

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 21/RP/2017

In

Petition No. 346/GT/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Dr. M.K.Iyer, Member

Date of Order: 29.9.2017

In the matter of

Review of the Commission's order dated 15.3.2017 in Petition No. 346/GT/2014 in respect of revision of tariff of Kawas GPS (656.20 MW) after truing up exercise for the period from 1.4.2009 to 31.3.2014.

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 Ltd.
Shakti Bhawan, Vidyut nagar,
Jabalpur-482008
2. Maharashtra State Electricity Distribution Co. Ltd.
"Prakashgad", Bandra (East)
Mumbai-400051
3. Gujarat Urja Vikas Nigam Ltd.
Vidyut Bhavan, Race Course,
Vadodara - 390 007
4. Chhattisgarh State Power Distribution Co. Ltd.
Dhagania, Raipur – 492 013
5. Electricity Department
Govt. of Goa, Vidyut Bhavan
3rd Floor Panaji, GOA



6. Electricity Department
Administration of Daman & Diu
Daman – 396210

7. Electricity Department
Administration of Dadra and Nagar Haveli
Silvassa, Via VAPI

..... Respondents

Parties present:

Shri Sanjay Sen, Senior Advocate, NTPC
Shri Venkatesh, Advocate, NTPC
Shri Shashank Khurana, Advocate, NTPC
Shri Pratyesh Singh, Advocate, NTPC
Shri Sailendra Singh, NTPC
Shri Manoj Kumar Sharma, NTPC
Shri Nishant Gupta, NTPC

ORDER

The petitioner, NTPC has filed this petition for review of order dated 15.3.2017 in Petition No 346/GT/2014, whereby the Commission had revised the tariff of Kawas Gas Power Station (656.20 MW), ('the generating station') for the period 2009-14 after truing up exercise, in accordance with the provisions of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2009 (referred to as 'the 2009 Tariff Regulations'). In the said order dated 15.3.2017, the Commission had determined the annual fixed charges of the generating station as under:

(₹ in lakh)

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Depreciation | 31.87 | 55.68 | 65.34 | 0.00 | 2277.51 |
| Interest on Loan | 0.00 | 0.00 | 0.00 | 0.00 | 915.55 |
| Return on Equity | 18057.10 | 17833.62 | 17621.29 | 17562.56 | 18735.60 |
| Interest on Working Capital | 7253.76 | 7287.97 | 7340.92 | 7364.20 | 7500.33 |
| O&M Expenses | 9711.76 | 10269.53 | 10853.55 | 11476.94 | 12133.14 |
| Total | 35054.50 | 35446.80 | 35881.09 | 36403.69 | 41562.14 |

2. Aggrieved by the order dated 15.3.2017, the petitioner has sought review of the order and has submitted that there are errors apparent on the face of record on the following aspects:



- a) *Disallowance of Ozone analyzer as Ambient Air Quality Measurement System (AAQMS);*
- b) *Adjustment made in cumulative depreciation recovered on account of de-capitalization; and*
- c) *Adjustment made in repayment of loan on account of de-capitalization.*

3. The respondent No.1, Madhya Pradesh Power Management Company Ltd has filed its reply vide affidavit dated 31.7.2017 and the petitioner has filed its rejoinder vide affidavit dated 10.8.2017. The matter was heard on 'admission' on 11.7.2017 and the Commission accordingly reserved its orders in the petition.

4. Based on the submissions and the documents available on record, we proceed to examine the issues raised in the petition as detailed in the subsequent paragraphs.

Disallowance of Ozone analyzer at Ambient Air Quality Measurement System

5. The petitioner in Petition No. 346/GT/2014 had claimed additional capital expenditure of ₹11.67 lakh in 2013-14 towards Ozone Analyzer as part of the Ambient Air Quality Management System (AAQMS) under Regulation 9(2)(ii) of the 2009 Tariff Regulations. However, the Commission vide order dated 15.3.2017 disallowed the said claim of the petitioner as under:-

*“41. **Ozone analyzer at Ambient Air Quality Measurement System (AAQMS):** The petitioner has claimed additional capital expenditure of ₹ 11.67 lakh during 2013-14 towards AAQMS for monitoring and maintaining air quality parameters in terms of the direction of State Pollution Control Board. It is noted that the expenditure claimed in 2013-14 pertains to installation of Ozone analyzers in AAQMS which are required to monitor ambient air by Central Pollution Control Board as per the GOI notification dated 18.11.2009. It is noticed that similar claim of the petitioner for installation of AAQMS was considered by the Commission and the Commission in case of Singrauli STPS vide order dated 7.8.2012 in Petition No. 225/2009 has disallowed the same. On an appeal filed by the petitioner an Appeal No. 232 of 2012, the Tribunal by judgment dated 12.05.2015 had affirmed the order of the Commission. The relevant portion of the order is extracted as under:*

“Without repeating the submissions of the respondents/beneficiaries provided in para no.17.01 to 17.10 of this judgment, we find that the learned Central Commission has rightly disallowed the said claim of additional capital expenses by giving sufficient and cogent reasons. We make it clear that no Regulation of the Tariff Regulations can be read in isolation but the cumulative effect of the whole Regulations, scheme and purpose of the Regulations have to be considered, hence the Central Commission has rightly disallowed the said claims of the NTPC after analyzing the cumulative effect of various Regulations of Tariff Regulations, 2009 without leaving any ambiguity. We do not find any merit in any of the contentions of the appellant NTPC. However, we agree to the findings recorded by the Central Commission on Issue No. 'A'. Consequently, this Issue No. 'A' is decided against the appellant.



Accordingly, in line with the judgment of Tribunal, the claim of the petitioner for additional capital expenditure for installation of AAQMS has not been allowed.”

6. The Petitioner in this petition has submitted that the expenditure on account of installation of Ozone analyzer in AAQMS was incurred on account of the direction contained in the Central Pollution Control Board (CPCB) notification dated 18.11.2009 specifying the new National Ambient Air Quality Standards. It has also submitted that the said notification directs the monitoring & measurement of 12 no. of parameters including Ozone level at thermal power plants. Accordingly, the petitioner has stated that the said expenditure incurred is allowable under Regulation 9(2)(ii) of the 2009 Tariff Regulations. The petitioner has further submitted that the Commission had inadvertently disallowed the said expenditure based on the Commission's order dated 7.8.2012 in Petition No. 225/2009 in respect of Singrauli STPS for 2009-14. The petitioner has pointed out that in Singrauli STPS, the expenditure on installation of AAQMS was disallowed based on the justification that their units have completed their useful life and that the said generating station was availing Special Allowance and Compensation Allowance. Accordingly, it has submitted that the order disallowing the said expenditure for Singrauli STPS (thermal station) cannot be considered and applied to this generating station, being gas based, as no Special Allowance and /or Compensation Allowance is permissible for gas based generating stations under the 2009 Tariff Regulations. The petitioner has stated that the notification of the CPCB in support of the expenditure claimed, formed part of the main petition, which had escaped the attention of the Commission.

7. The respondent, Madhya Pradesh Power Management Company Ltd. has submitted that the CPCB notification dated 18.11.2009 only indicates the National Ambient Air Quality Standards and does not give directions to the petitioner for installation of Ozone analyzer. Hence, it has submitted that the expenditure incurred by the petitioner cannot be considered as change in law. The respondent has further pointed out that while the claim of the petitioner towards installation of Ozone Analyser in case of Singrauli TPS was under the head of R&M, the claim of the petitioner for this generating station is under Change in Law and hence may not be allowed. In response, the petitioner



vide rejoinder dated 10.8.2017 has reiterated the submissions made in the petition and has prayed that the order dated 15.3.2017 may accordingly be reviewed.

Analysis and Decision

8. We have examined the matter. The petitioner has submitted that the disallowance of expenditure towards installation of Ozone Analyzer in AAQMS for this generating station based on the decision of the Commission in respect of Singrauli STPS is erroneous. However, the respondent, MPPMCL has objected to the same. In short, the petitioner has argued that the decision taken in respect of thermal power station (Singrauli STPS) cannot be applied to this gas based generating station (Kawas GPS). We find merit in the submissions of the petitioner. In order dated 7.8.2012 in Petition No. 225/2009 pertaining to Singrauli STPS, the claim of the petitioner for expenditure on AAQMS package (towards R&M schemes) was disallowed as under:

“32.....Special allowance in lieu of R&M for life extension as contained in Regulation 10 of the 2009 Tariff Regulations is admissible for this generating station. Since Special allowance is admissible for the units of the generating station which have completed/to be completed its useful life of 25 years during the tariff period, we are of the view that the actual / projected capital expenditure incurred / to be incurred for R&M for life extension of Stage-I Units of the generating station, can be met from the Special allowance allowed for Stage-I units. Similarly, the expenditure on R&M for Unit-VI of Stage-II can also be met from the Special allowance allowed for the year 2013-14. Since, Unit-VII of Stage-II shall complete its useful life of 25 years during 2013-14 only, the capital expenditure for R&M of Unit-VII cannot be allowed as in terms of the provisions of the 2009 Tariff Regulations..”

9. Under the 2009 Tariff Regulations, the first proviso to Regulation 10 provides for the grant of Special Allowance in lieu of R&M and Regulation 19 (e) provides for grant of Compensation Allowance to coal based/lignite fired thermal generating stations. It is observed from order dated 7.8.2012 in Petition No. 225/2009 that the units of Singrauli STPS had completed useful life and accordingly, the Commission disallowed the capitalization of expenditure claimed under Regulation 9 and directed the same to be met from the Special Allowance admissible to the said generating station in lieu of R&M. This is not the case in respect of this gas based generating station (Kawas GPS). For this gas based generating station, no Special Allowance in lieu of R&M and/or Compensation Allowance is admissible under the 2009 Tariff Regulations and hence the petitioner had claimed



capitalization of expenditure in terms of the provisions of Regulation 9 of the 2009 Tariff Regulations. Thus, the facts and circumstances in the case of Singrauli STPS are different from that of Kawas GPS. In this background, the order dated 7.8.2012 in respect of Singrauli STPS should not have been applied to Kawas generating station to disallow the expenditure claimed on AAQMS. This aspect was overlooked by the Commission while passing the order dated 15.3.2017. In our considered view, the disallowance of the expenditure for gas based generating station, based on order dated 7.8.2012 in respect of Singrauli thermal power station, is an error apparent on the face of the order and the same is required to be corrected. It is further noticed that the Commission in order dated 18.9.2015 in Petition No. 33/GT/2014 while revising the tariff of Faridabad GPS for the period 2009-14 had allowed the claim of the petitioner for expenditure towards AAQMS for 2013-14 in terms of the Notification dated 18.11.2009 under Regulation 9(2)(ii) of the 2009 Tariff Regulations. In view of this, review on this ground is allowed.

10. In the light of the above and considering the fact that the CPCB notification dated 18.11.2009 specifically provides for National Ambient Air Quality Standards and methods for measurement of specified pollutants including ozone, we allow the actual expenditure of ₹11.67 lakh in 2013-14 towards "Ozone analyzer in AAQMS station under Regulation 9 (2) (ii) of the 2009 Tariff Regulations.

Adjustment in Cumulative Depreciation recovered on account of de-capitalization

11. As regards adjustment in cumulative depreciation, the Commission in order dated 15.3.2017 had observed as under:

66.Further, proportionate adjustment has been made to the cumulative depreciation on account of de-capitalization of assets considered for the purpose of tariff as well as discharges/ reversal of liabilities out of un-discharged liabilities deducted from the capital cost as on 1.4.2009. The necessary calculations in support of depreciation are as under:



(₹ in lakh)

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--|--------------|--------------|--------------|-------------|----------------|
| Average capital cost | 153581.37 | 153364.92 | 153249.39 | 152396.12 | 163213.35 |
| Cost of Land | 734.63 | 734.63 | 734.63 | 734.63 | 734.63 |
| Capital cost excluding Land | 152846.74 | 152630.29 | 152514.76 | 151661.49 | 162478.72 |
| Depreciable value @ 90% | 137562.06 | 137367.26 | 137263.28 | 136495.34 | 146230.85 |
| Balance depreciable value | 279.54 | 432.62 | 442.33 | 0.00 | 10863.73 |
| Depreciation (Annualized) | 31.87 | 55.68 | 65.34 | 0.00 | 2277.51 |
| Total life of the generating station | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| Elapsed life of the generating Station | 16.23 | 17.23 | 18.23 | 19.23 | 18.23 |
| Balanced life of the generating station | 8.77 | 7.77 | 6.77 | 5.77 | 4.77 |
| Cumulative depreciation at the end of the period (before adjustment) | 137314.39 | 136990.32 | 136886.28 | 136886.28 | 139163.80 |
| Add: Cumulative depreciation adjustment on account of discharges out of un-discharged liabilities as on 1.4.2009 | (-)90.50 | 0.00 | 0.00 | 4.04 | 0.00 |
| Less: Cumulative depreciation adjustment on account of de-capitalization | 289.26 | 169.37 | 57.44 | 1523.20 | 5516.86 |
| Cumulative depreciation after adjustment (at the end of the period) | 136934.64 | 136820.95 | 136828.84 | 135367.12 | 133646.94 |

12. The petitioner has submitted that the Commission had made adjustment of ₹5516.86 lakh in 2013-14 towards cumulative depreciation as against the de-capitalization of ₹17060.14 lakh for the said year. According to the petitioner, the Commission for providing the adjustment on cumulative depreciation had considered the value of de-capitalization of ₹6093.99 lakh as claimed by the petitioner for R&M of Gas Turbine, instead of ₹17060.14 lakh as allowed and considered by the Commission. It has stated that since the value of de-capitalization adjustment made is not in order, the computational error may be corrected and review may accordingly be allowed.

Analysis and Decision

13. The matter has been examined. It is observed that the petitioner had proposed an amount of ₹6093.99 lakh as de-capitalization toward assets removed from service during the R&M of the



generating station. However, the Commission in the order dated 15.3.2017 had considered the value of de-capitalization amount as ₹17060.14 lakh against R&M. Consequent upon this, all adjustments in depreciation and re-payment of loans should have been carried out based on the de-capitalization amount of ₹17060.14 lakh considered for the purpose of tariff. The non-adjustment of depreciation etc., in order dated 15.3.2017 based on the de-capitalization amount of ₹17060.14 lakh is in our view, an arithmetical/clerical error and the same is required to be corrected. Hence, review on this ground is allowed.

14. In addition, it is noticed from the calculation of depreciation that as against the discharge of ₹92.30 lakh in 2009-10 an adjustment of (-)₹90.50 lakh has been made towards cumulative depreciation, instead of a positive entry of ₹90.50 lakh, thereby resulting in an overall increase in the value of cumulative depreciation on addition of liabilities discharged. This is an inadvertent clerical error and the same is rectified by this order.

15. It is further observed that an upward adjustment of ₹4.04 lakh has been made in Cumulative depreciation on account of discharges of ₹4.52 lakh in 2012-13. This discharge of ₹4.52 lakh is against the un-discharged liability pertaining to the year 2011-12 and as such the upward adjustment of ₹4.04 lakh is an apparent error, as there was no downward adjustment in Cumulative depreciation, when the un-discharged liability of ₹4.52 lakh was deducted in 2011-12. This inadvertent error is also rectified by this order. It is pertinent to mention that downward/upward adjustment in cumulative depreciation corresponding to deduction of un-discharged liabilities/adding back of discharged liabilities relates to the undischarged liabilities pertaining to the period prior to 1.4.2009.

Adjustment in repayment of loan on account of de-capitalization

16. The petitioner has submitted that the Commission in order dated 15.3.2017 while calculating interest in loan for the year 2012-13 had considered the repayment adjustment of (-)₹1168.01 lakh against the de-capitalization of (-)₹1687.67 lakh, which constitute 69.02% of the de-capitalized



amount. It has further submitted that there is no outstanding normative opening loan for the project in the year 2012-13 i.e the entire normative loan corresponding to 70 % of the admitted capital cost has been repaid by the petitioner. In view of the above, the petitioner has submitted that the Commission ought to have provided the adjustment on loan repayment of 70 % on the de-capitalized value for the year 2012-13. Accordingly, it has submitted that the computational error in the value of repayment adjustment on account of de-capitalization may be rectified and review may be allowed.

Analysis and Decision

17. The matter has been examined. In terms of the judgment of the Tribunal dated 13.6.2007 in Appeal Nos.139 to 142 of 2006 and connected matters, the adjustment in repayment of loan on de-capitalization shall be to the tune of 70% of the de-capitalized value. The non-consideration of the same in the computation of loan repayment adjustment in order dated 15.3.2017 is in our view, an error apparent on the face of the order. Hence, review on this ground is allowed. Accordingly, the inadvertent clerical /arithmetical error in the computation of loan repayment adjustment is rectified by this order.

18. It is further observed that the Commission in its order 15.3.2017 had not allowed the exclusion of negative entries to the tune of ₹30.41 lakh and ₹35.93 lakh for the years 2012-13 and 2013-14 respectively, thereby resulting in the de-capitalization of said amounts for the purpose of tariff. It is however noticed that the said amounts have not been considered while adjusting the re-payment of loan. It is also observed that in order dated 15.3.2017, an upward adjustment of ₹3.16 lakh has been made towards repayment of loan on account of discharges of ₹4.52 lakh in the year 2012-13. As the discharge of ₹4.52 lakh in 2012-13 is against the un-discharged liability pertaining to the year 2011-12, the upward adjustment of ₹3.16 lakh is an error, as there was no downward adjustment in repayment of loan when the un-discharged liability of ₹4.52 lakh was deducted in the year 2011-12. These are inadvertent clerical/arithmetical errors and the same is rectified by this order.



It is pertinent to mention that downward/upward adjustment in repayment of loan corresponding to deduction of un-discharged liabilities/adding back of discharged liabilities relates to the undischarged liabilities pertaining to the period prior to 1.4.2009.

19. Based on the above discussions, the tariff of the generating station determined by order dated 15.3.2017 stands revised as stated in the subsequent paragraphs.

Capital Cost

20. The Capital cost approved in the table under para 49 of the order dated 15.3.2017 is revised as under:

| | (₹ in lakh) | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Opening Capital cost (net of un-discharged liability) | 153691.71 | 153471.02 | 153258.82 | 153239.95 | 151552.28 |
| Additional capital expenditure | (-) 220.69 | (-) 212.20 | (-) 18.87 | (-) 1687.67 | 23333.80 |
| Closing capital cost | 153471.02 | 153258.82 | 153239.95 | 151552.28 | 174886.08 |
| Average capital cost | 153581.37 | 153364.92 | 153249.39 | 152396.12 | 163219.18 |

Debt- Equity Ratio

21. The debt-equity ratio in para 51 is modified as under:

| | (₹ in lakh) | | | | | |
|--------------|------------------|---------------|--|---------------|------------------|---------------|
| | As on 1.4.2009 | | Net Additional capitalization during 2009-14 | | As on 31.3.2014 | |
| | Amount | (%) | Amount | (%) | Amount | (%) |
| Debt | 76757.52 | 49.94 | 14,836.06 | 70.00 | 91593.78 | 52.37 |
| Equity | 76933.99 | 50.06 | 6,358.31 | 30.00 | 83292.30 | 47.63 |
| Total | 153691.51 | 100.00 | 21,194.37 | 100.00 | 174886.08 | 100.00 |

22. Consequent upon revision of debt-equity as above, the Return on Equity in the table under para 53 of the order dated 15.3.2017 is modified as under:

| | (₹ in lakh) | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Opening notional equity | 76933.99 | 76867.78 | 76804.12 | 76798.46 | 76292.16 |
| Addition due to Additional Capitalisation | (-)66.21 | (-) 63.66 | (-) 5.66 | (-) 506.30 | 7000.14 |
| Closing Equity | 76867.78 | 76804.12 | 76798.46 | 76292.16 | 83292.30 |



| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Average Equity | 76900.89 | 76835.95 | 76801.29 | 76545.31 | 79792.23 |
| Return on Equity (Base Rate) (%) | 15.500 | 15.500 | 15.500 | 15.500 | 15.500 |
| Tax rate (%) | 33.990 | 33.218 | 32.445 | 32.445 | 33.990 |
| Rate of Return on Equity (Pre Tax) (%) | 23.481 | 23.210 | 22.944 | 22.944 | 23.481 |
| Return on Equity (Pre Tax) | 18057.10 | 17833.62 | 17621.29 | 17562.56 | 18736.01 |

23. The Interest on loan in para 56 is revised as under:

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|-------------|-------------|-------------|-------------|-----------------|
| | (₹ in lakh) | | | | |
| Gross opening loan | 76757.72 | 76603.24 | 76454.70 | 76441.49 | 75260.12 |
| Cumulative repayment of loan up to previous year | 76757.72 | 76603.24 | 76454.70 | 76441.49 | 75257.73 |
| Net opening loan | 0.00 | 0.00 | 0.00 | 0.00 | 2.40 |
| Addition due to Additional Capitalisation | (-)154.48 | (-)148.54 | (-)13.21 | (-)1181.37 | 16333.66 |
| Repayment of Loan during the period | 1.33 | 0.00 | 31.47 | 0.00 | 2263.07 |
| Less: Repayment adjustment on a/c of de-capitalization | 225.13 | 148.54 | 44.67 | 1183.76 | 11967.25 |
| Add: Repayment adjustment on a/c of discharges / reversals corresponding to un-discharged liabilities deducted as on 01.04.2009 | 69.31 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Closing Loan | 0.00 | 0.00 | 0.00 | 2.40 | 26040.24 |
| Average Loan | 0.00 | 0.00 | 0.00 | 1.20 | 13021.32 |
| Weighted Average Rate of Interest on Loan (%) | 9.5800 | 9.5800 | 9.5800 | 7.2707 | 7.0454% |
| Interest on Loan | - | - | - | 0.09 | 917.40 |

24. Depreciation in the table under para no. 66 is modified as under:

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--|--------------|--------------|--------------|-------------|----------------|
| | (₹ in lakh) | | | | |
| Average capital cost | 153581.37 | 153364.92 | 153249.39 | 152396.12 | 163219.18 |
| Cost of Land | 734.63 | 734.63 | 734.63 | 734.63 | 734.63 |
| Capital cost excluding Land | 152846.74 | 152630.29 | 152514.76 | 151661.49 | 162484.55 |
| Depreciable value @ 90% | 137562.06 | 137367.26 | 137263.28 | 136495.34 | 146236.10 |
| Balance depreciable value | 279.54 | 251.62 | 284.63 | 0.00 | 10794.82 |
| Depreciation (Annualized) | 31.87 | 32.38 | 42.04 | 0.00 | 2263.07 |
| Total life of the generating station | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| Elapsed life of the generating station | 16.23 | 17.23 | 18.23 | 19.23 | 18.23 |
| Balanced life of the generating station | 8.77 | 7.77 | 6.77 | 5.77 | 4.77 |
| Cumulative depreciation at the end of the period (before adjustment) | 137314.39 | 137148.02 | 137020.69 | 136963.25 | 137704.34 |



| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|-----------|-----------|-----------|-----------|-----------|
| Add: Cumulative depreciation adjustment on account of discharges out of un-discharged liabilities deducted as on 1.4.2009 | 90.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Cumulative depreciation adjustment on account of de-capitalization | 289.26 | 169.37 | 57.44 | 1521.98 | 15386.46 |
| Cumulative depreciation after adjustment (at the end of the period) | 137115.64 | 136978.65 | 136963.25 | 135441.27 | 122317.88 |

25. Receivable component of the working capital in the table under para 74 is modified as under:

| | (₹ in lakh) | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Variable charges for two months | 30839.16 | 30839.16 | 30923.65 | 30839.16 | 30839.16 |
| Fixed charges for two months | 5842.42 | 5903.84 | 5976.22 | 6067.30 | 6924.95 |
| Total | 36681.58 | 36743.00 | 36899.87 | 36906.46 | 37764.11 |

26. Accordingly, the Interest on Working Capital in the table under para 75 is modified as under:

| | (₹ in lakh) | | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Fuel cost (APM and RLNG) 1 month | 15419.58 | 15419.58 | 15461.83 | 15419.58 | 15419.58 |
| Liquid fuel stock - 1/2 month | 3390.40 | 3390.40 | 3399.69 | 3390.40 | 3390.40 |
| Maintenance spares | 2913.53 | 3080.86 | 3256.06 | 3443.08 | 3639.94 |
| O&M expenses- 1 month | 809.31 | 855.79 | 904.46 | 956.41 | 1011.09 |
| Receivables- 2 months | 36681.58 | 36743.00 | 36899.87 | 36906.46 | 37764.11 |
| Total working capital | 59214.40 | 59489.63 | 59921.92 | 60115.93 | 61225.13 |
| Rate of Interest | 12.25% | 12.25% | 12.25% | 12.25% | 12.25% |
| Interest on Working Capital | 7253.76 | 7287.48 | 7340.43 | 7364.20 | 7500.08 |

27. Based on the above, the annual fixed charges approved vide order dated 15.3.2017 stands revised as under:

| | (₹ in lakh) | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Depreciation | 31.87 | 32.38 | 42.04 | 0.00 | 2263.07 |
| Interest on Loan | 0.00 | 0.00 | 0.00 | 0.09 | 917.40 |
| Return on Equity | 18057.10 | 17833.62 | 17621.29 | 17562.56 | 18736.01 |
| Interest on Working Capital | 7253.76 | 7287.48 | 7340.43 | 7364.20 | 7500.08 |
| O&M Expenses | 9711.76 | 10269.53 | 10853.55 | 11476.94 | 12133.14 |
| Total | 35054.50 | 35423.02 | 35857.31 | 36403.78 | 41549.70 |



28. Except the above, all other terms contained in the order dated 15.3.2017 remains unchanged.
29. Petition No. 21/RP/2017 is disposed of at the admission stage.

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

Sd/-
(A. K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson

