

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 24/RP/2017**

**In**

**Petition No. 326/GT/2014**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Dr. M. K. Iyer, Member**

**Date of Order: 10.10.2017**

**In the matter of**

Review of Commission's order dated 30.3.2017 pertaining to revision of tariff of Jhanor Gandhar Gas Power Station (657.39 MW) for the period from 1.4.2009 to 31.03.2014 after truing up exercise

**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 Bhawan, Vidhyut Nagar,  
Jabalpur- 482008
2. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, Bandra (East),  
Mumbai - 400051
3. Gujarat Urja Vikas Nigam Limited,  
Vidyut Bhawan, Race Course,  
Vadodara – 390007
4. Chattisgarh State Power Distribution Company Limited,  
P.O. Sundar Nagar, Danganiya, Raipur – 492013
5. Government of Goa,  
Electricity Department, Vidyut Bhawan, Panaji, Goa
6. Electricity Department,  
Administration of Daman and Diu, Daman – 396210
7. Electricity Department,  
Administration of Dadra and Nagar Haveli,  
Silvasa

.....**Respondents**



## Parties Present

Shri Ajay Dua, NTPC  
Ms. Suchitra Maggon, NTPC  
Shri Manish Jain, NTPC  
Shri Sachin Jain, NTPC  
Shri Rajeev Choudhary, NTPC  
Shri Anurag Naik, MPPMCL  
Shri Ajasra Gupta, MPPMCL

## ORDER

The petition has been filed by NTPC Limited, for review of Commission's order dated 30.3.2017 in Petition No. 326/GT/2014, wherein the Commission had revised the tariff of Jhanor Gandhar Gas Power Station (657.39 MW) ('the generating station' or Gandhar GPS) for the period from 1.4.2009 to 31.3.2014 after truing up exercise, in the terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 ('the 2009 Tariff Regulations'). Accordingly, the annual fixed charges determined by the order dated 30.3.2017 is summarized as under:

	(₹. in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1266.68	1351.55	1345.04	1158.36	2122.69
Interest on Loan	466.57	352.92	343.13	331.04	774.57
Return on Equity	28094.84	27727.25	27541.99	27585.17	28609.29
Interest on Working Capital	5170.01	5200.18	5246.85	5275.93	5371.83
O&M Expenses	9729.37	10288.15	10873.23	11497.75	12155.14
<b>Total</b>	<b>44727.46</b>	<b>44920.05</b>	<b>45350.25</b>	<b>45848.25</b>	<b>49033.52</b>

2. Aggrieved by the said order, the Petitioner has sought review on the following issues:
  - i. *Disallowance of Ozone analyzer at Ambient Air Quality Measurement System (AAQMS).*
  - ii. *Deferring the de-capitalization pertaining to GT-1 from 2012-13 and 2013-14 to the 2014-15, the year of put to use of the machine after R&M.*
  - iii. *Adjustment of actual de-capitalization in-place of notional De-capitalization against R&M.*
  - iv. *Adjustment of de-capitalization in repayment of loan and Cumulative depreciation in 2012-13 and 2013-14 and removal of adjustment of discharge of liability in Cumulative Depreciation and repayment of loan.*
  
3. During the hearing of the review petition at the admission stage, the representative of the Petitioner submitted that there are apparent errors in the impugned order in respect of



the three issues on which review has been sought. The representative of the Respondent, Madhya Pradesh Power Management Company Ltd. (MPPMCL) sought time to file reply to the various issues raised in the review petition. Accordingly, the Commission, after directing the Petitioner to file certain additional information and completion of pleadings by the parties, reserved orders in the matter. The Respondent has filed its reply in the matter and the Petitioner has filed its rejoinder to the said reply. The Petitioner, in compliance with the directions of the Commission vide affidavit dated 25.7.2017 has submitted that the expenditure on 'Ozone analyser at Ambient Air Quality Measurement System' are made through 'Capital addition Budget' and not from Miscellaneous Bought out Assets (MBOA) budget.

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

**Disallowance of expenditure on Ozone analyzer at Ambient Air Quality Measurement System (AAQMS):**

**Submissions of the Petitioner**

5. The Petitioner has submitted that the Commission vide order dated 30.3.2017 had disallowed the actual expenditure towards Ozone analyzer at Ambient Air Quality Measurement System (AAQMS). It has submitted that the expenditure on account of Ozone analyzer at AAQMS was incurred in line with the directions contained in the notification of the Central Pollution Control Board (CPCB) dated 18.11.2009, wherein it has specified the new National Ambient Air quality Standards, for monitoring and measurement of 12 nos. of parameters including ozone at Thermal Power Plants. Accordingly, the Petitioner has stated that the said expenditure of ₹12.13 lakh incurred in 2013-14 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, the Petitioner has submitted that the said order disallowing the expenditure for Singrauli STPS (thermal station) cannot be 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 further stated that the generating station (Gandhar GPS) has not completed its useful life during the period 2009-14 and the additional capital expenditure claimed for Ozone analyzer at AAQMS station falls under Regulation 9 (2) of the 2009 Tariff Regulations. The Petitioner has pointed out that the Commission had allowed the expenditure on this asset in various orders in respect of other generating stations of the Petitioner during the period 2009-14, namely Auraiya, Simhadri STPS, Talcher TPS. The Petitioner has prayed that the expenditure be allowed for the generating station as the directions of CPCB for installation of Ozone Analyzer in AAQMS is statutory in nature and is covered within the scope of Change in law.

6. The Respondent, MPPMCL 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 its 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**

7. We have examined the matter. The Petitioner has submitted that the disallowance of expenditure towards installation of Ozone Analyzer in AAQMS in the generating station based on the earlier 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 Singrauli STPS which had completed its useful life and was allowed special allowance and compensatory allowance cannot be applied to in case of Gandhar GPS which is left with useful life and is entitled for additional capital expenditure. 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 the 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...”*

8. 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 their 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. The Commission had not disallowed the expenditure under the provision of Additional Capital Expenditure on merit. In case of Gandhar GPS, the claim of the Petitioner was required to be considered on merit under the provisions of “Additional Capital Expenditure” in 2009 Tariff Regulations. It is pertinent to note that in case of gas based generating station,



Compensation Allowance was admissible to gas based generating station under the 2009 Tariff Regulations. Further, there was neither any provision for Special Allowance in 2009 Tariff Regulations nor the generating station had completed its useful life during 2009-14 period. The Petitioner could have and had claimed capitalization of expenditure on Ozone Analyzer in terms of the provisions of Regulation 9 of the 2009 Tariff Regulations. Thus, the facts and circumstances for disallowance of expenditure on Ozone Analyzer under additional capitalization in the case of Singrauli STPS are different from that of Gandhar GPS. However, the decision in case of Singrauli STPS was applied to disallow the expenditure on Ozone Analyzer in case of Gandhar GPS overlooking the vital differences between the two cases. In our considered view, the disallowance of the expenditure Ozone Analyzer in case of Gandhar GPS 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 has allowed the claim of the Petitioner for expenditure towards AAQMS during the period 2013-14 in terms of the Notification dated 18.11.2009 under Regulation 9(2)(ii) of the 2009 Tariff Regulations. Similarly, by order dated 29.9.2017 in Petition No. 21/RP/2017 (pertaining to tariff of Kawas GPS for 2009-14), the Commission has allowed the claim of the Petitioner towards Ozone Analyser at AAQMS under Change in law. In view of the above discussions, the prayer of the Petitioner for review of order dated 30.3.2017 is allowed and it is held that expenditure on Ozone Analyzer in case of Gandhar GPS shall be admissible under Regulation 9(2)(ii) of the 2009 Tariff Regulations.

### **De-capitalization against partial R&M of GT-1 in 2012-13 and 2013-14**

#### **Submissions of the Petitioner**

9. The Petitioner has submitted that the generating station with a capacity of 657.39 MW comprises of three Gas Turbine units of 144.30 MW each and one Steam Turbine unit of 224.49 MW, with the following dates of commercial operation of the different units:



	Capacity (MW)	Date of Commercial Operation (COD)
Unit – I (GT)	144.30	1.3.1995
Unit – II (GT)	144.30	1.7.1995
Unit – III (GT)	144.30	1.3.1995
Unit – IV (ST) / Generating Station	224.49	1.11.1995

10. The Petitioner has submitted that the partial R&M of GT-1 was carried out during the years 2012-13 and 2013-14; the R&M of GT-3 was completed during the year 2013-14 (pending rotor refurbishment of GT-3); and the balance R&M work of GT-1 and R&M of GT-2 were completed during the years 2014-15 and 2015-16 respectively which are covered under the tariff period 2014-19. The Petitioner claimed the additional capital expenditure towards R&M of two GTs (GT-1 and GT-3) amounting to ₹5440.54 lakh in 2012-13 and during the year 2013-14, it claimed ₹22972.67 lakh towards R&M and ₹127.42 lakh towards package ERV under Regulation 9(2)(vi) of the 2009 Tariff Regulations. The Petitioner also sought corresponding de-capitalization of ₹14.46 crore in 2012-13 and ₹49.10 crore in 2013-14 against R&M works of GTs (GT-1 and GT-3) and associated works. The Petitioner has further pointed out that the Commission revised the tariff of generating station for the period from 1.4.2009 to 31.3.2014 based on the judgment of the Appellate Tribunal dated 25.2.2016 in Appeal No. 24 of 2015. However, while implementing the judgment, the Commission had only admitted R&M expenses on GT-3 during 2013-14, but did not consider the expenditure incurred on partial R&M of GT-1, (i. e. ₹5440 lakh in 2012-13 and (-) ₹114 lakh in 2013-14) on the ground that the R&M works were not completed during the tariff period 2009-14. The Petitioner has clarified that the deferred expenditure was already incurred in GT-1 along with the execution of the remaining work of GT-1 and GT-2 (along with the pending work of rotor refurbishment of GT-3) for consideration during the period 2014-19 i.e. after the same are put to use, in line with the observations of the Commission in para 27 of the order dated 30.3.2017. The Petitioner has pointed out that an adjustment of ₹22.00 crore in 2012-13 and an amount pertaining to GT-1, part of ₹74.72 crore in 2013-14 as notional de-capitalization against the said work has been made. Accordingly, the



Petitioner has submitted that capitalization and de-capitalization which needs to be simultaneously given effect has not been done in this case which is an error apparent on the face of record and may be corrected. The Petitioner has requested the Commission to defer the de-capitalization of GT-1 from 2012-13 and 2013-14 to 2014-15 when GT-1 was put to use after the R&M of the machine. MPPMCL has submitted that the Commission has rightly de-capitalized the assets and therefore, the Petitioner is not entitled for any correction in the said order.

### **Analysis and Decision**

11. The matter has been examined. Proviso under clause (1) of Regulation 7 of the 2009 Tariff Regulation provides as under;

*“Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.”*

This provision does not operate subject to corresponding capitalization of asset. Accordingly, the Commission has been consistently adopting the approach to de-capitalize the asset in the year when it is taken out of service. Accordingly, In the impugned order dated 30.3.2017, the assets have been de-capitalized in the same year when it is taken out of service. The Petitioner has prayed that these assets should be de-capitalized when the GT 1 after R&M is put to use. In our view, when the assets (pertaining to R&M of GT-1) were taken out of service in 2012-13 and 2013-14, the assets should be de-capitalized in the book of accounts in 2012-13 and 2013-14 only, and their de-capitalization cannot be deferred to the subsequent year(s) when the R&M of GT-1 would be completed (which is likely during the tariff period 2014-19). This methodology had also been adopted in various orders determining/revising the tariff of other generating stations of the Petitioner during the period 2009-14. If the Petitioner has any grievance against the methodology adopted, then it is an issue on merit and can only be challenged in appeal. A review cannot be used as an appeal in disguise. We find no error in the order dated 30.3.2017 on this ground and accordingly, the review on this ground is rejected.



## **Notional De-capitalization in-place of Actual De-capitalization against R&M of GTs**

### **Submissions of the Petitioner**

12. The Petitioner has submitted that the Commission in para 29 of its order dated 30.3.2017 had adopted the notional de-capitalization of ₹2200 lakh and ₹7472.40 lakh against R&M works of GTs (GT-1 and GT-3) during 2012-13 and 2013-14 respectively on account of non-availability of actual de-capitalization data. The Petitioner has submitted that the reconciled data for the years 2012-13 and 2013-14 including the details of actual de-capitalization were submitted by the Petitioner as additional submission vide affidavit on 29.9.2014, which according to the Petitioner had escaped the attention of the Commission. Hence, the Petitioner has prayed that the order dated 30.3.2017 be reviewed on this ground.

### **Analysis and Decision**

13. The matter has been examined. The Commission in order dated 30.3.2017 had considered the de-capitalised value of old assets as ₹24855.80 lakh and had observed as under:

*“29. The matter has been examined. Considering the fact the petitioner has not provided any reconciliation of each of the de-capitalized assets from books of accounts of the Petitioner’s Company, and has also not submitted the value of de-capitalization (Annexure B) duly certified by the Auditor. In this background the de-capitalization of ₹24023.00 lakh corresponding to R&M of GT plus combustion chamber plus GT refurbishment as considered in order dated 30.12.2011 in Petition No. 226/2009 has been considered. Accordingly, the total value of de-capitalization along with other assets works out to ₹25028.80 lakh.*

*30. Accordingly, in the absence of any reconciliation for the de-capitalization from the books of accounts and in line with the Judgment of the Tribunal dated,25.10.2013 in Appeal No. 71/2012, the corresponding value of de-capitalization of R&M of GT plus combustion chamber plus GT refurbishment, has been considered as ₹24855.80 lakh (27775\*55380.37/61884.54), for the purpose of tariff.”*

14. Thus, in the absence of clear details pertaining to gross block of the main plant package, the Commission in the impugned order had taken a conscious view by considering the notional de-capitalization value of the old replaced assets corresponding to the capitalisation of new assets for R &M. It is also noticed that the Petitioner was unable to furnish the gross value as on the date of commercial operation of the GTs while determining



the tariff of this generating station for the period 2009-14 in Petition No. 226/2009 and the Commission, after detailed deliberation, had adopted the above said methodology, in order dated 30.12.2011. The relevant para of the order dated 30.12.2011 is extracted hereunder:

*“49. It is observed from the contents of the Gas Turbine World Hand Book 2009 that 1/3rd of the cost of main plant package of a Combined Cycle Power Project cost is towards the Gas Turbine and its associated auxiliaries. Based on this principle, the cost of GTs works out to ₹550.00 crore (approx), which consists mainly of thermal block and combustion chamber. The percentage of components covered under R&M is 53.04% for Thermal Block and 31.99% for Combustion Chamber. As it is difficult to segregate the value of ₹550.00 Crore for Gas Turbines towards Thermal Block and Combustion Chamber, the weighted average of 53.04% and 31.99% (i.e. 50.5%) in line with the petitioner's computation based on LOI prices has been considered as a percentage of GTs covered under R&M. Accordingly, the weighted average of 50.5% of the cost of GTs for ₹550.00 Crore which works out to Rs. 277.75 Crore has been considered for de-capitalization against the claim for capitalization of Rs. 435.01 Crore (which includes the cost of GTs +Combustion Chamber + GT Rotor refurbishment) towards R&M for the period 2009-14. This methodology has been adopted for this generating station in the absence of clear details pertaining to gross block of the main plant package and the same shall not form precedent in future.”*

15. This decision of the Commission in order dated 30.12.2011 had also been affirmed by the Tribunal in its judgment dated 25.10.2013 in Appeal no. 71/2012 (filed by the Petitioner against order dated 30.12.2011). The relevant portion of the judgment is extracted below:

*“42. We do not agree with the contention of the Appellant. The Central Commission has given a detailed reasoning for not accepting the figures given in the affidavit dated 12.1.2011 of NTPC. The Appellant has not been able to point out how the computation of Central Commission for de-capitalization is incorrect. Accordingly, this issue is decided against the Appellant.”*

16. In our view, the Petitioner cannot be permitted by way of review, to re-open matters which had already been settled on this issue. In the above background, the submissions of the Petitioner are rejected and review on this ground is not allowed.

### **Adjustment in repayment of loan and Cumulative depreciation one account of de-capitalization and the discharge of liability**

#### **Submissions of the Petitioner**

17. The Petitioner has submitted that adjustments of 70% and 90% on the de-capitalized amount of ₹2244.24 lakh and ₹7741.65 lakh respectively are to be provided on loan repayment and depreciation for the years 2012-13 and 2013-14 respectively. It has further submitted that the corresponding adjustment on account of de-capitalization on loan



repayment for 2012-13 and 2013-14 should be ₹1570.97 lakh and ₹5419.16 lakh respectively.

18. The Petitioner has also stated that adjustment on account of de-capitalization on depreciation for 2012-13 and 2013-14 should be ₹2019.82 lakh and ₹6967.49 lakh respectively. Accordingly, it has submitted that the value of adjustment made for de-capitalization is not in order and therefore the computational error may be corrected.

19. As regards the discharge of un-discharged liability, the Petitioner has submitted that in terms of the 2009 Tariff Regulations, the Capital cost to be incurred as on 1.4.2009 shall be after deduction of un-discharge liabilities and the additional capital expenditure incurred during the period 2009-14 shall not include liabilities for which payment has not been made. The Petitioner has further submitted that on subsequent discharge of liability pertaining to the period prior to 1.4.2009, during the period 2009-14, a proportionate adjustment is being made by the Commission in the cumulative repayment of loan and the cumulative depreciation in the year of its discharge. However, it has stated that no adjustment is to be made on payment of liabilities pertaining to additional capital expenditure for the period 2009-14. The Petitioner has further submitted that in the order dated 30.3.2017, the Commission had allowed the discharge of liability amounting to ₹3.39 lakh and ₹1.46 lakh in 2012-13 and 2013-14 respectively, pertaining to additional capital expenditure for the period 2009-14 and also provided the proportionate adjustment in the cumulative repayment of loan and cumulative depreciation in the year of their discharge. The Petitioner has also submitted that the above liabilities pertain to additional capital expenditure for the period 2009-14 which are allowed on cash basis. Accordingly, it has pointed out that the Commission has erred in providing the proportionate adjustment in cumulative repayment of loan and cumulative depreciation.



## **Analysis and Decision**

20. The matter has been examined. It is observed that certain inadvertent clerical/arithmetical errors had crept in the calculation of cumulative depreciation, loan repayment and un-discharge liability adjustment, while passing the order dated 30.3.2017. They are required to be rectified through review.

21. It is also observed that the Petitioner had proposed an amount of ₹1489.76 lakh in 2012-13 and ₹5179.06 lakh in 2013-14 as de-capitalization amount toward assets removed from service during the R&M of the generating station during the said years. However, based on over all considerations, the Commission, in order dated 30.3.2017 had deducted an amount of ₹2244.24 lakh in 2012-13 and ₹7741.65 lakh in 2013-14 as de-capitalization amount against R&M. The Commission having decided the increased de-capitalization amount should have carried out all permissible adjustments in depreciation and re-payment of loans based on the said de-capitalized amount. Non-consideration of the de-capitalized amount for the purposes of adjustments in depreciation and re-payment of loans is, in our view, an error apparent on the face of the order and the same is required to be rectified.

22. It is further observed that in the impugned order dated 30.3.2017, upward adjustments of ₹2.85 lakh and ₹1.24 lakh have been made towards cumulative depreciation on account of discharge of liabilities amounting to ₹3.39 lakh in 2012-13 and ₹1.46 lakh in 2013-14. On scrutiny, it is noticed that discharge of above liabilities which are on cash basis pertains to the additional capital expenditure for the period 2009-14. However, the Commission in the said order had inadvertently made adjustments on account of discharge of liability, which is on cash basis. This inadvertent clerical error is also rectified in this order and calculations are revised accordingly. It is pertinent to mention that downward/upward adjustment in cumulative depreciation corresponding to deduction of un-discharged liabilities/adding back of discharged liabilities is valid only for undischarged liabilities pertaining to the period prior to 1.4.2009.



23. As per judgement 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 decapitalization shall be to the tune of 70% of the de-capitalized value. Accordingly, the inadvertent clerical /arithmetical error in the computation of loan repayment adjustment is rectified by this order.

24. Based on the above discussions, the tariff of the generating station determined by order dated 30.3.2017 stands revised as stated in the subsequent paragraphs.

25. Since the expenditure of ₹12.13 lakh towards installation of Ozone Analyzer for AAQMS is allowed to be capitalized in 2013-14 by this order, the additional capital expenditure allowed in para 44 of the order dated 30.3.2017 stands revised as under:

(₹ in lakh)					
Head of Work/Equipment	2009-10	2010-11	2011-12	2012-13	2013-14
R&M Package	0.00	0.00	0.00	0.00	22858.34
Package ERV	0.00	0.00	0.00	0.00	127.92
Less Reduction in Capital expenditure due to O&M cost	0.00	0.00	0.00	0.00	(-)1959.00
Land Compensation claim deposited in Court	0.00	0.00	3997.24	(-)337.09	0.00
Safety Centre	0.00	0.00	0.00	0.00	28.06
AAQMS	111.33	4.17	0.00	0.00	12.13
Energy Management System	0.00	0.00	0.00	0.00	0.00
CCTV Camera	0.00	29.83	0.00	8.92	0.00
Mixed Bed Polishing Unit	205.36	0.00	0.00	0.00	0.00
Replacement of Fire Tender (Water/Foam)	0.00	0.00	45.99	0.00	0.00
<b>Total (on actual values)</b>	<b>316.69</b>	<b>34.00</b>	<b>4043.23</b>	<b>(-)328.17</b>	<b>21067.46</b>
Total De-capitalization	0.00	0.00	0.00	(-)2200.00	(-)7472.32
Exclusions not allowed	(-)1588.39	(-)7.36	(-)224.54	(-)44.24	(-)269.33
<b>Net Additional Capital Expenditure allowed</b>	<b>(-) 1271.70</b>	<b>26.64</b>	<b>3818.69</b>	<b>(-) 2572.40</b>	<b>13325.80</b>

26. The total additional capital expenditure allowed after adjustment of liabilities in para 45 is revised as under:

(₹ in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Additional capitalization allowed prior to discharge of liabilities	(-)1271.70	26.64	3818.69	(-)2572.40	13325.80
Add: Discharge of Liabilities	0.35	0.00	5.00	3.39	1.46
<b>Total Additional Capital Expenditure allowed</b>	<b>(-)1271.35</b>	<b>26.64</b>	<b>3823.69</b>	<b>(-)2569.01</b>	<b>13327.26</b>



27. Thus, the capital cost allowed in para 46 of the order dated 30.3.2017 is modified as under:

(₹ in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Opening capital cost	239679.86	238408.51	238435.15	242258.83	239689.82
Additional Capital Expenditure	(-)1271.35	26.64	3823.69	(-)2569.01	13327.26
<b>Closing capital cost</b>	<b>238408.51</b>	<b>238435.15</b>	<b>242258.83</b>	<b>239689.82</b>	<b>253017.08</b>
Average capital cost	239044.19	238421.83	240346.99	240974.32	246353.45

28. Return on Equity in Para 50 of the order dated 30.3.2017 is revised as under:

	2009-10	2010-11	2011-12	2012-13	2013-14
Opening notional equity	119839.93	119458.53	119466.52	120613.62	119842.92
Additional Capitalisation	(-)381.51	7.99	1145.60	(-)771.72	3997.74
Add: Un-discharged liabilities	0.11	0.00	1.50	1.02	0.44
Closing Equity	119458.53	119466.52	120613.62	119842.92	123841.10
Average Equity	119649.23	119462.52	120040.07	120228.27	121842.01
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)	<b>28094.84</b>	<b>27727.25</b>	<b>27541.99</b>	<b>27585.17</b>	<b>28609.72</b>

29. Interest on loan worked out in para 53 of the order dated 30.3.2017 is revised as under:

(₹ in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Gross opening loan	119839.93	118949.99	118968.63	121645.21	119846.90
Cumulative repayment of loan up to previous year	114447.25	114602.23	115948.63	117501.66	117091.35
Net opening loan	5392.68	4347.76	3020.01	4143.55	2755.55
Addition due to Additional Capitalization	(-)889.95	18.65	2676.58	(-)1798.31	9329.08
Repayment of Loan during the period	1266.69	1351.55	1345.04	1158.36	2129.65
Less: Repayment adjustment on a/c of de-capitalization	1111.87	5.15	164.85	1570.96	5419.16
Add: Repayment adjustment on a/c of discharges / reversals corresponding to un-discharged liabilities deducted as on 1.4.2009	0.17	0.00	372.84	0.00	0.00
Net Closing Loan	4347.76	3020.01	4143.55	2757.84	15376.43
Average Loan	4870.22	3683.88	3581.78	3450.70	9067.14



	2009-10	2010-11	2011-12	2012-13	2013-14
Weighted Average Rate of Interest on Loan (%)	9.5800%	9.5800%	9.5800%	9.638%	8.6642%
<b>Interest on Loan</b>	<b>466.57</b>	<b>352.92</b>	<b>343.13</b>	<b>332.56</b>	<b>785.59</b>

30. Depreciation allowed in para 64 is also revised as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Opening capital cost	239679.86	238408.51	238435.15	242258.83	239689.82
Additional Capital expenditure	(-)1271.35	26.64	3823.69	(-)2569.01	13327.26
Closing capital cost	238408.51	238435.15	242258.83	239689.82	253017.08
Cost of Land	255.00	255.00	2253.62	4083.70	3915.15
Average capital cost	239044.19	238421.83	240346.99	240974.32	246353.45
Capital cost excluding land	238789.19	238166.83	238093.37	236890.63	242438.30
Depreciable value @ 90%	214910.27	214350.15	214284.03	213201.56	218194.47
Balance depreciable value	14212.21	13812.84	12401.30	9521.72	15376.08
<b>Depreciation (Annualized)</b>	<b>1266.69</b>	<b>1351.55</b>	<b>1345.04</b>	<b>1158.36</b>	<b>2129.65</b>
Total Life of the station	25.00	25.00	25.00	25.00	25.00
Elapsed life of the station	13.78	14.78	15.78	16.78	17.78
Balanced life of the station	11.22	10.22	9.22	8.22	7.22
Cumulative depreciation at the end of the period (before adjustment)	201964.75	201888.86	203227.77	204838.20	204948.04
Add: Cumulative depreciation adjustment on account of discharges out of un-discharged liabilities deducted as on 1.4.2009	0.29	0.00	653.82	0.00	0.00
Less: Cumulative depreciation adjustment on account of de-capitalization	1427.73	6.13	201.75	2019.81	6967.49
Cumulative depreciation after adjustment (at the end of the period)	200537.31	201882.73	203679.84	202818.39	197980.56

31. Accordingly, the Receivable component in working capital under para 73 of the order dated 30.3.2017 is modified as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Variable charges for two months	20679.97	20679.97	20736.63	20679.97	20679.97
Fixed charges for two months	7454.58	7486.67	7558.37	7641.63	8175.39
<b>Total</b>	<b>28134.55</b>	<b>28166.64</b>	<b>28295.00</b>	<b>28321.60</b>	<b>28855.36</b>

32. Consequent upon the above, the Interest on Working Capital allowed in para 74 is revised as under:



(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Fuel cost (APM and RLNG) - 1 month	10339.99	10339.99	10368.32	10339.99	10339.99
Liquid fuel stock - 1/2 month	0.00	0.00	0.00	0.00	0.00
Maintenance spares	2918.81	3086.45	3261.97	3449.33	3646.54
O&M expenses- 1 month	810.78	857.35	906.10	958.15	1012.93
Receivables- 2 months	28134.55	28166.64	28295.00	28321.60	28855.36
<b>Total Working capital</b>	<b>42204.13</b>	<b>42450.43</b>	<b>42831.40</b>	<b>43069.07</b>	<b>43854.82</b>
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest on Working Capital</b>	<b>5170.01</b>	<b>5200.18</b>	<b>5246.85</b>	<b>5275.96</b>	<b>5372.22</b>

33. Based on the above discussions, the annual fixed charges approved vide order dated 30.3.2017 stands revised as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	1266.69	1351.55	1345.04	1158.36	2129.65
Interest on Loan	466.57	352.92	343.13	332.56	785.59
Return on Equity	28094.84	27727.25	27541.99	27585.17	28609.72
Interest on Working Capital	5170.01	5200.18	5246.85	5275.96	5372.22
O&M Expenses	9729.37	10288.15	10873.23	11497.75	12155.14
<b>Total</b>	<b>44727.46</b>	<b>44920.05</b>	<b>45350.25</b>	<b>45849.81</b>	<b>49052.32</b>

34. All other terms contained in the order dated 30.3.2017 remains unchanged.

35. Review Petition No. 24/RP/2017 is disposed of in terms of the above.

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

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

**Sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**

