plant availability factor.

iii) Cost of secondary fuel oil for two month for generating corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil.

iii) Maintenance spares @ 20% of operation and maintenance expenses specified in regulation 29.

iv) Receivables equivalent to two months of capacity charge and energy charge for sale of electricity calculated on normative plant availability factor; and

vi) Operation and maintenance expenses for one month.”

Fuel component for working capital

54. The petitioner has claimed the following cost for fuel component in working capital:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Cost of lignite for 45 days	6877.92	6877.92	6877.92	6877.92	6877.92
Cost of secondary fuel oil for 2 months	532.94	534.40	532.94	532.94	532.94

55. The cost of lignite in working capital as above has been calculated by the petitioner based on the weighted average price of ₹1819.64/tonne and GCV of 2621 kCal/Kg for lignite during the months of January, 2014, February, 2014 and March, 2014. The cost of secondary oil is based on price & GCV of secondary oil for the preceding three months of January, 2014, February, 2014 and March, 2014.

56. It is noticed that the petitioner vide affidavit dated 16.10.2015 has sought approval of fixation of lignite transfer price for its Mines for the period 2014-19 in line with the Ministry of Coal guidelines dated 2.1.2015 on fixation of transfer price of lignite. However, we notice that the petitioner vide affidavit dated 23.5.2015 in Petition No.149/MP/2015 has sought the



revision of the Lignite transfer price for the period 2009-14 based on the guidelines prescribed by the Ministry of Coal, GOI on 11.6.2009 as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13		2013-14
				(1.4.2012 to 9.5.2012)	(10.5.2012 to 31.3.2013)	
Mine-I (₹/Tonne)	1168	1245	1329	1443	1453	1535
Pooled Price including Mine-II (Expansion) (₹/Tonne)	1383	1432	1543	1518	1530	1673

57. The said petition is pending and the Commission has reserved its orders on the same. In our view, the submissions of the petitioner for approval of lignite transfer price for the period 2014-19 can only be considered after the revision of lignite transfer price for the period 2009-14 is finally decided by the Commission in Petition No. 149/MP/2015. Hence, the submission of the petitioner for revision of lignite transfer price shall be considered at the time of truing-up exercise and in line with the decision of the Commission in Petition No. 149/MP/2015.

58. The lignite transfer price approved by the Commission in order dated 5.2.2014 in Petition No.167/MP/2011 is as under:

(₹ in lakh)

Year/Mines	2009-10	2010-11	2011-12	2012-13	2013-14
Mine-I (₹/Tonne)	1067	1140	1229	1326	1434
Pooled Price of Mines other than Mine-I (₹/Tonne)	1376	1443	1522	1535	1610

59. In case of the generating stations of the petitioner, the price of fuel for the preceding three months i.e. January, 2014, February, 2014 and March, 2014 would mean the pooled price of lignite for the year 2013-14. The pooled lignite transfer price for the generating station for the year 2013-14 as allowed by the Commission in order dated 5.2.2014 in



Petition No.167/MP/2011 was ₹1610/tonne. Hence, the pooled lignite transfer price of ₹1610 for the year 2013-14 as approved by the Commission in the said dated 5.2.2014 has been considered for computing fuel components and 2 months energy charges in working Capital. The price & GCV of lignite and secondary oil as adopted by the petitioner and considered by the Commission are as under:

Description	As adopted by Petitioner	As considered by Commission
Price of Lignite (₹/Tonne)	1819.64	1610
GCV of Lignite (Kcal/kg.)	2621	2621
Price of Secondary fuel oil (₹/KL)	54320	53492.53
GCV of Sec. Fuel oil (Kcal./Kg)	9959	9461.739

60. It is observed that in the preceding 3 months i.e January, 2014, February, 2014 and March, 2014, the petitioner has used both the secondary oils, LDO and HFO. From the details submitted by the petitioner, it is observed that major secondary oil used is HFO. Accordingly, in terms of Regulation 28(1)(a)(iii) of the 2014 Tariff Regulations, in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary oil is to be considered for allowing two months of secondary oil cost in the working capital. Accordingly, the cost of HFO has been considered in the working capital. Based on the weighted average GCV and price of fuels as considered, the cost for fuel components in working capitals and two months of Energy charge works out as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Cost of Lignite for 45 days	6087.74	6087.74	6087.74	6087.74	6087.74
Cost of Secondary Fuel oil for 2 months	524.83	526.26	524.83	524.83	524.83
Energy Charges for 2 months	8754.54	8778.53	8754.54	8754.54	8754.54



O&M expenses for 1 month

61. O&M expenses for one month for coal-based/ lignite fired generating station including water charges as allowed are as under:

(₹ in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
842	894	950	1010	1073

Capital Spares

62. The petitioner has not claimed capital spares on projection basis, during the period 2014-19. Accordingly, the same has not been considered in this order. The claim of the petitioner, if any, at the time of truing up of tariff, shall be considered on merits, after prudence check.

Maintenance spares

63. Maintenance spares @ 20% of the O&M expenses including water charges is allowed as under:

(₹ in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
2020	2146	2280	2423	2575

Energy Charge Rate (ECR)

64. The petitioner has claimed Energy Charge Rate (ECR) of ₹2.190 /kWh based on the weighted average price, GCV of Lignite & Oil procured and burnt for the preceding three months as per the 2014 Tariff Regulations. The ECR has been worked out and allowed based on the operational norms specified under the 2014 Tariff Regulations and the price and GCV of fuels as stated:



Description	Unit	2014-19
Capacity	MW	(2 x 210) = 420
Gross Station Heat Rate	Kcal/kWh	2750
Aux. Energy Consumption	%	8.50
Weighted average GCV of oil	Kcal/lit	9461.739
Weighted average GCV of Lignite	Kcal/kg	2621
Weighted average price of oil	₹/KL	53492.53
Weighted average price of Lignite	₹/MT	1610
Rate of Energy charge ex-bus	₹/kWh	1.950

65. The ECR as computed above has been considered for computing two months of energy charge in the working capital. Month to month ECR shall be calculated based on formula given under Regulation 30(6) (a) of the 2014 Tariff Regulations, due to monthly variation in actual GCVs and the Lignite Transfer Price (Primary Fuel) determined year-wise.

66. The petitioner has claimed Foreign Exchange Rate Variation on guarantee fee, interest and loan repayment. As such, FERV on interest on loan and repayment loan shall be recoverable from the respondents in accordance with Regulation 50 of the 2014 Tariff Regulations.

67. Accordingly, Interest on working capital has been computed as under.

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses	842	894	950	1010	1073
Receivables	13566	13478	12754	12776	12807
Maintenance Spares	2020	2146	2280	2423	2575
Secondary Fuel oil cost	525	526	525	525	525
Fuel Stock	6088	6104	6088	6088	6088
Total Working Capital	23040	23148	22596	22821	23067
Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
Interest on Working Capital	3110	3125	3051	3081	3114

Annual Fixed Charges

68. The annual fixed charges approved in respect of the generating station for the period 2014-19 is summarized as under:



	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	10845	9550	8578	7982	7386
Interest on Loan	348	333	318	303	288
Depreciation	7618	7618	3799	3799	3799
Interest on Working Capital	3110	3125	3051	3081	3114
O & M Expenses	10098	10728	11400	12114	12874
Compensation Allowance	84	84	84	84	84
Total	32104	31438	27229	27363	27545

Application Fee and Publication Expenses

69. The petitioner has sought the reimbursement of filing fee and also the expenses incurred towards publication of notices for application of tariff for the period 2014-19. The petitioner has deposited tariff filing fees of ₹1848000/- for the period 2014-15 in terms of the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The petitioner vide affidavit dated 21.10.2014 has submitted that it has incurred ₹353474/- as charges towards publication of the said tariff petition in the newspapers. Accordingly, in terms of Regulation 52 of the 2014 Tariff Regulations and in line with the decision in Commission's order dated 6.1.2016 in Petition No.232/GT/2014, the petitioner shall be entitled to recover the filing fees for the year 2014-15 and the expenses incurred on publication of notices for the period 2014-19 directly from the respondents. The filing fees for the remaining years of the tariff period 2015-19 shall be recovered pro rata after deposit of the same and production of documentary proof.

70. The annual fixed charges approved for the period 2014-19 as above are subject to triuing-up in terms of Regulation 8 of the 2014 Tariff Regulations.

71. Petition No. 254/GT/2014 is disposed of in terms of the above.

-Sd/-
(Dr. M.K.Iyer)
Member

-Sd/-
(A.S Bakshi)
Member

-Sd/-
(A.K.Singhal)
Member

-Sd/-
(Gireesh B Pradhan)
Chairperson

