

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.15/RP/2020

in

Petition No.281/GT/2018

Coram:

Shri P. K. Pujari, Chairperson

Shri I.S. Jha, Member

Date of order: 16th December, 2021

In the matter of

Review of Commission's order dated 5.2.2020 in Petition No.281/GT/2018 regarding revision of tariff of Sewa-II Power Station (120 MW) after truing-up of the capital expenditure incurred for the period from 29.6.2010 to 31.3.2014.

And

In the matter of

NHPC Limited,
NHPC Office Complex,
Sector-33, Faridabad
Haryana-121003

.... Review Petitioner

Vs

1. Punjab State Power Corporation Limited,
The Mall, Near Kali Badi Mandir,
Patiala – 147001
2. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula – 134109
3. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001
4. Engineering Department,
UT Secretariat, Sector 9D,
Chandigarh-160009
5. BSES- Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi – 110019



6. BSES-Yamuna Power Limited,
Shakti Kiran Building, Karkardooma,
Delhi-110072

7. Tata Power Delhi Distribution Limited,
Hudson Lane, Kingsway Camp,
New Delhi-110009

8. Uttrakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun-248001

9. Jaipur Vidyut Vitaran Nigam Limited,
Vidut Bhavan, Janpath, Jyoti Nagar,
Jaipur-302005

10. Jodhpur Vidyut Vitaran Nigam Limited,
New Power House, Industrial Area,
Jodhpur-342003

11. Ajmer Vidyut Vitaran Nigam Limited,
Old Power House, Hatthi Bhatta, Jaipur Road,
Ajmer-305001

12. Power Development Department,
Government of J&K, New Secretariat,
Jammu-180001

... Respondents

Parties Present:

Shri Rajiv Shankar Dwivedi, Advocate, NHPC
Shri M.G.Gokhale, NHPC
Shri Piyush Kumar, NHPC
Shri Brijesh Kumar Saxena, UPPCL

ORDER

Petition No. 281/GT/2018 was filed by the Review Petitioner, NHPC Limited (in short 'NHPC') vide affidavit dated 20.3.2020, for truing-up of tariff of Sewa-II Hydroelectric Project (120 MW) (hereinafter referred to as 'the generating station') for the period from 29.6.2010 to 31.3.2014, in terms of Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and the Commission by order dated 5.2.2020 had revised the tariff of the



generating station. Aggrieved by the said order dated 5.2.2020 ('the impugned order'), the Review Petitioner has sought review on the ground that there are errors apparent on the face of the order, raising the following issues:

- (i) *To allow reversal of liability of Rs.355.37 crores as additional capitalization for items kept in deletion under claim category (part- A) in 2013-14;*
- (ii) *To allow revised ceiling limit of additional capital expenditure to Rs.8500.63 lakh for the works/assets within the original scope of work of the' project, after COD of the generating station;*
- (iii) *To allow net claim of Rs.35.39 lakhs (para-24) on account of revised interest on loan for the period 24.7.2010 to 31.3.2011 in tariff Petition No. 281/GT/2018 considering annualized weighted average rate of interest of 8.83% instead of 8.76%;*
- (iv) *To allow revised O&M expenses for individual units for the period 29.6.2010 to 1.7.2010 and 2.7.2010 to 23.7.2010 (between COD of units) in tariff Petition No. 281/GT/2018 considering apportioned capital cost as on cut-off date (31.3.2013) for individual units;*
- (v) *To revise the AFC for the period 29.6.2010 to 31.3.2011 based on revised interest on loan and revised O&M expenses and to revise AFC for the period 2013-14 based on revised capital cost as explained in Part-A;*
- (vi) *In paragraph 73, the Hon'ble Commission has allowed higher Normative Annual Plant Availability Factor (NAPAF) of 90% without taking cognizance of its earlier decision at paragraph 61 of the order dated 06.09.2010 in Petition No. 57/2010, wherein NAPAF of 80% was allowed;*
- (vii) *Pass any further order / orders as are deemed fit and proper in the facts and circumstances of the case."*

2. During the pendency of the review petition, the Review Petitioner vide affidavit dated 2.6.2020 filed Interlocutory Application (IA No.37/IA/2020) seeking permission to amend the review petition, by inclusion of certain additional grounds/ facts related to Normative Annual Plant Availability Factor (NAPAF) and the same was allowed vide order dated 19.6.2020. In terms of order in IA No. 37/IA/2020, the Review Petitioner has filed the amended review petition vide affidavit dated 20.6.2020.

Hearing dated 25.6.2020

3. The Commission, after hearing the learned counsel for the Review Petitioner on 'admission', through Video Conferencing on 25.6.2020, admitted the Review Petition



by interim order dated 9.7.2020, on the issues raised in paragraph 1 above. The Respondent No.3, UPPCL has filed its reply vide affidavit dated 27.8.2020 and the Review Petitioner has filed its rejoinder vide affidavit dated 4.1.2021.

Hearing dated 18.6.2021

4. The Review Petition was thereafter heard on 18.6.2021 and the Commission, after hearing the parties at length, reserved the order.

5. The grounds raised by the Review Petitioner for review of the impugned order dated 5.2.2020 are as under:

(a) Reversal of liability;

(b) Restriction of additional capital expenditure to be carried out within the original scope of work to Rs.8342.30 crore;

(c) Interest on Loan;

(d) Operation and Maintenance expenses; and

(e) Normative Annual Plant Availability Factor (NAPAF)

6. Based on the submissions of the parties and the documents available on record, we examine each of the ground raised by the Review Petitioner in the subsequent paragraphs.

(a) Reversal of liability:

Submissions of the Review Petitioner, NHPC

7. The Review Petitioner has submitted that it had reversed the liability of Rs.581.84 lakh pertaining to COD and additional capitalization works after COD during 2013-14 in the books of accounts. It has also submitted that if reversal of liability is claimed as additional capitalization for the purpose of tariff, then the items corresponding to reversal of liabilities is kept under 'deletion in claim category,' or, if the reversal of liability is not claimed as additional capitalization, then the items corresponding to reversal of liabilities is kept under 'deletion in exclusion category'.



The Review Petitioner has further submitted that out of the reversal of liabilities amounting to Rs.581.84 lakh claimed for 2013-14, in Petition No.281/GT/2018, an amount of Rs.355.37 lakh corresponding to reversal of liability was kept under the 'deletion in claim category'. However, the Commission in the impugned order dated 5.2.2020, has neither considered this reversal of liability of Rs.355.37 lakh as additional capitalization in 2013-14 nor excluded the deletion of assets for Rs.355.37 lakh corresponding to reversal of liabilities claimed by the Review Petitioner under 'deletion in claim category'. The Review Petitioner has stated that due to the said treatment, there is de-capitalization of Rs.355.37 lakh, which has never been capitalized for purpose of tariff, thereby resulting in the reduction of capital cost as on 31.3.2014 to the tune of Rs.355.37 lakh for purpose of tariff. Accordingly, the Review Petitioner has prayed for modification of paragraph 48 of the impugned order dated 5.2.2020 by considering reversal of liability of Rs.355.37 lakh for assets claimed under 'deletion in claim category' as additional capitalization for 2013-14 and revise the capital cost for 2013-14 as Rs.113337.10 lakh.

Reply of the Respondent, UPPCL

8. The Respondent, UPPCL has submitted that though the Review Petitioner has sought only Rs.355.37 lakh (out of Rs.581.84 lakh) for reversal of liability, it has not stated the manner in which the remaining amount of Rs.226.47 lakh was being treated. It has also submitted that the Commission has dealt with the discharge of liability and reversal of liabilities in paragraph 34 and paragraph 35 of the impugned order dated 5.2.2020 and, therefore, there is no mistake or error apparent on the face of record and no relief may be allowed on tis count.



Rejoinder of the Review Petitioner, NHPC

9. The Review Petitioner in its rejoinder has mainly reiterated its submissions in the review petition. It has, however, added that Rs.355.37 lakh was allowed by the Commission as 'deletion under claim category' and, therefore, the said amount was reduced from capital cost as on 31.3.2014. Due to this treatment, Rs.355.37 lakh which was never allowed as additional capitalization, had been reduced from the capital cost as on 31.3.2014, which is an error apparent on the face of the record. The Review Petitioner has, therefore, requested to either allow the reversal of liability of Rs.355.37 lakh as additional capitalization or disallow the claim under 'deletion in claim category'.

Analysis and Decision

10. We have examined the matter. It is observed that in Petition No. 281/GT/2018, the Review Petitioner had claimed reversal of liabilities amounting to Rs.581.84 lakh as additional capitalization during 2013-14 and the same was not allowed in paragraph 34 of the impugned order dated 5.2.2020. The submission of the Review Petitioner that an amount of Rs.355.37 lakh, which has been de-capitalized for the purpose of tariff, corresponds to reversal of liabilities claimed under 'deletion in claim category' and form part of reversal of liabilities amounting to Rs.581.84 lakh in 2013-14 is not acceptable as these are new facts, which were not mentioned in the original petition and, therefore, cannot be permitted to be raised in the review petition. Even otherwise, the Review Petitioner had failed to demonstrate in the original petition that the amount of Rs.355.37 lakh (which has been de-capitalised) formed part of Rs.581.84 lakh (claimed towards reversal of liabilities), which was disallowed in the impugned order dated 5.2.2020. In our considered view, the reversal of liabilities



corresponding to deleted assets cannot be considered as additional capital expenditure for the purpose of tariff.

11. Therefore, there is no error apparent on the face of the record and the prayer for review of the impugned order dated 5.2.2020 on this ground is rejected.

(b) Restriction of additional capital expenditure to be carried out within the original scope of work to Rs.8342.30 crore:

Submissions of the Review Petitioner, NHPC

12. The Review Petitioner has submitted that the Commission in the impugned order dated 5.2.2020, had admitted the completion cost of Rs.110882 lakh, based on Revised Cost Estimate (RCE) recommended by the Standing Committee and accordingly allowed the capital cost of Rs.102381.37 lakh, as on COD of the generating station (excluding normative IDC), in respect of assets/ works within the original scope of work. It has also submitted that the ceiling of additional capital expenditure for balance assets/ works within the original scope of work, after COD of the generating station, works out to Rs.8500.63 lakh (Rs.110882 lakh – Rs.102381.37 lakh), but the Commission, in the impugned order dated 5.2.2020, has considered the amount as Rs.8342.30 lakh after deduction of Rs.131.66 lakh on account of excess initial spares and Rs.26.68 lakh on account of financing charges. This, according to the Review Petitioner, is an error apparent on the face of the record and the permissible ceiling of Rs.8342.30 lakh for additional capital expenditure under the original scope of work, after COD of the generating station, may be revised to Rs.8500.63 lakh.



Reply of Respondent, UPPCL

13. The Respondent UPPCL has submitted that the Commission in the impugned order dated 5.2.2020 has correctly determined additional capital expenditure after COD as Rs.8342.29 lakh after exclusion of excess initial spares, financing charges and the allowable capital cost as on COD of Rs.102381.37 lakh. The Respondent added that these factors were not considered by the Review Petitioner in its submissions, while praying for the amount of Rs.8500.63 lakh. Accordingly, the Respondent has prayed that review on this ground may be disallowed.

Rejoinder of the Review Petitioner, NHPC

14. The Review Petitioner has submitted that the submissions of the Respondent UPPCL is not correct, as the Commission in the impugned order dated 5.2.2020, has allowed the completion cost of Rs.110082 lakh, based on RCE for the purpose of tariff.

Analysis and Decision

15. We have examined the matter. The details of additional capital expenditure for works to be carried out within the original scope of work, and after COD of the generating station, as considered by the Commission in the impugned order dated 5.2.2020 and claimed by the Review Petitioner, in the review petition, are as under:

	<i>(Rs. in lakh)</i>	
	As allowed in order dated 5.2.2020 in Petition No.281/GT/2018	As claimed by Review Petitioner
Completion Cost based on RCE	110882.00	110882.00
Less: Completion Cost as on COD excluding NIDC	102381.37	102381.37
Less: Excess Initial Spares Disallowed	131.66	0.00
Less: FC Disallowed	26.68	0.00
Additional capital expenditure be considered within original scope of work after COD	8342.30	8500.63



16. The Review Petitioner is mainly aggrieved by the deduction of excess initial spares of Rs.131.66 lakh and financing charges of Rs.26.68 lakh from the completion cost of Rs.102381.37 lakh, as on COD, excluding normative IDC. The completion cost, as recommended by the Standing Committee (PIB), after appraisal of CEA & CWC, is Rs.11082.00 crore and the net capital cost as on the COD of the generating station, after exclusion of normative IDC of Rs.5364.50 lakh is Rs.102381.37 lakh (Rs.107745.87 lakh – Rs.5364.50 lakh). According to us, the RCE approved cost, may include certain other expenses, which are not admissible in terms of the provisions of the 2009 Tariff Regulations. These expenses, in our view, are required to be deducted in order to arrive at the net additional capital expenditure, allowable after COD of the generating station, for the purpose of tariff. In terms of this, the excess initial spares of Rs.131.66 lakh and financing charges of Rs.26.68 lakh have been deducted from the capital cost, as on COD of the generating station (excluding NIDC) and the allowable limit of additional capital expenditure after COD, till the cut-off date of the generating station i.e. 31.3.2013, has been worked out to be Rs.8342.30 lakh (Rs.110882 – Rs.102381.37 – Rs.131.66-26.68). We therefore, do not find any error apparent on the face of record on this count. The Review Petitioner has sought to re-open the case on merits, which is not permissible in review.

17. In the above background, the prayer of the Review Petitioner for review of the impugned order on this ground is rejected.

(c) Interest on Loan:

Submissions of the Review Petitioner, NHPC

18. The Review Petitioner has submitted that while calculating the interest on loan for the period from 24.7.2010 to 31.3.2011, the Commission in the impugned order



had considered the annualized weighted average rate of interest on loan as 8.76% instead of the annualized weighted average rate of interest of loan of 8.83% (6.07 x 365/251), as furnished in Form 13 of the original petition. The Review Petitioner has, therefore, submitted that the error may be corrected and the interest on loan allowed in the impugned order may be revised. The Respondent UPPCL has submitted that since interest is a matter of calculation, the Commission may like to review the impugned order.

Analysis and Decision

19. We have examined the matter. The Commission, in paragraph 62 of the impugned order dated 5.2.2020 in Petition No. 281/GT/2018, had worked out and allowed interest on loan for the period from 29.6.2010 till 31.3.2014 as under:

	<i>(Rs. in lakh)</i>					
	29.06.2010 to 01.07.2010 (one unit)	02.07.2010 to 23.07.2010 (Two units)	24.07.2010 to 31.03.2011 (all three units)	2011-12	2012-13	2013-14
Gross Normative Loan	25298.56	50394.78	75422.11	76292.97	77045.53	78560.21
Cumulative Repayment up to Previous Year	0.00	15.05	234.98	4013.47	9566.85	15201.97
Net Loan-Opening	25298.56	50379.72	75187.14	72279.51	67478.68	63358.24
Repayment during the period	15.05	219.92	3778.49	5553.38	5635.12	5707.58
Additional Capitalization	0.00	0.00	870.86	752.56	1514.68	526.99
Net Loan-Closing	25283.51	50159.80	72279.51	67478.68	63358.24	58177.66
Average Loan	25291.03	50269.76	73733.32	69879.09	65418.46	60767.95
Weighted Average Rate of Interest on Loan	9.32%	9.33%	8.76%	8.53%	8.66%	9.20%
Interest on loan (pro-rata)	19.37	282.80	4441.38	5960.83	5667.06	5592.74

20. It is evident from the above table that the Commission had considered the annualized weighted average rate of interest on loan of 8.76% for the period from 24.7.2010 till 31.3.2011, instead of the pro-rata weighted average rate of interest on loan of 6.07% for the period 24.7.2010 to 31.3.2011 and the annualized weighted average rate of interest as 8.83% (6.07*365/251) for the said period, as furnished by the Review Petitioner in Form-13 of the original petition (Petition No. 281/GT/2018).



We notice that certain inadvertent linkage errors had crept in while calculating the weighted average rate of interest (WARI) on loan for the period from 24.7.2010 to 31.3.2011. This according to us is an error apparent on the face of record and review on this ground is maintainable.

21. Accordingly, review on this ground is allowed and the interest on loan, as worked out in paragraph 62 of the impugned order dated 5.2.2020, shall stand modified as under:

	<i>(Rs. in lakh)</i>					
	29.06.2010 to 01.07.2010 (one unit)	02.07. 2010 to 23.07.2010 (Two units)	24.07.2010 to 31.03.2011 (all three units)	2011-12	2012-13	2013-14
Gross Normative Loan	25298.56	50394.78	75422.11	76292.97	77045.53	78560.21
Cumulative Repayment up to Previous Year	0.00	15.05	234.98	4013.47	9566.85	15201.97
Net Loan-Opening	25298.56	50379.72	75187.14	72279.51	67478.68	63358.24
Repayment during the period	15.05	219.92	3778.49	5553.38	5635.12	5707.58
Additional Capitalization	0.00	0.00	870.86	752.56	1514.68	526.99
Net Loan-Closing	25283.51	50159.80	72279.51	67478.68	63358.24	58177.66
Average Loan	25291.03	50269.76	73733.32	69879.09	65418.46	60767.95
Weighted Average Rate of Interest on Loan	9.32%	9.33%	8.83%	8.53%	8.66%	9.20%
Interest on loan (pro-rata)	19.37	282.80	4476.77	5960.83	5667.06	5592.74

(d) Operation and Maintenance expenses:

Submissions of the Review Petitioner, NHPC

22. The O&M expenses allowed in paragraph 68 of the impugned order dated 5.2.2020 in Petition No.281/GT/2018 is as under:

	<i>(Rs. in lakh)</i>					
	29.06.2010 to 01.07.2010 (one unit)	02.07.2010 to 23.07.2010 (Two units)	24.07.2010 to 31.03.2011	2011-12	2012-13	2013-14
Capital cost allowed as on the cut-off date	36140.80	71992.54	-	-	-	-
Less: R&R expenses	90.26	180.52	-	-	-	-
Capital cost for purpose of O&M expenses	36050.54	71812.01	-	-	-	-
Annualized O&M expenses @ 2% of above and escalation @5.72% from 2011-12	721.01	1436.24	2239.16	2367.24	2502.65	2645.80
Number of days	3	22	251	-	-	-



O&M expenses allowed (pro rata)	5.93	86.57	1539.81	2367.24	2502.65	2645.80
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23. The Review Petitioner has submitted that the Commission, while calculating the O&M expenses for the units till COD of the generating station, had considered the capital cost of individual units, in place of the apportioned capital cost up to cut-off date of the generating station. Referring to Regulation 19(f)(v) of the 2009 Tariff Regulations, the Review Petitioner has submitted that original project cost (i.e. project cost up to the cut-off date less R&M expenses) shall be considered for calculating the O&M expenses. It has also submitted that in order dated 29.3.2017 in Petition No.252/GT/2014 (approval of tariff of Chutak Power Station for the period 2014-19), read with corrigendum order dated 19.4.2017, the O&M expenses for the first year (2012-13) i.e. O&M expenses for individual units (before COD of station) was calculated based on the apportioned capital cost for the respective units, considering the capital cost of project, as on the cut-off date. Accordingly, the Review Petitioner has submitted that for computation of O&M expenses, the capital cost, as on the cut-off date of the generating station, may be considered.

Reply of the Respondent UPPCL

24. The Respondent, UPPCL has submitted that as per Regulation 19(f)(v) of the 2009 Tariff Regulations, O&M expenses are to be calculated @2% of the original project and shall be subjected to annual escalation of 5.72% per annum for the subsequent years. It has also submitted that the term 'original project cost', under Regulation 3(29) of the 2009 Tariff Regulations, means the capital expenditure incurred within the original scope of the project and up to the cut-off date, as determined the Commission. The Respondent has further submitted that the Commission has considered the entire capital cost of Rs.107745.87 lakh as on COD



of Unit-3 (i.e. 24.7.2010), which is the date of commissioning of the project. Therefore, the additional capital cost of Rs.4483.04 lakh was considered after the date of commissioning of the project till the cut-off date. The Respondent has submitted that the additional cost of Rs.4483.04 lakh could not be considered, for the purpose of O&M expenses, prior to the commissioning of the project i.e., 24.7.2010, as envisaged under Regulation 3(29) read with Regulation 19(f)(v) of the 2009 Tariff Regulations. Accordingly, the Respondent has submitted that there is no error apparent on the face of record in the calculation of O&M expenses and the Review Petitioner deserves no relief on this issue.

Rejoinder by the Review Petitioner, NHPC

25. The Review Petitioner has submitted that the cut-off date of the generating station is 31.3.2013 and the capital cost as on the said date is Rs.112228.88 lakh. It has also submitted that when Regulation 19(f)(v) of the 2009 Tariff Regulations is extended for calculation of O&M expenses for individual units, the apportioned original project cost (project cost up to the cut-off date less R&M expenses) needs to be considered by the Commission. Based on this, the Review Petitioner has submitted that the error in calculation of O&M expenses may be revised.

Analysis and Decision

26. The matter has been considered. Regulation 19(f)(v) of the 2009 Tariff Regulations provides as under:

“In case of hydro generating station declared under commercial operation on or after 1.4.2009, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding rehabilitation & resettlement works) and shall be subject to annual escalation of 5.72% per annum for subsequent years.”

27. In terms of the aforesaid Regulation, the O&M expenses from COD of the generating station were allowed, based on the original project cost (excluding



rehabilitation & resettlement works) i.e. capital cost as on cut-off date. However, in the absence of any provision/ regulation for allowable O&M expenses for individual units, the capital cost allowed as on COD of the individual units were considered, while working out the O&M expenses, in paragraph 68 of the impugned order dated 5.2.2020. As such, the O&M expenses allowed were based on the value of assets put to use as on the COD of individual units. This methodology has been consistently adopted in all cases, except in orders dated 29.3.2017/19.4.2017 in Petition No. 252/GT/2014, which has been relied upon by the Review Petitioner. It is pertinent to mention that the orders dated 29.3.2017/19.4.2017 in Petition No. 252/GT/2014 has not attained finality as the same is subject to truing-up exercise and is pending for consideration before this Commission. In this background, we find no infirmity in the methodology adopted for calculation of O&M expenses in paragraph 68 of the impugned order dated 5.2.2020.

28. In view of above, there is no error apparent of the face of record and review of this ground is, therefore, rejected.

(e) Normative Annual Plant Availability Factor (NAPAF):

Submissions of the Review Petitioner, NHPC

29. The Review Petitioner has submitted that the Commission in the impugned order dated 5.2.2020 had allowed NAPAF of 90% for the period 2010-14 without taking into consideration its earlier decision in order dated 6.9.2010 in Petition No. 57/2010 wherein NAPAF of 80% was allowed. It has also submitted that NAPAF of 80% as allowed in order dated 6.9.2010 for the generating station for the period 2010-14 was based on the documents/ submissions made by the Review Petitioner



and, therefore, revisiting NAPAF in the impugned order dated 5.2.2020 is not prudent.

Reply of the Respondent, UPPCL

30. The Respondent UPPCL has submitted that the Review Petitioner had not submitted the facts related to order dated 6.9.2010 in Petition No.57/2010, in respect of NAPAF of 80% allowed for the generating station and, hence, there is no error apparent on face of the record. It has also submitted that sedimentation and silt data studies for redetermination of availability of pondage for the generating station were conducted for the period from August 2003 to September 2009 and about 10 years have passed. Accordingly, the Respondent has prayed that the Review Petitioner may be directed to conduct the studies again for re-fixing NAPAF for the 2014-19 tariff period, subject to it not being lower than 80% as fixed earlier.

Rejoinder of the Review Petitioner, NHPC

31. The Review Petitioner has submitted that since NAPAF is outside the purview of truing-up exercise, the Review Petitioner, while submitting the truing up petition (Petition No.281/GT/20218), did not submit the facts related to order dated 6.9.2010 in Petition No. 57/2010, in respect to 80% NAPAF. The Review Petitioner has further submitted that the suggestion of the Respondent UPPCL to again conduct the survey for determination of NAPAF is irrelevant as the Commission, in the 2019 Tariff Regulations, has already fixed NAPAF at 89% for the 2019-24 tariff period.

Analysis and Decision

32. We have considered the matter. The Commission vide its order dated 6.9.2010 in Petition No. 57/2010 had allowed NAPAF of 80% for the generating station as under:



“61. The NAPAF considered for the generating station for the period from 1.3.2010 to 31.3.2014 is 80% based on the sedimentation study, silt data collected during the period from August 2003 to September 2009, petrographic analysis of the water sample, limited pondage as recommended by M/s BHEL and after considering the past performance of the adjoining generating stations of the petitioner (viz, Chamera-II and Bairasiul).”

33. However, the Commission, while truing up the tariff of the generating station by impugned order dated 5.2.2020 in Petition No. 281/GT/2018 had allowed NAPAF of 90% as under:

“73. The NAPAF of 90% is allowed for the period 2010-14 for the generating station in terms of Regulation 27 of the 2009 Tariff Regulations.”

34. It is noticed that the Commission in its order dated 6.9.2020 in Petition No.57/2010 had considered NAPAF of 80% for this generating station based on the study conducted by M/s BHEL and past performance of the adjoining stations of the Review Petitioner. NAPAF of 80% as allowed in order dated 6.9.2020 appears to have been overlooked by the Commission, while passing the impugned order dated 5.2.2020 in Petition No. 281/GT/2018. This, in our view, is an error apparent on the face of record and review on this ground is maintainable.

35. Accordingly, review on this ground is allowed. Consequently, NAPAF of 80% as allowed in order dated 6.9.2020 in Petition No. 57/2010 is allowed and the impugned order dated 5.2.2020 stands modified to this extent. However, if the actual Plant Availability Factor for the year (PAFY) is higher than NAPAF of 80%, then NAPAF of 80% shall be applicable only for the purpose of recovery of fixed charges and not for incentive purposes. Incentive shall be allowed to the generating station on achieving actual PAF beyond 90%.

Revision of tariff for the period 2010-14



36. Consequent upon the revision of interest on loan as stated in paragraph 21 above, the interest on working capital, as allowed in the table under paragraph 71 of the impugned order dated 5.2.2020 in Petition No. 281/GT/2018, shall stand modified as under:

Interest on Working Capital

	<i>(Rs. in lakh)</i>					
	29.06.2010 to 01.07.2010 (one unit)	02.07.2010 to 23.07.2010 (Two units)	24.07.2010 to 31.03.2011 (all three units)	2011-12	2012-13	2013-14
Maintenance Spares	0.89	12.99	230.97	355.09	375.40	396.87
O & M expenses	0.49	7.21	128.32	197.27	208.55	220.48
Receivables	10.40	151.72	2550.68	3647.07	3469.30	3576.62
Total	11.79	171.92	2909.97	4199.42	4053.25	4193.97
Rate of Interest	11.75%	11.00%	11.00%	11.00%	11.00%	11.00%
Interest on Working Capital (pro-rata)	1.38	18.91	320.10	461.94	445.86	461.34

37. Based on the above, the annual fixed charges allowed in paragraph 72 of the impugned order dated 5.2.2020 in Petition No. 281/GT/2018 shall stand modified as under:

Annual Fixed Charges

	<i>(Rs. in lakh)</i>					
	29.06.2010 to 01.07.2010 (one unit)	02.07.2010 to 23.07.2010 (Two units)	24.07.2010 to 31.03.2011 (all three units)	2011-12	2012-13	2013-14
Return on Equity	20.68	302.14	5188.93	7539.00	6565.12	7052.24
Interest on Loan	19.37	282.80	4476.77	5960.83	5667.06	5592.74
Depreciation	15.05	219.92	3778.49	5553.38	5635.12	5707.58
Interest on Working Capital	1.38	18.91	320.10	461.94	445.86	461.34
O & M Expenses	5.93	86.57	1539.81	2367.24	2502.65	2645.80
Total	62.42	910.35	15304.09	21882.39	20815.80	21459.70

Normative Annual Plant Availability Factor

38. NAPAF of 80% (instead of 90%) has been allowed for the generating station for the period 2010-14, as stated in paragraph 35 above.



39. The difference between the tariff determined by this order and the tariff recovered by the Review Petitioner in terms of the impugned order dated 5.2.2020 in Petition No. 281/GT/2018 shall be adjusted in terms of Regulation 6(6) of the 2009 Tariff Regulations.

40. Review Petition No.15/RP/2020 in Petition No.281/GT/2018 is disposed of in terms of the above.

**Sd/-
(I.S. Jha)
Member**

**Sd/-
(P.K. Pujari)
Chairperson**

