

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.31/RP/2023

in

Petition No. 255/GT/2020

Coram:

**Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri Ramesh Babu V., Member**

Date of Order: 31st July 2024

IN THE MATTER OF

Review of Commission's Order dated 28.7.2023 in Petition No. 255/GT/2020 in the matter of revision of tariff for the period 2014-19 and determination of tariff for the period 2019-24 in respect of Uri-I Hydroelectric Project (480 MW)

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 - 147 001 (Punjab)
2. Haryana Power Purchase Centre,
Shakti Bhawan, Sector – 6,
Panchkula-134 109 (Haryana).
3. BSES Rajdhani Power Limited,
BsES Bhawan, Nehru Place,
New Delhi-110 019.
4. BSES Yamuna Power Limited,
Shakti Kiran Building,
Karkardooma, Delhi- 110 072
5. Tata Power Delhi Distribution Limited,
33 kV Sub-Station Building,
Hudson Lane, Kingsway Camp,
New Delhi-110 009.



6. Power Development Department,
New Secretariat, Jammu- 180 001 (J&K)
7. Uttar Pradesh Power Corporation Limited,
Shakti Bhavan, 14, Ashok Marg,
Lucknow - 226 001 (Uttar Pradesh).
8. Ajmer Vidyut Vitaran Nigam Limited,
Old Powerhouse, Hatthi Bhatta,
Jaipur Road, Ajmer - 305 001 (Rajasthan)
9. Jaipur Vidyut Vitaran Nigam Limited,
Vidyut Bhawan, Janpath,
Jaipur - 302 005
10. Jodhpur Vidyut Vitaran Nigam Limited,
New Power House, Industrial Area,
Jodhpur - 342 003 (Rajasthan).
11. Uttaranchal Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun – 248 001 (Uttarakhand).
12. Engineering Department,
1st Floor, UT Secretariat, Sector 9-D,
Chandigarh – 160 009.
13. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House,
Shimla - 171 004 (Himachal Pradesh).

.... Respondents

Parties Present:

Shri Bharath Gangadharan, Advocate, NHPC
Shri Kunal Veer Chopra, Advocate, NHPC
Shri Anant Singh, Advocate, NHPC
Shri Naman Kumar, BRPL & BYPL

ORDER

Petition No. 255/GT/2020 was filed by the Review Petitioner, NHPC India Ltd, for truing-up of the tariff of Uri-I Hydroelectric Project (480 MW) (in short, “the generating station”) for the period 2014-19 in accordance with the provisions 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 28.7.2023 (in short, the 'impugned order'), disposed of the said Petition. Accordingly, the annual fixed charges determined vide the impugned order dated 28.7.2023 are as under:

<i>(Rs. in lakh)</i>					
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4677.67	4689.67	4711.41	4725.38	4754.82
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	21295.11	21410.29	21425.40	21439.18	21522.62
O&M Expenses	7539.59	7983.11	8556.95	9411.73	10123.87
Interest on Working Capital	1014.35	1041.78	1074.33	1122.19	1164.12
Total including GST	34526.72	35124.85	35768.09	36698.48	37565.43

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

- (A) *Erroneous application for calculating gross value of the assets being de-capitalized under 'assumed deletions for the period 2014-19;*
- (B) *Disallowance of the following additional capital expenditure for the period 2014-19 and 2019-24:*
- i. Extension of School Building at Gingle;*
 - ii. Fire tender fabricated on TATA LPT;*
 - iii. Construction of lab at KV School Gingle;*
 - iv. Extension of Height of Boundary Wall around NHPC Colony, Gingle;*
 - v. Lenovo server think;*
 - vi. Installation of Sewage Treatment Plant at Barrage and Uranbua Colony.*

Hearing dated 29.11.2023

3. During the hearing on 'admission' on 29.11.2023, the learned counsel for the Review Petitioner made detailed oral submissions in the matter. He, however, did not press for a review of the impugned order on the grounds mentioned in Sl. nos. (i), (iii) (iv), and (v) of para 2(B) above. Accordingly, the Commission, vide interim order dated 8.12.2023, while 'admitting' the Review Petition on the grounds raised in para 2 (A), and Sl. Nos. (ii) and (vi) of para 2(B) above, dismissed the other grounds as not



pressed. By the said order, the Review Petitioner was directed to file an additional affidavit to confirm that the amounts indicated under the column of 'assumed deletions' in Petition No. 255/GT/2020 are the gross value of the assets being de-capitalized and for the parties to complete their pleadings in the matter.

4. The Respondent, UPPCL, vide affidavit dated 16.1.2024, the Respondent, BRPL vide affidavit dated 17.1.2024, and the Respondent Rajasthan Discoms, vide affidavit dated 18.1.2024, have filed their replies in the matter. The Review Petitioner has filed its rejoinder vide affidavit dated 2.2.2024 (reply of UPPCL and BRPL) and vide affidavit dated 12.3.2024 (reply of the Rajasthan Discoms).

Hearing dated 4.4.2024

5. During the hearing on 4.4.2024, the learned counsel for the Respondents BRPL & BYPL objected to the submissions of the Review Petitioner and submitted that there is no error apparent on the face of the order. The learned counsel for the Respondents also submitted that the Review Petitioner cannot be permitted to challenge the methodology for considering the 'assumed deletions' at the stage of review. He further submitted that the reply filed by the Respondents may be considered while passing the orders. The Commission after hearing the parties, reserved its order in the matter.

Hearing dated 18.6.2024

6. Since the order in the 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 18.6.2024. During the hearing, the learned counsel for the Review Petitioner and the learned counsel for the Respondents 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.

7. Based on the submissions of the parties and the documents available on record, we proceed to examine the issues [Paras 2(A) and 2(B)(ii) and (vi)] raised by the Review Petitioner in the subsequent paragraphs.

(A) Erroneous application for calculating gross value of the assets being de-capitalized under 'assumed deletions for the period 2014-19

Submissions of the Review Petitioner

8. The Review Petitioner has submitted the following:

a) There is no methodology specified for “assumed deletion” in the 2014 Tariff Regulations. However, in the impugned order, the Commission has devised a methodology by calculating the gross value of the asset being de-capitalized for “assumed deletion” by de-escalating the gross value of the new asset @ 5% per annum till the year of capitalization of the old asset.

b) In the said methodology, the Commission considered the assumed deletion value of different items for the period 2014-19 in para 33 of the impugned order. The Commission by using the said methodology had erroneously allowed the incorrectly assumed deletion for some items, whose value for decapitalization was provided by the Review Petitioner in the tariff Petition.

c) In terms of the applicable Accounting Standards being followed by the Review Petitioner, if the old item is not deleted in the books of accounts during the year when there is an addition of the corresponding new item, the original gross value of the old item available in books of accounts is indicated as assumed deletion in the tariff petition.

d) Assumed deletions are basically the book value of old items, which are not deleted from the books of accounts, and they may be deleted in future years. Accordingly, assumed deletion values are provided duly in Form-9B(i) of the tariff petition for the period 2014-19. The Commission has calculated the assumed deletion value as per methodology mentioned in Paragraph 33 of the impugned order, wherein “in absence of the gross value of the asset being decapitalized, the same is calculated by de-escalating the gross value of new asset @ 5% per annum till the year of capitalization of the old asset.”

e) While calculating the gross value of the asset being de-capitalized for “assumed deletion” by de-escalating the gross value of the new asset @ 5% per annum till the year of capitalization of the old asset, the Commission has erred in devising such a



methodology. The Commission has used an incorrect methodology for calculating "assumed deletion" as the same is not supported by the Tariff Regulations. Specifically, the Commission appears to have computed the gross value of the asset being de-capitalized for "assumed deletion" by de-escalating the gross value of the new asset at a rate of 5% per annum until the year of capitalization of the old asset.

f) The methodology adopted by the Commission is erroneous on the following counts:

(i) There is no provision for "assumed deletion" in the 2014 Tariff Regulations, so any methodology used to calculate it would be unsupported by the governing rules.

(ii) The 5% per annum de-escalation rate used by the Commission appears to be arbitrary and lacks any clear rationale or justification.

(iii) The methodology itself may not accurately reflect the actual costs associated with replacing old assets and may result in inaccuracies or inconsistencies in the calculation of capital expenditures.

(iv) The Commission has misinterpreted that assumed deletion values are not the book values and has proceeded to compute assumed deletion values as per arbitrary methodology mentioned in Para 33 of the impugned order.

(v) These calculated assumed deletion values are on a higher side in comparison to the actual value of the old assets as per the books of accounts of the Review Petitioner being an error apparent on the face of record.

(vi) The Commission ought to have considered the assumed deletion values submitted by the Review Petitioner in the Petition. The assumed deletion is the gross value of the old asset and is named 'assumed deletion' since the old assets are not decapitalized in the books of accounts in the same year in which the new asset was capitalized.

(vii) Therefore, it is evident that the Commission has adopted an inconsistent approach in the case when the assumed deletion value provided in the tariff petition is higher as compared to the assumed deletion calculated by it.

9. Accordingly, the Review Petitioner has submitted that the calculation of the gross value of the asset being de-capitalized for "assumed deletion" by de-escalating the gross value of the new asset @ 5% per annum till the year of capitalization of the old asset is an error apparent on the face of the record and is liable to be reviewed.



Reply of the Respondents

10. The Respondents, UPPCL, BRPL, and the Rajasthan Discoms, have mainly submitted that the Review Petitioner had not furnished the actual value of the de-capitalized asset/work, and hence the Commission may incorporate a methodology for calculation of assumed deletion in the Tariff Regulations as adopted in the last few years in the various orders in the tariff petitions, to avoid any ambiguity and make it more transparent and explanatory to all the generators.

Rejoinder of the Review Petitioner

11. The Review Petitioner, in its rejoinder, has clarified that there is no methodology prescribed for assumed deletion in the Tariff Regulations of the Commission. It has also been submitted that the Review Petitioner had already submitted the de-capitalization values in Form 9(B)(i) of the main Petition for the period 2014-19, which has not been considered by the Commission.

Analysis and decision

12. We have considered the submissions of the parties. It is pertinent to mention that the expenditure on the replacement of assets, if found justified, is to be allowed for the purpose of tariff, provided that the capitalization of the said asset is followed by the de-capitalization of the original value of the old asset. However, in certain cases, where the decapitalization is affected in books during the following years, to the year of capitalization of the new asset, the de-capitalization of the old asset for the purpose of tariff is shifted to the very same year in which the capitalization of the new asset is allowed. Such de-capitalization, which is not a book entry in the year of capitalization, is termed an "Assumed deletion". Further, in the absence of the gross value of the asset being de-capitalized, as per the consistent methodology adopted by the



Commission, the same is calculated by de-escalating the gross value of the new asset @ 5% per annum till the year of capitalization of the old asset. The same methodology is also being applied in the other petitions of the Review Petitioner from the period 2014-15 onwards. Though the Review Petitioner, in the review Petition, had submitted that the methodology adopted by the Commission is erroneous as it has not been specified under the tariff regulations, it has, during the oral hearing of the Review Petition, made it clear that it has not challenged the methodology adopted by the Commission as regards assumed deletion, but has only pointed out that the assumed deletion values as furnished by it have not been considered by the Commission, while passing the impugned order. Accordingly, we per se find no error in the methodology adopted for 'assumed deletion' in the absence of the relevant information from the Review Petitioner. However, we note that in the present case, the Review Petitioner had submitted that the amounts indicated under the column of 'assumed deletions' in the main petition are the gross value of the assets being de-capitalized while not considering the de-capitalization values submitted by the Review Petitioner in the Petition. This submission of the Review Petitioner was inadvertently not considered by the Commission while passing the impugned order. Thus, the non-consideration of the de-capitalization values furnished by the Review Petitioner is, in our view, an error apparent on the face of the impugned order, and review on this count is maintainable. The prayer of the Review Petitioner to review the impugned order on this ground is, therefore, allowed. Accordingly, the assumed deletion values for the period 2014-19, as contained in the table under para 33 of the impugned order, are modified as under:



<i>(Rs. in lakh)</i>			
SI No		Assumed Deletions for old asset claimed	Assumed Deletions for old asset allowed
2014-15			
1	Retrofitting of relays / protection scheme in generating units	8.49	8.49
2	Air Compressor Stationary air compressor	4.15	4.15
3	Tata Model SFC 407 Truck Chasis Cab & Load body fitted with 497 SP, JK 02L 2708	4.22	4.22
4	Tata Model SFC 407 Truck Chasis Cab & Load body fitted with 497 SP, JK 02L 2712	4.22	4.22
	Total	21.08	21.08
2015-16			
1	Modification / Upgradation of existing Turbine Governor and Excitation System of Uri Power Station	132.28	132.28
2	18 Ton Escorts Crane	1.06	1.06
3	TELCO, TATA LP 1512 TL/5L BUS, JK 05 5663	10.68	10.68
	Total	144.02	144.02
2016-17			
1	Fire Tender Chassis JK05C 3488	0.91	0.91
	Total	0.91	0.91
2017-18			
1	EPABX System Model Aria1000 with accessories	22.95	22.95
2	HP Air Compressor, Make-Bauer, Model-Mariner 250-E-I	4.32	4.32
3	HP Air Compressor, Make-Bauer, Model-Mariner 250-E-I	4.32	4.32
	Total	31.59	31.59
2018-19			
1	Replacement of 400 KVA XLPE Cable - M/S SUDKABEL GmbH Germany, Supervision ABB	294.07	294.07
	Total	294.07	294.07

(B) Disallowance of the following additional capital expenditure for the periods 2014-19 and 2019-24

13. The submissions of the Review Petitioner are as under:

(i) Fire tender fabricated on TATA LPT chassis for 2016-17

a) In 2016-17, an additional capital expenditure of Rs. 35.96 lakh was claimed by the Review Petitioner for a Fire tender fabricated on TATA LPT chassis. The requirement of other fire tenders is not in the nature of spare. The distance between the Powerhouse and the barrage is 20 Km (approx.) and both the fire



tenders are in use to cater to the requirements of the Powerhouse, Barrage, and Residential Colony. Accordingly, the Review Petitioner gave its justification in the tariff Petition.

b) However, the Commission vide order dated 28.7.2023 in Petition No.255/GT/2020 did not appreciate the submissions of the Review Petitioner and erroneously allowed the additional capital expenditure claimed for only one fire tender in 2016-17. It was also observed in the said order that the other fire tender had been purchased as a 'spare.' Accordingly, the Commission has erred while disallowing the claim of the Review Petitioner for additional capital expenditure and ought to reconsider the same.

(ii) Installation of Sewage Treatment Plant at Barrage and Uranbua Colony for 2020-21

a) In 2020-21, an additional capital expenditure amounting to Rs.35 lakh was claimed by the Review Petitioner for the Installation of a Sewage Treatment Plant at Barrage and Uranbua Colony. There was an urgent requirement to provide for a Sewerage Treatment Plant to fulfill the basic hygiene requirements and to prevent any waterborne diseases. In this regard, the Review Petitioner had given the necessary justification and documents for such additional capital expenditure in its tariff petition.

b) However, the Commission did not appreciate the submissions of the Review Petitioner and erroneously disallowed the claim of the Review Petitioner, considering that the aforesaid expenditure is not directly related to the generating station. The Commission had observed that the Petitioner has also claimed a projected expenditure of Rs. 46.00 lakh in 2019-20, without any supporting documents. Accordingly, the Commission has erred while disallowing the claim of the Review Petitioner for additional capital expenditure and ought to reconsider the same.

Reply of the Respondents

14. The Commission has rightly disallowed the additional capital expenditure for the period 2014-19 on account of the Fire tender fabricated on TATA LPT considering the item as spare in nature. The Commission has also rightly disallowed the additional capital expenditure on account of installation of a Sewage Treatment Plant at Barrage and Uranbua Colony, as it is not directly related to the operation of the plant.



Rejoinder of the Review Petitioner

15. The requirement of other fire tender is not in nature of spare as it is used to cater to the requirement of the Powerhouse, Barrage, and Residential Colony. The distance between the Powerhouse and the barrage is 20 km (approx.) and accordingly, both fire tenders are in use at the same time. Installation of the Sewage Treatment Plant at Barrage and Uranbua Colony is directly related to the operation of the plant as there was an urgent requirement to provide a sewerage treatment plant to fulfill the basic hygiene requirements and to prevent any waterborne diseases in compliance with the guidelines of Central Pollution Control Board and legal notice of J&K State Pollution Control Board dated 3.7.2019 as the failure of the same could penalize the Review Petitioner heavily.

Analysis and Decision

(i) Fire tender fabricated on TATA LPT Chassis

16. The matter has been examined. The Commission, in the impugned order dated 28.7.2023, had disallowed the additional capitalization of the above asset, holding as under:

“It is noticed that the additional capital expenditure claimed for these assets/works were allowed in 2016-17 vide order dated 13.7.2016 in Petition No. 238/ GT/2014 for one fire tender only. The other has been purchased as spare. Since the item is in the nature of spares, we allow only 1 fire tender in line with our order dated 13.7.2016. Accordingly, the additional capital expenditure of Rs. 35.00 lakh for one fire tender is allowed. The Petitioner has submitted that old asset has been actually deleted from books, during 2017-18 and considered under “Assumed Deletions” in 2016- 17 for the purpose of tariff. The same is in order. Accordingly, the original value of old asset has been considered under “Assumed Deletions”.

17. It is evident from the above that out of two fire tenders claimed by the Review Petitioner, one fire tender was allowed against the replacement of the old fire tender, in line with the earlier order dated 13.7.2016, whereas the second fire tender was not allowed, by considering it as a ‘spare’. We note that the Review Petitioner in the main Petition had submitted that the second fire tender has also been put to use. This



submission was inadvertently not considered by the Commission while passing the impugned order dated 28.7.2023. This, according to us, is an error apparent on the face of the order and review on this count is maintainable. Accordingly, considering the submissions of the Review Petitioner that the second fire tender has also been put to use, we allow the additional capitalization of the said asset for Rs 35.96 lakh in 2016-17. Consequent upon this, the tariff of the generating station allowed vide the impugned order for the period 2014-19 is rectified by this order.

(ii) Installation of the Sewerage treatment plant at Barrage and Uranbua Colony in 2019-20

18. The Commission in the impugned order [SI No. D (2) for the year 2020-21 had disallowed the additional capitalization of the said asset/item for Rs 35 lakh, holding as under:

*“It is noticed that the Petitioner has also claimed projected expenditure of Rs. 46.00 lakh in 2019-20. However, the Petitioner has not submitted any documents in support of the same. It is noticed that that the proposed expenditure is for construction of sewerage treatment plant for the residential colony and is therefore not directly related to the generating station. In view of this, the claim of the Petitioner is **not allowed.**”*

19. It is evident from the above that the Commission, in the impugned order, had, by a conscious decision, disallowed the additional capitalization on the ground that the same is for the residential colony and, therefore, not directly related to the operation of the generating station. The Review Petitioner, in our view, cannot now be permitted to re-argue the case on merits. The submissions of the Review Petitioner are in the nature of an appeal in disguise, which is not permissible in review. We, therefore, find no error apparent on the face of the impugned order, warranting review on this count. Accordingly, we hold that the prayer of the Review Petitioner for review of the impugned order with respect to additional capitalization of the Sewerage treatment plant is not maintainable.



Revision of tariff for the period 2014-19

20. Consequent upon the review being allowed as stated in para 12 (assumed deletions) and para 17 above (additional capitalization of fire tender in 2016-17), the relevant paragraphs of the impugned order dated 27.7.2023 stands revised as under:

Para 19

19. Based on the above, the total additional capital expenditure of Rs. 128.08 lakh (70.96 + 57.12) is allowed in 2016-17.

21. Based on the above, the net additional capital expenditure allowed for the period 2014-19 (in the table under para 34 of the impugned order) is modified as under:

		<i>(Rs. in lakh)</i>				
		2014-15	2015-16	2016-17	2017-18	2018-19
A	Additions allowed	51.50	561.45	128.08	368.09	890.92
B	Decapitalization allowed	(-)0.62	(-)7.46	(-)0.95	0.00	(-)54.83
C	Assumed Deletions allowed	(-)21.08	(-)144.02	(-)0.91	(-)31.59	(-)294.07
D	Discharge of Liabilities	6.15	0.00	43.61	0.00	0.00
E	Exclusions not allowed	(-)2.02	(-)0.87	0.00	0.00	0.00
F	Net Additional Capitalization allowed (E=A+B+C+D+E)	33.92	409.09	169.83	336.51	542.01

Capital cost allowed for the period 2014-19

22. Accordingly, the capital cost allowed (in the table under para 35 of the impugned order) is modified as under:

		<i>(Rs. in lakh)</i>				
		2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost (a)		341750.70	341784.62	342193.72	342363.54	342700.06
Net additional capital expenditure allowed during the year/ period (b)		33.92	409.09	169.83	336.51	542.01
Closing Capital Cost (c)= (a)+(b)		341784.62	342193.72	342363.54	342700.06	343242.07

Debt Equity Ratio

23. The debt-equity ratio approved (in the table under para 37 of the impugned order) is modified as under:

		<i>(Rs. in lakh)</i>							
	Capital cost as on 1.4.2014		Additional Capital Expenditure		Decapitalization		Capital cost as on 31.3.2019		
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
Debt (A)	233161.96	68.23%	1434.86	70.00%	386.48	69.21%	234210.34	68.23%	



Equity (B)	108588.74	31.77%	614.94	30.00%	171.95	30.79%	109031.73	31.77%
Total (C)=(A)+(B)	341750.70	100.00%	2049.80	100.00%	558.43	100.00%	343242.07	100.00%

Return on Equity

24. Return on Equity allowed (in the table under para 40 of the impugned order) is modified as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity (A)	108588.74	108598.54	108718.59	108769.50	108869.90
Addition of Equity due to additional capital expenditure (B)	9.80	120.04	50.91	100.39	161.83
Normative Equity- Closing (C) =(A) + (B)	108598.54	108718.59	108769.50	108869.90	109031.73
Average Equity (D)=(A+C)/2	108593.64	108658.57	108744.04	108819.70	108950.81
Base Rate (%) (E)	15.500%	15.500%	15.500%	15.500%	15.500%
Effective Tax Rate (%) (F)	20.961%	21.342%	21.342%	21.342%	21.549%
Effective ROE Rate (%) (G)	19.610%	19.705%	19.705%	19.705%	19.758%
Return on Equity (H)= (D)*(G)	21295.21	21411.17	21428.01	21442.92	21526.50

Depreciation

25. Depreciation allowed (in the table under para 44 of the impugned order) is modified as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block (A)	341750.70	341784.62	342193.72	342363.54	342700.06
Closing gross block (B)	341784.62	342193.72	342363.54	342700.06	343242.07
Average gross block (C)=(A+B)/2	341767.66	341989.17	342278.63	342531.80	342971.06
Depreciable Value (D= C*90%)	307590.90	307790.25	308050.77	308278.62	308673.96
Remaining Depreciable Value at the beginning of the year (E=D-Cum Dep at 'J' at the end of previous year)	84979.23	80516.44	76188.95	71705.36	67394.90
Balance useful Life (F)	18.17	17.17	16.17	15.17	14.17
Depreciation (G=E/F)	4677.76	4690.28	4712.72	4727.83	4757.29
Cumulative Depreciation at the end of the year (H=G+ Cum Dep at 'J' at the end of previous year)	227289.43	231964.09	236574.53	241301.08	246036.34
Less: Depreciation adjustment on account of de-capitalization (I)	15.62	102.27	1.28	22.03	247.75
Cumulative Depreciation at the end of the year (J)	227273.81	231861.81	236573.26	241279.06	245788.60

*Cumulative Depreciation as on 31.3.2014 is Rs.222611.67 lakh



Working Capital for Receivables

26. The Receivable component of working capital worked out and allowed based on two months of fixed cost (in the table under para 56 of the impugned order) is modified as under:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
5754.49	5854.39	5962.02	6117.47	6261.99

Interest on Working Capital

27. Accordingly, interest on working capital worked out and allowed (in the table under para 60 of the impugned order) is modified as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Working capital for O&M Expenses (one month of O&M Expenses)	628.30	665.26	713.08	784.31	843.66
Working capital for Maintenance Spares (15% of operation and maintenance expense)	1130.94	1197.47	1283.54	1411.76	1518.58
Working capital for Receivables (two months of fixed cost)	5754.49	5854.39	5962.02	6117.47	6261.99
Total working capital	7513.72	7717.12	7958.64	8313.54	8624.22
Rate of Working Capital (%)	13.50%	13.50%	13.50%	13.50%	13.50%
Interest on Working Capital	1014.35	1041.81	1074.42	1122.33	1164.27

Annual Fixed Charges approved for the period 2014-19

28. Accordingly, the annual fixed charges approved for the period 2014-19 (in the table under para 61 of the impugned order) stand modified as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4677.76	4690.28	4712.72	4727.83	4757.29
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	21295.21	21411.17	21428.01	21442.92	21526.50
O&M Expenses	7539.59	7983.11	8556.95	9411.73	10123.87
Interest on Working Capital	1014.35	1041.81	1074.42	1122.33	1164.27
Total	34526.91	35126.37	35772.10	36704.81	37571.93

Tariff for the period 2019-24

29. We have, in para 19 of this order, rejected the claim of the Review Petitioner for review of the impugned order towards the additional capitalization for the Installation of Sewerage treatment plant at Barrage and Uranbua Colony in 2019-20. However, based on the revision of the capital cost for the period 2014-19, as in para 22 above,



the closing capital cost of Rs. 343242.07 lakh, as on 31.3.2019, shall be considered as the opening capital cost as on 1.4.2019, at the time of truing-up of tariff of the generating station for the period 2019-24.

30. Review Petition No. 31/RP/2023 (in Petition No.255/GT/2020) is disposed of in terms of the above.

Sd/-
(Ramesh Babu V)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(Jishnu Barua)
Chairperson

