NAME OF POWER STATION FORM-7

CALCULATION OF OPERATION AND MAINTENANCE EXPENSES

						Average	Base	Base	Tariff Period		
	1995-96	1996-97	1997-98	1998-99	1999-00	95-96 to 99-00	1999-00	2000-01	2001-02	2002-03	2003-04
1	2	3	4	5	6	7	8	9	10	11	12
&M data av	ailable for	1995-96 to	1999-2000								
Base O&M on the basis of actual data)											
A) Total O&M Expenses											
B) Abnormal O&M expenses*											
- Additional security expenses											
 Siltation 	ı										
- Over staffing											
- Any Ot	her										
C) Calculation of Base O&M (A-B)						Е	$X=E \times (1.1)^2$	X x 1.06	$X \times (1.06)^2$	$X \times (1.06)^3$	X x (1.06) ⁴
Recent Plan	ts for whic	h O&M data	a for 1995-9	6 to 1999-2	2000 is not	available					
Year of Commissioning											
Calculation of Base O&M**							Υ	Y x 1.06	Y x (1.06) ²	Y x (1.06) ³	Y x (1.06) ⁴
	M on the bas A) Total O8 B) Abnorm - Addition - Siltation - Over st - Any Otl C) Calculat Recent Plan Year of Co	1 2 28M data available for M on the basis of actual A) Total O&M Expense B) Abnormal O&M expense - Additional security - Siltation - Over staffing - Any Other C) Calculation of Base Cecent Plants for whice Year of Commissioning Co	1 2 3 2&M data available for 1995-96 to M on the basis of actual data) A) Total O&M Expenses B) Abnormal O&M expenses* - Additional security expenses - Siltation - Over staffing - Any Other C) Calculation of Base O&M (A-B) Recent Plants for which O&M data Year of Commissioning	1 2 3 4 Remark data available for 1995-96 to 1999-2000 Mon the basis of actual data) A) Total O&M Expenses B) Abnormal O&M expenses* - Additional security expenses - Siltation - Over staffing - Any Other C) Calculation of Base O&M (A-B) Recent Plants for which O&M data for 1995-9 Year of Commissioning	1 2 3 4 5 8M data available for 1995-96 to 1999-2000 M on the basis of actual data) A) Total O&M Expenses B) Abnormal O&M expenses* - Additional security expenses - Siltation - Over staffing - Any Other C) Calculation of Base O&M (A-B) Recent Plants for which O&M data for 1995-96 to 1999-22 Year of Commissioning	1 2 3 4 5 6 8M data available for 1995-96 to 1999-2000 M on the basis of actual data) A) Total O&M Expenses B) Abnormal O&M expenses* - Additional security expenses - Siltation - Over staffing - Any Other C) Calculation of Base O&M (A-B) Recent Plants for which O&M data for 1995-96 to 1999-2000 is not Year of Commissioning	1995-96 1996-97 1997-98 1998-99 1999-00 95-96 to 99-00 1	1995-96 1996-97 1997-98 1998-99 1999-00 95-96 to 99-00 1999-00 1	1995-96 1996-97 1997-98 1998-99 1999-00 95-96 to 99-00 1999-00 2000-01 1	1995-96 1996-97 1997-98 1998-99 1999-00 95-96 to 99-00 1999-00 2000-01 2001-02 1	1995-96 1996-97 1997-98 1998-99 1999-00 95-96 to 99-00 1999-00 2000-01 2001-02 2002-03 1

Abnormal O&M expenses such as:

- Security expenses on account of insurgency
- Due to abnormal siltation
- There has been a significant redeployment of staff from completed projects of NHPC to those under construction during 1999-2000. This led to a significant drop in O&M expenses in 1999-2000.

Therefore, the norms based on past data of actual O&M expenses will overestimate the normative base.

NHPC should adjust the O&M data downwards under the assumption of employment level as in 1999-2000.

This implies that employee remuneration for the past data should be adjusted on the basis of employment in 1999-00

The utility shall file a separate petition for claiming the abnormal O&M expenses

* Base O&M= (0.015 x Capital cost) escalated at the rate of 10 percent per annum to bring it to 1999-2000 level

For example if the capital cost of the plant commissioned in 1996-97 is Rs 100 cores then the base for 1999-2000 is computed as follows

Base O&M for 1999-2000= (0.015*100)*(1.10)³

(PETITIONER)