

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Review Petition No. 21/RP/2023

in

Petition 576/GT/2020

Coram:

**Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 19th May, 2024

In the matter of

Review of the Commission's order dated 20.3.2023 in Petition No. 576/GT/2020 pertaining to the truing-up of tariff of Vallur TPS (1500 MW) for the period 2014-19.

And

In the matter of

NTPC Tamil Nadu Energy Company Limited
No. 123, G- Block, Anna Nagar (East)
Chennai- 600102

.....Review Petitioner

Vs

1. A. P Transmission Corporation Limited,
Vidyut Soudha, Khairatabad,
Hyderabad - 500 082.
2. A. P. Eastern Power Distribution Company Limited,
P&T Colony, Seethammadhara,
Vishakapatnam - 503 013
3. A. P. Southern Power Distribution Company Limited,
Beside Srinivassakalyana Mandapam,
Tiruchanur Road, Kesavayana Gunta,
Tirupati- 517501
4. Transmission Corporation of Telangana Limited
Vidyut Soudha, Khairatabad, Hyderabad-500 082
5. Telangana State Southern Power Distribution Company Limited,
Mint Compound, Corporate Office, Hyderabad-500 063



6. Telangana Northern Power Distribution Company Limited,
H. No. 2-5-31/2, Vidyut Bhavan, Nakkalagutta,
Hanmkonda, Warangal - 506 001
7. Power Company of Karnataka Limited,
KPTCL Complex, Kaveri Bhawan,
Bangalore - 560 009
8. Bangalore Electricity Supply Company Limited,
Krishna Rajendra Circle, Bangalore-506001
9. Mangalore Electricity Supply Company Limited,
MESCOM Bhavna, Corporate Office,
Bejai Kevai Cross Road
Mangalore-575 004
10. Chamundeshwari Electricity Supply Company Limited,
Corporate Office No. 29, Ground Floor,
Kaveri Grameena Bank Road,
Vijayanagar 2nd Stage,
Mysore - 570 017
11. Gulbarga Electricity Supply Company Limited,
Main Road, Gulbarga, 585102
12. Hubli Electricity Supply Company Limited,
Navanagar , P.B. Road,
Hubli - 580 025
13. Kerala State Electricity Board Limited,
Vaidyuthi Bhavanam, Pattom
Thiruvananthapuram - 695 004
14. Tamil Nadu Generation & Distribution Corporation Limited,
NPKRR Maaligai, 144, Anna Salai
Chennai - 600 002
15. Electricity Department,
Government of Puducherry,
137, NSC Bose Salai,
Puducherry-605 001

....Respondents

Parties Present:

Ms. Swapna Seshadri, Advocate, NTECL
Shri Anand K. Ganesan, Advocate, NTECL
Ms. Ritu Apurva, Advocate, NTECL
Ms. Ashabari Thakur, NTECL



Shri Deepak Thakur, NTECL
 Shri S. Vallinayagam, Advocate, TANGEDCO
 Shri B. Rajeswari, TANGEDCO
 Shri R. Ramalakshmi, TANGEDCO
 Ms. R. Alamelu, TANGEDCO

ORDER

Petition No. 576/GT/2020 was filed by the Review Petitioner, NTPC Tamil Nadu Energy Company Limited, for the truing-up of tariff of Vallur Thermal Power Station (3 x 500 MW) (hereinafter referred to as 'the generating station') for the period 2014-19, in accordance with Regulation 8(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short, 'the 2014 Tariff Regulations') and the Commission vide order dated 20.3.2023 (in short, the 'impugned order') disposed of the said petition. The annual fixed charges determined vide the impugned order dated 20.3.2023 are as under:

(Rs. in lakh)

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.20215	26.2.2015 to 31.3.2015				
Depreciation	25610.20	3864.76	42548.75	44154.94	45592.77	46532.94
Interest on loan	37188.96	5583.98	55044.54	47762.71	45432.96	42340.60
Return on Equity	23010.14	3518.13	39208.35	51737.79	53570.73	54990.85
Interest on Working Capital	8772.82	1339.93	14454.57	14694.47	15068.04	15163.80
O&M Expenses	14912.47	2202.48	25442.45	26982.47	28879.72	30691.66
Total	109494.58	16509.27	176698.65	185332.37	188544.22	189719.85

2. Aggrieved by the impugned order dated 20.3.2023, the Review Petitioner has sought the review of the impugned order on the ground of error apparent on the face of the record on the following issues:

- a) *Disallowance of Inter-unit transfer (IUT)*
- b) *Disallowance of (i) Interest During Construction (IDC) and (ii) Incidental Expenditure During Construction (IEDC); and*
- c) *Disallowance of notional IDC.*



Hearing dated 5.7.2023

3. The Review Petition was heard on 'admission' on 5.7.2023 and the Commission admitted the Review Petition on the above issues, with direction to the parties to complete their pleadings in the matter. Reply to the Review Petition has been filed by the Respondent TANGEDCO and the Review Petitioner has filed its rejoinder vide affidavit dated 6.11.2023.

Hearing dated 8.11.2023

4. During the hearing of the Review Petition on 8.11.2023, the learned counsel for the Review Petitioner made detailed oral submissions in the matter. The learned counsel for the Respondent TANGEDCO circulated notes of arguments and made detailed oral submissions. The Commission, after hearing the learned counsel for the parties, permitted the Respondent TANGEDCO to upload the note of arguments. Subject to this, the order in the petition was reserved.

Hearing dated 4.4.2024

5. Since the order in the Review Petition could not be issued prior to one Member of this Commission, who formed part of the Coram, demitting office, the matter was re-listed and heard on 4.4.2024. The learned counsel for the Review Petitioner and the learned counsel for the Respondent TANGEDCO submitted that since the pleadings and arguments have been completed, the Commission may reserve its order in the matter. Accordingly, based on the consent of the parties, the Commission reserved its order in the matter.

6. Based on the submissions of the parties and the documents on record, we proceed to examine the issue raised by the Review Petitioner in the subsequent paragraphs.



A. Disallowance of Inter-Unit Transfer

7. The Commission vide its order dated 20.3.2023 in Petition No. 576/GT/2020, while disallowing the exclusion of inter-unit transfer of the turbine generator and accessories amounting to Rs 509.68 lakh in 2018-19, had observed as under.

“59. The Petitioner has excluded amount of Rs 509.68 lakh in 2018-19, on account of Inter-Unit transfer. The Petitioner has claimed exclusion of inter unit transfer to Talcher Super Thermal Power Station (TSTPS) towards Turbine generator and accessories. The Petitioner has submitted that the items under inter-unit transfer are not being considered by the Commission for the purpose of tariff and, hence, kept under exclusion. The Commission is of the view that both positive and negative entries arising out of inter unit-transfers of temporary nature are ignored for the purpose of tariff. However, in this case the Petitioner is carrying out inter unit transfer of turbine generator & accessories from the generating station to TSTPS, and the same cannot be considered as inter unit transfer of temporary nature. In view of above, the exclusion of inter-unit transfer as claimed by the Petitioner is not allowed.”

Submissions of the Review Petitioner

8. The Review Petitioner has submitted that the Commission, in its various orders, as a matter of practice, as well as a consistent approach in respect of the generating stations, has been allowing exclusion arising out of inter-unit transfers is temporary in nature, for the purposes of tariff. It has also stated that in the present case, a different approach has been followed by the Commission and the inter unit transfer claimed under an exclusion for the year 2018-19, has been disallowed. Accordingly, the Review Petitioner has submitted that there is an error apparent on the face of record and the order may be reviewed on this count.

Reply of the Respondent TANGEDCO

9. The Respondent TANGEDCO has submitted that the item under inter-unit transfer is in respect of the turbine generator and accessories, which is not temporary in nature, and hence, the same had been disallowed. Therefore, the Respondent has submitted that the claim of the Review Petitioner may not be considered for review.



Rejoinder to the reply of the Respondent TANGEDCO

10. The Review Petitioner has clarified that the transfer of the turbine generator and accessories from the generating station to NTPC Talcher is temporary in nature. The Review Petitioner has also submitted that the turbine generator and accessories in the present case were first transferred to the Gujarat State Electricity Corporation Limited (GSECL) in April, 2018 on a temporary basis and later, the same material was sent to NTPC Talcher by GSECL during August, 2018 after repair work at BHEL-Haridwar. Accordingly, the Review Petitioner has submitted that the transfer of material from NTECL-Vallur to NTPC Talcher (through GSECL) is temporary in nature.

Analysis and Decision

11. The matter has been considered. The Review Petitioner, in the original Petition, had claimed the Inter-Unit transfer of turbine generator and accessories from the generating station to Talcher STPS and the Commission, after prudence check, vide the impugned order had dealt with the same under 'exclusion' claimed by the Review Petitioner and observed that the inter-Unit transfer of the turbine generator and accessories, cannot be considered as inter-unit transfer of a temporary nature. It is, however, noticed that the Petitioner, has, in the Review Petition, clarified that the turbine generator in the present case was first transferred to the Gujarat State Electricity Corporation Limited in April 2018 and later, the same was sent to NTPC Talcher by GSETCL during August, 2018 after repair works at BHEL-Haridwar. It is pertinent to mention that the aforesaid facts were not made available by the Review Petitioner, while considering the Petition No. 576/GT/2020. The Commission, having considered the documents available on record and passed the impugned order, cannot now revisit the same based on the subsequent clarifications



furnished by the Review Petitioner. Even otherwise, the turbine generator and accessories have later been transferred to the Talcher STPS (from GSETCL), which is not under the ownership of the present generating station i.e. Vallur Thermal Power Station, which is a joint venture project of NTPC and the State of Tamil Nadu. Also, the balance sheets of both the generating stations are being maintained separately. In our view, the Review Petitioner cannot be permitted to reargue the case on merits, and the same is not permissible in review. It is settled law that review lies only for a patent error and cannot be an appeal in disguise, whereby an erroneous decision is reheard and corrected. We, therefore, find no reason to entertain the review on this ground and the prayer of the Review Petitioner on this count is rejected.

B. Disallowance of Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)

Disallowance of Interest During Construction (IDC)

Submissions of the Review Petitioner

12. The Review Petitioner had claimed Interest During Construction (IDC) capitalization for Rs 57815.48 lakh, as on 26.2.2015, pertaining to Unit-3 of the generating station and the Commission, in the impugned order, had allowed IDC, in terms of its earlier order dated 11.7.2017 in Petition No. 277/GT/2014 for Rs 51969.73 lakh. The observations of the Commission in the impugned order dated 20.3.2023 is as under:

“17. In line with the above directions, the Petitioner vide affidavit dated 3.2.2022, has submitted the basis of allocation of IDC, along with details, such as the total interest charged to Profit & Loss Account out of the total interest on the loan, the amount of IDC transferred to fixed assets, and IDC lying in CWIP, as on COD of Unit-III. The Petitioner has also submitted revised Form 5B and an amount of Rs. 98177.19 lakh is capitalized as IDC upto COD of Unit-I and II. Further, IDC amounting to Rs. 480.59 lakh, was incurred on cash basis, for additional capitalization from 1.4.2014 to 25.2.2015. It is further noticed that an amount of Rs. 57815.48 lakh (pertaining to Unit-III) is capitalized as IDC up to COD of Unit-III. However, the Petitioner in the present petition, has not furnished the detailed computation of IDC capitalized up to actual COD of the generating station (i.e. up to 25.2.2015, COD being on 26.2.2015) and in the absence of the same, we find it prudent to consider the IDC as approved in order dated 11.7.2017 in Petition No. 277/GT/2014 i.e. Rs. 51969.73 lakh for Unit-III (25.2.2015).”



13. The Review Petitioner has submitted that it had provided all the relevant details such as the basis of the allocation of IDC along with details, such as, the total interest charged to Profit & Loss Account, out of the total interest on the loan, the amount of IDC transferred to fixed assets and the IDC lying in CWIP, as on the COD of Unit-III, as sought by the Commission. It has further submitted that the Commission while deciding the COD of the generating station COD (in Petition No 277/GT/2014) vide order dated 11.7.2017, had allowed the IDC, subject to revision, at the time of truing-up of tariff, based on the allocation details to be furnished by the Petitioner. The relevant portion of the order is extracted below:

“44. It is observed that the petitioner has availed loan for the project from M/s Rural Electrification Corporation Limited. As per the balance sheet as on 26.2.2015, the total loan outstanding as on 26.2.2015 is Rs.589798.49 lakh (Rs.371464.92 lakh for Phase-I and Rs. 218333.57 lakh for Phase-II). IDC which is to be allowed for capitalization has been calculated based on the details furnished by the petitioner such as loan agreements, drawl/ interest rate resets/ repayment etc and the same has been restricted up to the rescheduled COD (25.7.2014). The petitioner has not furnished the basis of allocation of IDC. Hence, details such as total interest charged to Profit and loss Account out of the total interest on the loan, amount of IDC transferred to fixed assets and IDC lying in CWIP as on COD of Unit-III have all been obtained from the financial statements for the generating station since inception of fund infusion till COD of the generating station. The total IDC computed till rescheduled COD of the generating station has been apportioned as under based on the proportion worked out with the above-mentioned details:

	(Rs. in lakh)
<i>Opening IDC as on 1.4.2014</i>	<i>98177.19</i>
<i>Add: IDC in additional capitalization during 1.4.2014 to 25.2.2015</i>	<i>480.59</i>
<i>IDC as on 25.2.2015 pertaining to 2 units (Units I&II)</i>	<i>98657.78</i>
<i>Add: IDC capitalized as on 26.2.2015 pertaining to Unit-III</i>	<i>57815.48</i>
<i>Total IDC claimed as on 26.2.2015 (COD of Unit-III)</i>	<i>156473.26</i>

The IDC allowed as above is subject to revision, based on the allocation details to be furnished by the petitioner at the time of truing-up in terms of Regulation 8 of the 2014 Tariff Regulations.”

14. The Review Petitioner has stated that all the relevant details, as noted above, have been furnished in the truing-up of tariff Petition vide affidavit dated 3.2.2022 and also liberty is sought to file any additional details as directed by the Commission.



Reply of the Respondent TANGEDCO

15. The Respondent, TANGEDCO, has submitted that the Review Petitioner had not furnished the detailed computation of IDC as directed in the above order, which leads to the conclusion that the details are not available with them. Though the Review Petitioner has stated that it had provided all the relevant details vide affidavit dated 3.2.2023, no such affidavit has been filed by the Petitioner. Accordingly, the Respondent has submitted that the IDC allowed is in order and is based on the available documentary evidence.

Rejoinder of the Review Petitioner to the reply of the Respondent TANGEDCO

16. The Review Petitioner has submitted that it had furnished all the relevant details in Petition No. 576/GT/2020 vide affidavit dated 3.2.2022, which contains the basis of allocation of IDC along with the details of the total interest charges to Profit & Loss account, out of the total interest on loan, the amount of IDC transferred to fixed assets, and the IDC lying in CWIP, as on the COD of Unit-III. The Review Petitioner has, however, pointed out that the date of additional information has been inadvertently mentioned as 3.2.2023 instead of 3.2.2022, in para-12 of the Review Petition.

Analysis and Decision

17. We have considered the submissions of the parties and the documents on record. The Review Petitioner had claimed the IDC capitalized as on 26.2.2015 for Rs 57815.48 lakh, pertaining to Unit-3 of generating station and the Commission vide the impugned order dated 20.3.2023 had allowed the amount of IDC for Rs 51969.73 lakh, as allowed in order dated 11.7.2017 in Petition No. 277/GT/2014. The Review Petitioner, in Petition No. 576/GT/2020 (main petition) while claiming the IDC, had not furnished the detailed computation of the IDC capitalized up to the actual COD of the generating station (i.e. upto 25.2.2015) [COD being



on 26.2.2015]. Accordingly, the Commission vide ROP of the hearing dated 30.11.2021, had directed Review Petitioner to furnish the detailed calculation of IDC and penal charges, if any. However, the Review Petitioner, had not furnished the said details. In the absence of any detailed computation of IDC, the Commission had considered the IDC of Rs. 51969.73 lakh as allowed vide order dated 11.7.2017 in Petition No. 277/GT/2014, as quoted in para 12 above. We, therefore, find no error apparent on the face of the impugned order, and review on this ground is not admissible.

Disallowance of Incidental Expenditure During Construction (IEDC)

18. As regards IEDC, the Commission, in the impugned order dated 20.3.2023 in Petition No. 576/GT/2020, had observed as under:

“20. The Petitioner has claimed Incidental Expenditure during Construction of Rs. 30430.76 lakh. The Commission vide its order dated 11.7.2017 in Petition No.277/GT/2014, had considered the pro-rata reduction of Rs. 1520.23 lakh, for calculating the capital cost as on COD of Unit-III, after directing the Petitioner to submit details of the increase in IDC and IEDC, for Unit-III from scheduled COD to the actual COD, along with break-up of expenditure, at the time of truing- up of tariff. The Petitioner, in the present Petition, has however, not furnished details of IDC and IEDC. Therefore, in absence of such details, we consider the IEDC cost as on Station COD (as allowed by order dated 11.7.2017 in Petition No. 277/GT/2014), amounting to Rs 13519.17 lakh (Rs 15039.40 – 1520.23 lakh).”

Submissions of the Review Petitioner

19. As regards the disallowance of IEDC, the Review Petitioner has submitted that the Commission had pro-rata reduced an amount of Rs. 1520.23 lakh from the capital cost of the generating station after allowing the IEDC cost, as on the station COD, amounting to Rs 13519.17 lakh (Rs 15039.40 lakh– Rs 1520.23 lakh). It has submitted that there appears to be a calculation error as the Review Petitioner has not been able to find out the details, in the absence of any back-up paper. Accordingly, the Review Petitioner has submitted that the IEDC issue may be reviewed.



Reply of the Respondent TANGEDCO

20. The Respondent TANGEDCO has submitted that the Commission, in the impugned order, had allowed the IEDC of Rs 13519.17 lakh, in the absence of any details furnished and hence, the prayer of the Review Petitioner, cannot be considered.

Analysis and Decision

21. We have examined the submissions. Earlier, the Petitioner had filed Petition No. 277/GT/2014. As regards IEDC, the Commission vide its order dated 11.7.2017 in Petition No. 277/GT/2014 (for approval of tariff for the period 2014-19) had prorated the claim of the Petitioner with the following observation:

46. The petitioner has claimed Incidental Expenditure during Construction (IEDC) of `30430.76 lakh in Form-13D. The petitioner was directed vide ROP of the hearing dated 16.2.2016 to furnish the reconciliation of IEDC claimed vide Form 13D as against Form 5B and in response, the petitioner vide affidavit dated 3.5.2016 has submitted that the amount of IEDC capitalised as on COD of Unit-III is `275.426 crore (on cash basis) and does not include IEDC pertaining to CWIP. The IEDC as per Form 13 D includes IEDC pertaining to CWIP amounting to `28.8808 crore. As stated above, the pro- rata reduction in overhead expenses due to the delay of 8 months in COD of Unit-III as worked out in the table above is `1520.23 lakh. This amount has been considered for the purpose of capital cost and the same is subject to revision based on the details of increase in IDC and IEDC for Unit-III from scheduled COD to the actual COD along with the break-up of expenditure to be furnished by the petitioner at the time of truing- up of tariff of the generating station.”

22. Thus, the Commission in the said order had prorated and considered an amount of Rs 1520.23 lakh for adjustment in the capital cost with a direction to the Petitioner to furnish the details of the increase in IDC and IEDC for Unit-III from scheduled COD to the actual COD along with the break-up of expenditure at the time of truing-up of the tariff of the generating station. Despite this direction, the Petitioner, in the truing-up Petition, had not furnished any details of IEDC. Accordingly, in the absence of such details, the Commission had considered the IEDC cost as on the station COD (as allowed by order dated 11.7.2017 in Petition No. 277/GT/2014). The adjustment of capital cost was based on the overhead expenses in IEDC and prorated, corresponding to the number of days disallowed by the



Commission for Unit-III. Against this background, we find no error apparent on the face of the impugned order and review on this count is not maintainable.

C. Disallowance of Notional IDC

Submissions of the Review Petitioner

23. The Review Petitioner had claimed a normative IDC of Rs. 1241.76 lakh from 1.4.2014 to 25.2.2015, based on the deployment of equity in excess of 30% of the total expenditure. However, the Commission in the impugned order had allowed the notional IDC of Rs. 435.75 lakh, as considered in earlier order dated 11.7.2017 in Petition No. 277/GT/2014. The Review Petitioner has submitted that the Commission, while calculating the capital cost in para 63 of the impugned order had deducted a notional IDC of Rs 1241.76 lakh from the capital cost of the generating station but the same was not part of the capital cost and therefore, making adjustment against such amount is correct.

Reply of the Respondent TANGEDCO

24. The Respondent TANGEDCO has submitted that the Notional IDC of Rs. 1241.76 lakh had been deducted in the opening capital as per order dated 11.7.2017 in Petition No. 277/GT/2014 and the same has been reproduced in the impugned order.

Analysis and Decision

25. The matter has been considered. On scrutiny of the documents available on record, it is observed that the Commission, while passing the impugned order dated 20.3.2023, had inadvertently deducted the Notional IDC of Rs.1241.76 lakh, which was not part of the opening capital cost of Rs.827217.36 lakh, allowed as on the COD of Unit-III i.e. on 26.2.2015. This, in our view, is an error apparent on the face of the order dated 20.3.2023, and the inadvertent error is required to be rectified. Accordingly, the review on this ground



is allowed, and the capital cost determined as on COD of Unit-III vide impugned order dated 20.3.2023, after considering the notional IDC of Rs.1241.76 lakh is corrected/ modified, as stated in the subsequent paragraphs.

Capital cost allowed for the period 2014-19

26. Accordingly, the table under para 63 of the impugned order dated 20.3.2023 is modified as under:

	<i>(Rs. in lakh)</i>					
	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
Opening Capital Cost	558876.17	827217.36	828642.89	860221.36	892673.74	922234.02
Less: IDC/FC/FERV claimed as on Unit-III COD	0.00	58051.10	0.00	0.00	0.00	0.00
Add: IDC allowed on COD of Unit-III	0.00	51969.73	0.00	0.00	0.00	0.00
Add: FC allowed on COD of Unit-III	0.00	372.24	0.00	0.00	0.00	0.00
Add: FERV allowed on COD of Unit-III	0.00	235.62	0.00	0.00	0.00	0.00
Add: Notional IDC allowed	0.00	435.75	0.00	0.00	0.00	0.00
Less: pro-rata reduction in IEDC	0.00	1520.23	0.00	0.00	0.00	0.00
Less: Pro-rata reduction in two packages	0.00	50.96	0.00	0.00	0.00	0.00
Less: LD Recovered	0.00	805.63	0.00	0.00	0.00	0.00
Less: Revenue of sale from Infirm Power	0.00	0.00	0.00	0.00	0.00	0.00
Less: Excess initial spares disallowed	0.00	0.00	0.00	0.00	0.00	0.00
Total Opening cost	558876.17	819802.78	828642.89	860221.36	892673.74	922234.02
Add: Additional capital expenditure	71.03	1810.95	18449.38	24126.15	25889.98	11729.70
Add: Liabilities discharged	8103.17	7029.16	13129.69	8328.16	5139.29	5352.09
Less: De-capitalization	0.00	0.00	0.59	1.93	0.00	3076.98
Less: Exclusions disallowed	0.00	0.00	0.00	0.00	1468.99	509.68
Closing capital cost	567050.37	828642.89	860221.36	892673.74	922234.02	935729.15

Debt-Equity Ratio

27. Para 66 of the impugned order dated 20.3.2023 is modified as under:



66. It is evident from the aforesaid order that the date of conversion of share application money is after the COD of the generating station/Unit-III i.e. on 31.3.2015. Accordingly, the debt equity ratio, as on COD of the generating station (26.2.2015) is allowed as 70.39:29.61, in line with order dated 11.7.2017 in Petition No. 277/GT/2014. Accordingly, on the basis of the capital cost of Rs 819802.78 lakh, allowed as on 26.2.2015 (Unit-III/Station COD), the gross normative loan and equity amounting to Rs.577078.33 lakh and Rs.242724.45 lakh, respectively, has been considered. Further, with effect from 1.4.2015, the debt equity ratio is considered as 70:30, in terms of Regulation 19 of the 2014 Tariff Regulations. The additional capital expenditure allowed with effect from 1.4.2015, has been allocated to debt and equity in the ratio of 70:30.

Return on Equity

28. Accordingly, the table under para 69 of the impugned order dated 20.3.2023 is modified as under:

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
Notional Equity- Opening	162512.91	242724.45	248592.87	258066.41	267802.12	276670.21
Addition of Equity due to additional capital expenditure	2376.94	2617.35	9473.54	9735.71	8868.08	4048.54
Normative Equity – Closing	164889.85	245341.80	258066.41	267802.12	276670.21	280718.74
Average Normative Equity	163701.38	244033.12	253329.64	262934.26	272236.16	278694.47
Return on Equity (Base Rate)	15.500%	15.500%	15.500%	15.500%	15.500%	15.500%
Effective Tax Rate	0.00%	0.00%	0.000%	21.342%	21.342%	21.549%
Rate of Return on Equity (Pre-tax)	15.500%	15.500%	15.500%	19.705%	19.705%	19.758%
Return on Equity (Pre-tax) - (Pro-rated)	23010.14	3523.44	39266.09	51811.20	53644.14	55064.45

Interest on loan

29. Clauses (i) and (iii) of para 71 of the impugned order dated 20.3.2023 are modified as under:

(i) The gross normative loan amounting to Rs.577078.33 lakh has been considered as on COD of Unit-III (26.2.2015);

(iii) Accordingly, the net normative opening loan as on COD of unit-III works out to Rs. 523075.52 lakh;



30. Accordingly, the table under para 72 of the impugned order dated 20.3.2023 is modified as under:

(Rs. in lakh)

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
Gross opening loan	396363.26	577078.33	580050.02	602154.95	624871.62	645563.81
Cumulative repayment of loan upto previous year / period	28392.61	54002.81	57873.40	100484.75	144702.06	190090.67
Net Loan Opening	367970.65	523075.52	522176.62	501670.20	480169.55	455473.14
Addition on account of additional capital expenditure	5797.26	6222.76	22104.93	22716.66	20692.20	9446.59
Repayment of loan during the year	25610.20	3870.59	42611.41	44217.58	45655.25	46595.23
Less: Repayment adjustment on account of de-capitalization	0.00	0.00	0.06	0.27	266.64	822.27
Net Repayment	25610.20	3870.59	42611.35	44217.31	45388.61	45772.95
Net Loan Closing	348157.71	525427.69	501670.20	480169.55	455473.14	419146.78
Average Loan	358064.18	524251.61	511923.41	490919.88	467821.35	437309.96
Weighted Average Rate of Interest on Loan	11.4530%	11.4536%	10.7700%	9.7445%	9.7263%	9.8445%
Interest on Loan (Pro-rated)	37188.96	5593.27	55134.15	47837.69	45501.71	43050.98
Interest Capitalized	-	-	-	-	-	646.96
Net Interest on Loan	37188.96	5593.27	55134.15	47837.69	45501.71	42404.02

Depreciation

31. Accordingly, the table under para 74 of the impugned order dated 20.3.2023 is modified as under:

(Rs. in lakh)

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.02.2015 to 31.3.2015				
Opening Capital Cost (A)	558876.17	819802.78	828642.89	860221.36	892673.74	922234.02
Add: Additional capital expenditure (B)	8174.20	8840.11	31578.47	32452.38	29560.28	13495.13



Closing Capital Cost [C=A+B]	567050.37	828642.89	860221.36	892673.74	922234.02	935729.15
Average Capital Cost D= (Average A&C)	562963.27	824222.83	844432.12	876447.55	907453.88	928981.58
Value of freehold land included above (E)	10307.63	9311.98	9950.82	10753.26	10916.86	10916.86
Aggregated depreciable value F=(D-E) *90%	497390.08	733419.77	751033.17	779124.86	806883.31	826258.25
Remaining aggregate depreciable value at the beginning of the year [G= F- Cumulative Depreciation up to Previous Year]	468997.47	679416.96	693159.77	678640.11	662181.25	636167.58
No. of completed years at the beginning of the year (H)	24.65	24.65	23.65	22.65	21.65	20.65
Weighted Average Rate of Depreciation (WAROD) [J=K/I]	5.0165%	5.0413%	5.0462%	5.0451%	5.0311%	5.0157%
Depreciation during the year (K) Pro-rated	25610.20	3870.59	42611.41	44217.58	45655.25	46595.23
Cumulative Depreciation at the end of the year (before adjustment for de-capitalization) (L)	54002.81	57873.40	100484.80	144702.33	190357.31	236685.90
Less: Depreciation adjustment on account of de-capitalization (M)	0.00	0.00	0.06	0.27	266.64	822.27
Cumulative depreciation at the end [O=L-M]	54002.81	57873.40	100484.75	144702.06	190090.67	235863.63

*Cumulative Depreciation as on 1.4.2014 is Rs. 28392.61 lakh

Working Capital for Receivables

32. Accordingly, the table under para 129 of the impugned order dated 20.3.2023 is modified as under:

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.20215	26.2.2015 to 31.3.2015				
Variable Charges - for two months	21400.14	3297.30	35494.50	35397.52	36250.47	36250.47
Fixed Charges - for two months	18249.10	2755.03	29485.58	30924.71	31458.93	31653.96
Total	39649.24	6052.33	64980.08	66322.23	67709.40	67904.43

(Rs. in lakh)



O&M Expenses (1 month) for computation of working capital

33. Accordingly, the table under para 132 of the impugned order dated 20.3.2023 is modified as under:

(Rs. in lakh)

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
Working Capital for Cost of Coal towards Stock (15 days)	10416.44	1604.95	17229.61	17229.61	17644.78	17644.78
Working Capital for Cost of Coal towards Generation (30 days)	10416.44	1604.95	17229.61	17229.61	17644.78	17644.78
Working Capital for Cost of Secondary fuel oil (2 months)	276.53	42.61	458.66	457.41	468.43	468.43
Working Capital for Maintenance Spares @ 20% of O&M expenses	2982.49	440.50	5088.49	5396.49	5775.94	6138.33
Working Capital for Receivables – 2 months	39649.24	6052.33	64980.08	66322.23	67709.40	67904.43
Working Capital for O&M expenses – 1 month	1242.71	183.54	2120.20	2248.54	2406.64	2557.64
Total Working Capital	64983.86	9928.88	107106.66	108883.90	111649.98	112358.40
Rate of Interest	13.500%	13.500%	13.500%	13.500%	13.500%	13.500%
Interest on Working Capital(Pro-rated)	8772.82	1340.40	14459.40	14699.33	15072.75	15168.38

Annual Fixed Charges

34. Accordingly, the table under para 133 of the impugned order dated 20.3.2023 is modified as under:

(Rs. in lakh)

	2014-15		2015-16	2016-17	2017-18	2018-19
	1.4.2014 to 25.2.2015	26.2.2015 to 31.3.2015				
Depreciation	25610.20	3870.59	42611.41	44217.58	45655.25	46595.23
Interest on loan	37188.96	5593.27	55134.15	47837.69	45501.71	42404.02
Return on Equity	23010.14	3523.44	39266.09	51811.20	53644.14	55064.45
Interest on Working Capital	8772.82	1340.40	14459.40	14699.33	15072.75	15168.38
O&M Expenses	14912.47	2202.48	25442.45	26982.47	28879.72	30691.66
Total	109494.58	16530.18	176913.50	185548.26	188753.56	189923.75



35. The closing capital cost of Rs.935729.15 lakh, as on 31.3.2019 approved in para 26 of this order, will be considered as the opening capital cost as on 1.4.2019 at the time of truing-up of the tariff of this generating station, for the period 2019-24.

36. Review Petition No. 21/RP/2023 in Petition No.576/GT/2020 is disposed of in terms of the above.

Sd/-
(Pravas Kumar Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(Jishnu Barua)
Chairperson

