

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 440/GT/2020

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 8th November, 2024

In the matter of:

Petition for approval of tariff of Kahalgaon STPS Stage-I (840 MW) for the period 2019-24

And

In the matter of

NTPC Limited,
NTPC Bhawan,
Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003.

.....Petitioner

Vs

1. Bihar State Power (Holding) Company Limited,
(*erstwhile Bihar State Electricity Board*)
Vidyut Bhawan, Bailey Road, Patna- 800 021
2. Jharkhand Bijlee Vitaran Nigam Limited,
Engineering Building, HEC Township, Dhurwa, Ranchi– 834 004
3. GRIDCO Limited,
24 Janpath, Bhubaneshwar
4. West Bengal State Electricity Distribution Limited,
Vidyut Bhawan, Block DJ, Sector-II, Salt Lake City, Kolkata– 700 091
5. Power Department,
Govt. of Sikkim, Kazi Road, Gangtok
Sikkim- 737 101
6. Assam Power Distribution Company Limited,
Bijulee Bhawan, Paltan Bazar, Guwahati- 781 001
7. Tamil Nadu Generation and Distribution Corporation Limited,
NPKRP Maaligai, 800 Anna Salai, Chennai- 600 002



8. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg, Lucknow- 226 001
9. Rajasthan Urja Vikas Nigam Limited,
(on behalf of the Rajasthan discoms)
Vidyut Bhawan, Janpath,
Jaipur- 302 005 (Rajasthan)
10. Power Development Department, J&K,
Govt. of J&K Secretariat, Srinagar
11. Haryana Power Purchase Centre,
Shakti Bhawan, Sector- VI, Panchkula, Haryana- 134 109
12. BSES Rajdhani Power Limited,
Shakti Kiran Building, Karkardooma, Delhi
13. BSES Yamuna Power Limited,
Shakti Kiran Bldg., Karkardooma, Delhi
14. Tata Power Delhi Distribution Limited,
NDPL House, Hudson Lane, Kingsway Camp
Delhi- 110 009

...Respondents

Parties Present:

Shri Venkatesh, Advocate, NTPC
Shri Ashutosh K. Srivastava, Advocate, NTPC
Shri Jayant Bajaj, Advocate, NTPC
Shri Vijendra, NTPC
Shri Mansoor Ali Shoket, Advocate, TPDDL
Shri Nitin Kala, Advocate, TPDDL
Shri Kunal Singh, Advocate, TPDDL
Ms. Shefali Sobti, TPDDL
Shri Buddy Ranganathan, Advocate, BSES Discoms
Ms. Megha Bajpeyi, BRPL
Shri R.K. Mehta, Advocate, GRIDCO
Ms. Himanshi Andley, Advocate, GRIDCO
Shri Durga M Sahoo, GRIDCO
Shri Mahfooz Alam, GRIDCO
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri B. Rajeswari, TANGEDCO
Ms. R. Ramalakshmi, TANGEDCO
Ms. R. Alamelu, TANGEDCO
Shri Nishant Kumar, Advocate, BSPHCL



ORDER

This petition has been filed by the Petitioner, NTPC Limited, for approval of the tariff of Kahalgaon Super Thermal Power Station, Stage-I (840 MW) (in short, 'the generating station') for the period 2019-24, in accordance with the provisions of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2019 (in short 'the 2019 Tariff Regulations'). The generating station, with a capacity of 840 MW, comprises four (4) units of 210 MW each. Unit-I of the generating station was declared under commercial operation on 1.1.1995, Unit-II on 1.4.1995, Unit-III on 1.2.1996, and Unit-IV on 1.8.1996. The Commission, vide its order dated 19.5.2024 in Petition No. 294/GT/2020, trued up the tariff of the generating station for the period 2014-19. Subsequently, the Commission vide corrigendum dated 15.6.2024 rectified certain inadvertent arithmetical/clerical errors and revised the annual fixed charges of the generating station. Accordingly, the capital cost and the annual fixed charges approved by the Commission for the period 2014-19 are as under:

Capital Cost allowed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost (A)	214862.50	215704.24	217341.30	217839.27	217192.00
Add: Addition during the year / period (B)	1090.68	2075.73	1503.18	3018.00	2817.97
Less: De-capitalization during the year /period (C)	313.16	536.35	1006.01	3676.25	1664.62
Add: Discharges during the year /period (D)	64.21	97.69	0.79	10.98	0.00
Closing Gross Block (E) = (A+B-C-D)	215704.24	217341.30	217839.27	217192.00	218345.35
Average Gross Block (F) = (A+E)/2	215283.37	216522.77	217590.29	217515.64	217768.68

Annual Fixed Charges allowed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	4978.55	5089.75	5302.55	5432.43	6279.47
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	20615.19	20788.32	20851.43	20847.02	20918.09
O&M Expenses	20082.88	21365.75	22695.56	24114.78	25628.40



	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Working Capital	7676.61	7772.17	7851.88	8083.68	8198.88
Compensation Allowance	420.00	630.00	735.00	840.00	840.00
Annual Fixed Charges	53773.22	55645.99	57436.42	59317.90	61864.84

Present Petition

2. As stated, the Petitioner has filed the present petition for the determination of tariff for the generating station for the period 2019-24 tariff period and has, vide affidavit dated 10.5.2022, revised its claim for the capital cost and annual fixed charges as under:

Capital cost claimed

	2019-20	2020-21	2021-22	2022-23	2023-24
Opening capital cost	222465.31	224965.31	228621.31	231704.31	232555.31
Add: Addition during the year/period	2500.00	3656.00	3083.00	851.00	0.00
Closing Capital Cost	224965.31	228621.31	231704.31	232555.31	232555.31
Average Capital Cost	223715.31	226793.31	230162.81	232129.81	232555.31

(Rs. in lakh)

Annual Fixed Charges claimed

	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	7955.99	9352.44	7570.69	1770.30	382.95
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	20219.85	20355.36	20507.30	13003.74	13027.72
Interest on Working Capital	5580.08	5660.08	5692.99	5552.47	5591.96
O&M Expenses	28996.66	30102.08	31245.81	32454.35	33703.95
Special Allowance	497.38	4311.60	7313.18	7980.00	7980.00
Annual Fixed Charges	63249.96	69782.17	72329.97	63152.50	60686.57

(Rs. in lakh)

3. Subsequently, the Petitioner vide affidavit dated 10.5.2022 submitted that due to a change in earlier claimed exclusion with respect to Wagons, the opening capital cost as on 1.4.2019, has been changed and in addition, due to certain inadvertent error crept



in form I, the same was rectified and revised. The revised capital cost and annual fixed charges are claimed as under:

Capital cost claimed

	<i>(Rs. in lakh)</i>				
	2019-20	2020-21	2021-22	2022-23	2023-24
Opening capital cost	222919.80	225419.80	229075.80	232158.80	233009.80
Add: Addition during the year/period	2500.00	3656.00	3083.00	851.00	0.00
Closing Capital Cost	225419.80	229075.80	232158.80	233009.80	233009.80
Average Capital Cost	224169.80	227247.80	230617.30	232584.30	233009.80

Annual Fixed Charges claimed

	<i>(Rs. in lakh)</i>				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	8014.30	9801.53	8423.39	1770.30	382.95
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	20245.46	20418.89	20608.75	13105.19	13129.17
Interest on Working Capital	5581.34	5668.41	5707.37	5554.00	5593.48
O&M Expenses	28996.66	30102.08	31245.81	32454.35	33703.95
Special Allowance	497.38	4311.60	7313.18	7980.00	7980.00
Annual Fixed Charges	63335.15	70302.51	73298.51	63255.48	60789.55

4. The Respondent UPPCL has filed its reply vide affidavit dated 10.7.2020, and the Respondent TANGEDCO has filed its reply vide affidavit dated 19.11.2020 and additional reply vide affidavit dated 4.0.2021. The Petitioner, vide separate affidavits dated 23.3.2021, has filed its rejoinder to the aforesaid replies. The Petitioner has furnished additional submissions vide affidavits dated 14.5.2021 and 23.6.2021, and the Respondents TPDDL, GRIDCO, BSPHCL, and UPPCL vide their affidavits dated 30.6.2021, 19.7.2021, 27.8.2021, and 27.8.2021 respectively, have filed their replies. The Petitioner, vide separate affidavits dated 1.10.2021, filed its rejoinders to the said replies of the respondents above. The Petitioner has, vide affidavit dated 25.2.2022, submitted a note of arguments. The matter was listed along with Petition No. 294/GT/2020 (truing up of tariff of generating station for the period 2014-19), and the Commission vide ROP sought certain additional information from the Petitioner. Thereafter, the Respondents BRPL and BYPL have filed their common reply vide affidavit dated 23.3.2022, and the Petitioner vide affidavit dated 24.5.2022 has filed its



rejoinder to the same. The Petitioner, vide affidavit dated 26.4.2022, has filed its additional submissions and, vide affidavit dated 10.5.2022, submitted its response to the information sought vide hearing dated 25.2.2022. The Respondent, GRIDCO, vide affidavit dated 17.6.2022, has filed its reply to the additional information furnished by the Petitioner vide affidavit dated 10.5.2022, and the Petitioner, vide affidavit dated 1.8.2022, has filed its rejoinder to the same. The matter was heard on 6.1.2023 along with Petition No. 294/GT/2020, and the Commission, vide ROP, sought certain additional information from the Petitioner and reserved its orders in these petitions. The Respondent, TPDDL, vide dated 19.1.2023, has filed its written submissions. The Petitioner vide affidavit dated 13.2.2023 has submitted its response to the additional information sought vide ROP of the hearing dated 6.1.2023. The Respondent, GRIDCO, vide affidavit dated 4.3.2023, has filed its reply, and the Petitioner, vide affidavit dated 27.3.2023, has filed its rejoinder to the same. Since the order in the present Petition (which was reserved on 6.1.2023) could not be issued prior to one Member, who formed part of the Coram, demitting office, the matter was re-listed along with Petition No. 294/GT/2020 for hearing on 6.2.2024. The Commission, after hearing the parties, vide ROP, directed the Petitioner to file certain additional information and reserved its order. The Petitioner, vide affidavit dated 14.3.2024, has submitted its response, and the Respondent, GRIDCO, vide affidavit dated 22.3.2024, has filed its reply to the same. The Petitioner vide affidavit dated 27.3.2024 has filed its rejoinder to the reply of GRIDCO. Meanwhile, Petition No.294/GT/2020 was disposed of by the Commission vide order dated 19.5.2024. However, as the order in the present Petition could not be issued prior to another Member, who formed part of the Coram, demitting office, the matter was re-listed on 13.6.2024, and the Commission, based on the consent of the parties, reserved its order in the petition. Since the order in the Petition (which was



reserved on 13.6.2024) could not be issued prior to one Member, who formed part of the Coram, demitting office, the matter was re-listed and heard on 08.08.2024 and based on the consent of the parties, the order in the petition was reserved. Taking into consideration the submissions of the parties and the documents available on record, we proceed to examine the claims of the Petitioner on prudence check, as stated in the subsequent paragraphs.

Capital Cost

5. Clause (1) of Regulation 19 of the 2019 Tariff Regulations provides that the capital cost, as determined by the Commission after prudence checks in accordance with this regulation shall form the basis of the determination of tariff for existing and new projects. Clause 3 of Regulation 19 of the 2019 Tariff Regulations provides as under: (3) *The capital cost of an existing project shall include the following:*

(a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;

(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;

(c) Capital expenditure on account of renovation and modernization as admitted by this Commission in accordance with these regulations;

(c) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;

(d) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and

(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

6. The Commission, vide its order dated 19.5.2024 in Petition No. 294/GT/2020, had allowed the closing capital cost of Rs. 218345.35 lakhs as on 31.3.2019. Accordingly, in terms of Regulation 19(3) of the 2019 Tariff Regulations, the capital cost of Rs. 218345.35 lakhs, as on 31.3.2019, has been considered as the opening capital cost as



on 1.4.2019, on a cash basis, for the purpose of determination of tariff for the period 2019-24.

Additional Capital Expenditure

7. Regulations 25 and 26 of the 2019 Tariff Regulations provides provides as under:

“25. Additional Capitalisation within the original scope and after the cut-off date:

(1) The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:

(a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Deferred works relating to ash pond or ash handling system in the original scope of work;

(d) Liability for works executed prior to the cut-off date;

(e) Force Majeure events;

(f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and

(g) Raising of ash dyke as a part of ash disposal system.

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;

(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;

(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.

26. Additional Capitalisation beyond the original scope

(1) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:

(a) Liabilities to meet award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Force Majeure events;



(d) Need for higher security and safety of the plant as advised or directed by appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal security;

(e) Deferred works relating to ash pond or ash handling system in additional to the original scope of work, on case to case basis:

Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under O&M expenses, the same shall not be claimed under this Regulation;

(f) Usage of water from sewage treatment plant in thermal generating station.

(2) In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.

8. The year-wise projected additional capital expenditure claimed by the Petitioner for the period 2019-24 is as under:

<i>(Rs. in lakh)</i>						
	Head of Work / Equipment	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Drain Separation and Toe water Drain System	500.00	810.00	0.00	0.00	0.00
2.	400 KV/ 132 KV Switchyard extension package	2000.00	0.00	700.00	851.00	0.00
3.	Ash Dyke/ Ash handling	0.00	1346.00	0.00	0.00	0.00
4.	Dry Ash Extraction System Unit-3 & 4	0.00	1500.00	2383.00	0.00	0.00
	Total Projected additional capital expenditure claimed	2500.00	3656.00	3083.00	851.00	0.00

Useful life of the generating station

9. Respondent TPDDL has submitted that in terms of Regulation 3(73) of the 2019 Tariff Regulations, the useful life of the Plant came to an end on 31.7.2021, and the Petitioner has not agreed upon any terms of the arrangement with the Respondent beneficiaries in respect of its operations beyond the useful life. It has also submitted while the Petitioner has claimed Special Allowance under Regulation 28 of the 2019 Tariff Regulations, it does not automatically extend the useful life of the plant, for which a separate Petition seeking additional R&M expenses beyond the useful life has to be filed under Regulation 27 of the 2019 Tariff Regulations,



along with the consent of the Respondent beneficiaries to such proposal, which the Petitioner has failed to do. This position has been affirmed by this Commission in its order dated 1.7.2021 in Petition Nos. 60 & 65 of 2021 [BYPL / BRPL v. NTPC & anr.] and by the APTEL in its judgment dated 8.2.2022 in Appeal Nos. 239 & 240/2021 [BYPL / BRPL v. NTPC]. In these circumstances, the Respondent has submitted that when the useful life of the plant has expired, and the Petitioner has neither agreed upon any terms of the arrangement with the Respondent beneficiaries in respect of operations beyond the useful life under Regulation 17 nor secured an extension of the useful life of the plant under Regulation 27, the present Petition ought not to be allowed. The Respondent has added that if the tariff/cost being claimed by the Petitioner is commercially unviable, the Respondent beneficiary will be free to exercise its right to exit from the PPA in terms of Regulation 17 of the 2019 Tariff Regulations and as confirmed by this Commission in its various orders. Similar submissions have been made by the Respondent BSP(H)CL and the Respondents BRPL & BYPL. In addition, the Respondent, BSPHCL, has pointed out that in the National Electricity Plan issued by the CEA, the retirement of the various generating stations of the Petitioner has been proposed during the period 2022-27, which includes this generating station. Accordingly, the Respondent has stated that the tariff determination process of the Project must be restricted up to 25 years, and any tariff determination beyond the useful life, must be in terms of Regulation 17 of the 2019 Tariff Regulations. Respondent GRIDCO has submitted that the tariff petition is not maintainable, as it pertains to the period beyond the useful life of the plant, i.e., 25 years, and has been filed without any order of the Commission permitting the extension of the life of the plant. Referring to Regulation 17 of the 2019 Tariff Regulations, the Respondent has submitted that it has, vide letter dated 1.6.2020, requested the



Petitioner 'to intimate the development towards the sale of power from the above station in compliance with Regulation 17 since the useful life of the Plant would due to expire during 2021-22' and in response, the Petitioner vide its letter dated 17.6.2020 has clarified that it is not considering Regulation 17 for any of its stations, including this generating station, and if such arrangement is considered in future, the same would be communicated to the beneficiaries including GRIDCO. The Respondent has further submitted that due to the power surplus situation in the State of Odisha, it is not in a situation to avail of power from this generating station any further and accordingly invoked its right of first refusal under Regulation 17 (2) of the 2019 Tariff Regulations. Referring to the MOP, GOI Guidelines dated 22.3.2021 on 'Enabling the Discoms to either continue or exit from the PPA after completion of the term of the PPA, i.e., beyond 25 years or a period specified in the PPA and allow flexibility to the Generators to sell power in any mode after State/ Discom exits from PPA. The Respondent has submitted that it has filed a petition on 24.5.2021 before the OERC for relinquishment of its share from this generating station, and the matter is pending. The Respondent has, therefore, stated that its submissions in the present petition are limited to the period from 1.4.2019 till 31.7.2021, and the tariff determined by the Commission shall be applicable only for the said period. Respondent TANGEDCO has submitted that since Special Allowance has been claimed as per Regulation 28 of the 2019 Tariff Regulations, the upward revision of the capital cost shall not be allowed, and hence, the Commission may reject the additional capital expenditure claimed by the Petitioner.

10. In response to the above, the Petitioner has clarified as under:

- (a) The Commission has the power to determine the useful life of the Plants/TPPs on a case-to-case basis. This Project/station is a well-maintained power-producing plant, and the technical aspects, as well as the machinery installed in the Project, are functioning efficiently. Due to excellent O&M practices, this Project maintained the declared capacity of 90% in 2021-22, and schedule



generation is on the higher side (i.e., 78.6%). The total tariff of the generating station is competitive i.e. @Rs 3.63/kWh (normative 85%) in 2021-22.

- (b) The Commission has specified the norms for depreciation under Regulation 33(10) in the first amendment to the 2019 Tariff Regulations, wherein the Commission has specified a minimum of 10 years for the generating station for recovery of the capital expenditure of ECS through depreciation. It is therefore envisaged that the station will operate for a minimum of 10 years after installation of the ECS system. Any expenditure incurred by the Petitioner over and above R&M expenditure may be necessitated under a change in law, ash dyke works, etc., which are covered under Regulations 25 and 26 of the 2019 Tariff Regulations.
- (c) The Commission in the past has determined the tariff of the station beyond the useful life of the plant, and there is nothing in the 2019 Tariff Regulations which bars the Commission from determining the tariff of a generating station beyond its useful life. The APTEL order dated 8.2.2022 relied upon by the Respondents in respect of this issue has been challenged by the Petitioner before the Hon'ble Supreme Court in C.A. No. 1877/2022 (NTPC v CERC & ors) and therefore, the said issue has not attained finality. If the generator and the beneficiaries come to an understanding under Regulation 17 of the 2019 Tariff Regulations, then the tariff to be recovered after useful life will be as determined by this Commission in terms of the said regulations for the purpose of supply to the relevant beneficiaries.
- (d) MOP, GOI vide notification dated 22.3.2021 has laid down the procedure for distribution licensees to surrender or discontinue the power procurement from such generating stations which have either completed the useful life of 25 years or such other period as may be agreed upon in the PPA. In the case of Dadri-I (Petition No.60 & 65/2021), the beneficiaries, before the completion of the useful life of the station, had sought an arrangement under Regulation 17(1) of the 2019 Tariff Regulations. However, in the present case, no such approval of the State Commission has been taken, and further, no such letter/notice has been issued to the Petitioner by the Respondents. On the contrary, the DERC, vide its letter dated 6.1.2022, has directed the beneficiaries (BRPL & BYPL) to continue buying power from this generating station.
- (e) Special Allowance is confined to the extension of useful life, whereas the present Petition is specific to Regulation 26 and has nothing to do with the extension of useful life (judgment of the APTEL in Appeal No.125/2017 (NTPC v CERC & ors) relied upon.

11. We have examined the submissions. Regulation 17 of the 2019 Tariff Regulations provides as under:



“17. Special Provisions for Tariff for Thermal Generating Station which have Completed 25 Years of Operation from Date of Commercial Operation:

(1) In respect of a thermal generating station that has completed 25 years of operation from the date of commercial operation, the generating company and the beneficiary may agree on an arrangement, including provisions for target availability and incentive, where in addition to the energy charge, capacity charges determined under these regulations shall also be recovered based on scheduled generation.

(2) The beneficiary shall have the first right of refusal and upon its refusal to enter into an arrangement as above, the generating company shall be free to sell the electricity generated from such station in a manner as it deems fit”

12. A simple reading of Regulation 17(1) connotes that a generating company and beneficiaries of its generating station may agree on an arrangement with respect to a thermal generating station that has completed 25 years of operation from its COD. Such arrangement may include the provisions for target availability, incentive and recovery of energy charges as well as payment of the capacity charges based on the scheduled generation. Regulation 17(2) provides for the first right of refusal to the Petitioners in case no arrangement has been reached as per Regulation 17(1). It is noticed that in the present case, the Respondents (TPDDL, Bihar Discoms, BRPL & BYPL) have not invoked the provisions of Regulation 17 but have continued to schedule the power from the generating station of the Petitioner in terms of the PPA, even after the completion of useful life, i.e. 31.7.2021. The reliance placed by the Respondents TPDDL and the BSES Discoms on the order of the Commission dated 1.7.2021 in Petition No. 60 & 65/2021 and the judgment dated 8.2.2022 of APTEL in Appeal Nos.239 & 240/2021 is of no avail, as in the said case, the beneficiaries, before the completion of the useful life of the generating station (Dadri-I) had sought for an arrangement under Regulation 17(1) of the 2019 Tariff Regulations. It is pertinent to mention that DERC, vide its letter dated 6.1.2022, had directed the Delhi discoms to continue the power purchase from this generating station. Even otherwise, we notice that the Hon'ble Supreme Court vide interim order dated 13.4.2023 has stayed the operation of the judgment of APTEL dated 8.2.2022. The relevant portion of the order is extracted below:



1. xxx

2. *Since this Court is seized of the proceedings, pending further orders, there shall be a stay of the operation of the impugned judgment of the Appellate Tribunal for Electricity dated 8 February 2022. No fresh disputes shall be decided on the basis of the impugned judgment.*

3. *In the event that the appellants fail in the appeal, they would be bound by such directions as may be issued by this Court at the final hearing and disposal*

xxx”

13. With regard to the MOP, GOI notification dated 22.3.2021 which laid down a procedure for distribution licensees to surrender or discontinue power procurement from such generating stations that have either completed its useful life of 25 years or such other period as agreed by the parties in the PPA, we notice that from clause III (a) of the said notification that the States/discoms can opt to relinquish their entire allocated power on completion of 25 years from COD of the plant, by giving six months' advance notice of their intention to relinquish such power. The relevant portion of the letter is extracted below:

“III(a). The States/Discoms having Long-term PPAs with the Central Generating stations, which are due to expire in the near future can opt to relinquish the entire allocated power (firm and unallocated) from such eligible CGSs post completion of the PPA tenure i.e. on completion of 25 years from the date of commissioning of the plant or period specified in the PPA by giving six months advance notice for their intention to relinquish such power.”

14. The Petitioner, in compliance with the directions of this Commission, has clarified that Clause 12 of the BPSA entered into in respect of this generating station provides that the same shall remain operative until it is replaced or amended by a mutual agreement between the parties to the PPA/BPSA. We notice that except for the Respondents GRIDCO, Bihar Discoms, and Sikkim, who have surrendered their allocated power from the generating station in 2021, none of the other Respondents herein have given any such advance notice of their intention to relinquish the power from the generating station. While the power relinquished by GRIDCO and Sikkim has been re-allocated to the State of Gujarat, the power relinquished by the Bihar Discoms has been re-allocated to the State of Assam in 2024 by the MOP, GOI. Accordingly,



we conclude that the Respondent discoms, to whom power is allocated from the generating station, is liable to pay tariff to the Petitioner, as determined in this order.

15. With regard to the submission of the Respondent TANGEDCO that the additional capital expenditure claim of the Petitioner under Regulation 26 of the 2019 Tariff Regulations is to be rejected since Special Allowance has been claimed as per Regulation 28 of the 2019 Tariff Regulations, the Petitioner has argued that both the provisions of the Regulations have different scope and application and are not interchangeable and do not form part of the same claim. It has also been submitted that the Special allowance under Regulation 28 has been envisaged as a substitute / alternative to Regulation 27 dealing with R&M expenses and cannot be construed as a substitute for the additional capitalisation to be dealt with under Regulations 25(1) or 26(1) (as the case may be) at any stage of the station including the fag end for various reasons specified in the sub-clause of the said regulations. This submission of the Respondent is not tenable. We note that the issue of the Petitioner not being entitled to claim additional capital expenditure since already Special allowance and Compensation allowance have been claimed under the 2014 Tariff Regulations came up for consideration before the APTEL in Appeal No. 304/2016 & batch case (NTPC v CERC & ors) and vide judgment dated 28.8.2023, APTEL has held as under:

“Regulation 14(3) and 15 are mutually exclusive. While the Special Allowance under Regulation 16 is an alternative to a claim for R&M expenditure under Regulation 15, it does not cover the additional capital expenditure falling within the ambit of Regulation 14, for, if it did, there would not have been any need for the 2014 Regulations to contain separate provisions for additional capital expenditure, R&M and for Special Allowance, and it would have sufficed to specify that additional capital expenditure (which is governed by Regulation 14(3)) would also be covered under Regulation 16 or to expressly stipulate that Regulation 16 is an alternative both to Regulations 14(3) and 15(1).”

16. In light of the above discussions, the submissions of the Respondents, with regard to para 8 above, are devoid of merit and deserve no consideration. Accordingly, we



examine the additional capital expenditure claims of the Petitioner in the paragraphs below:

Drain Separation and Toe Water Drain System

17. The Petitioner has claimed the projected additional capital expenditure of Rs. 500 lakhs in 2019-20 and Rs. 810 lakhs in 2020-21 towards Drain Separation and Toe water drain system under Regulation 26(1)(b) of the 2019 Tariff Regulations. In justification for the same, the Petitioner has submitted that the Ministry of Water Resources, River Development, and Ganga Rejuvenation vide Gazette Notification dated 7.10.2016 has directed that no person shall discharge, directly or indirectly, any untreated or treated trade effluent and industrial waste, Bio medical waste or other hazardous substances into the river Ganga or its tributaries or on their banks. The Petitioner has also submitted that the Drain Separation and toe water drain system is being installed to comply with the said statutory directions.

18. Respondent UPPCL has submitted that the claim of the Petitioner has to be examined whether this item of expenditure forms part of the Environment Clearance (EC) or any other clearance or previous notifications. Respondent TANGEDCO has submitted the Petitioner shall furnish the present status of the works, start date, and completion date. Respondent, TPDDL has submitted that the Petitioner may be directed to furnish proper information along with the supporting documents to substantiate its claim for prudence check and also to clarify whether the said item forms part of the EC. Respondents BRPL and BYPL have submitted that the notification dated 7.10.2016 has to be declared as a 'change in law' event and later on to assess whether such additional capital expenditure is required for the plant.



19. In response, the Petitioner has clarified that the requirement of this item/asset was notified only in the year 2016 and was never previously prescribed and hence qualifies as a change in law event. It has also been submitted that as the work stems from a change in law event, the same could not have been envisaged at the time of obtaining the EC. The Petitioner has further submitted that the scheme involves the collection of effluents generated during the process (such as waste oil, ash water, etc.) on an 'as is where is basis' in a sump pit and the treatment of the same for its separation and reuse. It has been added that ash water is collected from toe drain of all ash dykes through and is pumped back to the plant for reuse. Similarly, stormwater is also collected, and after segregation of all the effluents, stormwater is routed to the water channel and can be discharged out of the plant or taken back into the clariflocculator, for re-use. The Petitioner has stated that the scope of works include:

- i. Separation of process water and storm/rainwater*
- ii. Treatment of process water for re-use in plant*
- iii. Diversion of stormwater to outside drain*
- iv. Ash water recirculation and Toe drain recirculation.*

20. In response to a specific query by the Commission as regards the details of the existing facilities and capacities thereof, as on 31.3.2019, and the detailed scope of the works envisaged to be carried out towards the said items after 31.3.2019 along with apportionment to Stages I & II and the requirement of the same over and above the existing facilities, the Petitioner has reiterated its submissions made earlier and also submitted that the apportionment of expenses to Stages I and II, if applicable, shall be submitted at the time of truing-up of tariff for the period 2019-24.

21. The submissions have been considered. It is observed that the notification dated 7.10.2016 of the Ministry of Water Resources, River Development, and Ganga Rejuvenation's Notification provides that no person shall discharge, directly or indirectly,



any untreated or treated trade effluent and industrial waste, bio medical waste, or other hazardous substances into the river Ganga or its tributaries or on their banks. However, the proposed additional capital expenditure is for the separation of the drain water and stormwater, treatment of toe drain water, and recycling thereof, etc. Further, based on the scrutiny of the scope of works, certain overlapping has been noticed with regard to Ash dyke works, i.e., Ash water recirculation and Toe drain recirculation. In addition, it is also noted that despite the specific query regarding the apportionment of the claimed expenses to Stages- I and II, the Petitioner has not provided any appropriate clarification to the same. Accordingly, the projected expenditure is not allowed at this stage; however, the Petitioner is granted liberty to claim the same at the time of truing up of tariff along with supporting documents, including pictorial representation to substantiate that the said notification is applicable for toe drain water, there is no overlap with the scope of works claimed under Ash dyke/handling works, details of the apportionment of expenses to Stages-I and II of the project, for consideration in terms of the 2019 Tariff Regulations.

400 KV / 132 kV Switchyard extension package

22. The Petitioner has claimed the projected additional capital expenditure of Rs. 2000.00 lakh in 2019-20, Rs. 700.00 lakh in 2021-22, and Rs 851.00 lakh in 2022-23 for 400 kV / 132 kV Switchyard extension package under Regulation 26(1)(b) of the 2019 Tariff Regulations. In justification for the same, the Petitioner has submitted that the Commission vide its order dated 21.1.2017 in Petition No. 283/GT/2014 (tariff of Kahalgaon Stage-II) had allowed the 400 kV Bus splitting work under Regulation 14(3)(ii) read with Regulation 14(3)(ix) for the safe and reliable operation of the Grid. The Petitioner has also submitted that as the bus splitting is related to both the Stages (i.e., Stage-I and Stage-II) of Kahalgaon STPS, the total expenditure has been



apportioned pro-rata, based on the capacity of Stage-I (840 MW) and Stage-II (1500 MW) in the same order and accordingly, 400 kV buses have been split at Kahalgaon STPS Switchyard. However, it has been submitted that the auxiliary supply of the generating station could not be segregated due to the non-availability of the ICT at the site, on account of the non-performance of the vendor M/s EMCO Ltd. The Petitioner has submitted that the segregation of the generating station auxiliary supply is equally critical at the site in view of overcoming the phase difference that may arise between the Unit and the station power supply in Stage-II under the split bus scenario. It has been added that M/s EMCO could not meet the schedule of the Project and had stopped responding with regard to this package and associated issues. Accordingly, the Petitioner has submitted that the contract with M/s EMCO has been terminated, and it is in the process of tendering to award the contract to a new supplier, and the work is expected to be completed in the year 2019-20.

23. Respondent TANGEDCO has submitted that Petitioner has awarded work during the period 2014-19 but could not complete the same and is seeking to consider the same as a change in law event to permit the additional capitalization during the period 2019-24. It has accordingly submitted that the same is not a change in law event, and the Petitioner has also not provided any justification as to how the claim falls under 'change in law' or for 'compliance of any existing law.' Respondent TPDDL has submitted that though the tender was re-awarded, the Petitioner has not furnished any break-up expenses associated with the 400kV bus split and separation of auxiliary power supply, the additional expenses incurred due to delay, etc., but intends to pass on the burden of its lapses or incompetence on to the Respondent beneficiaries. It has therefore submitted that the claim may, therefore, be considered after the award of the work and its completion thereof, i.e., at the time of truing up. Respondents BRPL and



BYPL have submitted that the Petitioner has not furnished any cogent reason for the delay in the execution of the work but is attributing the same to the vendor. They have stated that though the scheme was approved in January 2017, the Petitioner, after a lapse of 5 years could not award the contract and has also failed to consider the fact that the cost will increase with the delay in the completion of works. Respondent, GRIDCO has submitted that the Petitioner may be directed to furnish the recovery of Rs. 3.17 crore provided to M/s EMCO, the penalty clause of the contract, the computation of penalty as per the said clause, the terms and conditions of contract termination and the consequential recoveries from EMCO. It has further submitted that as per notice dated 25.6.2019, M/s EMCO is liable for the cost of completing the package scope of works and subsequent losses already incurred at the site.

24. In response, the Petitioner has reiterated its submissions made earlier. In addition, the Petitioner has submitted that it has been taking up the issue of completion of works by M/s EMCO, but they have not responded to the same due to insolvency issues. The Petitioner has submitted that presently, the contract with EMCO has been terminated, and the work has been awarded to a new supplier, and the balance of works is expected to be completed at the earliest. On a specific query of the Commission, the Petitioner has clarified that in Petition No. 283/GT/2014, it had envisaged a total expenditure of Rs. 9894.00 lakhs, and the Commission vide its order dated 21.1.2017 had apportioned an amount of Rs. 3551.69 lakhs to Stage I and Rs. 6342.31 lakhs to Stage II during 2016-17. It has also stated that the 400-kV work was awarded to M/s GE T & D (India) Ltd for Rs. 75 crores, and as on date, the same has been commissioned and charged. Further, the erection and testing commissioning of the new 132 kV switchyard has been completed, but the 132-kV bay could not be charged due to the non-availability of the ICTs by M/s EMCO. The Petitioner has submitted that the awarded cost of the contract



to EMCO was Rs. 22 crores, and as there was no (zero) progress till the end of the contract, the same was terminated, and an amount of Rs 4.60 crore was recovered, while, Rs. 3.17 crore was provided as an advance. It has further been submitted that the new contract was awarded to M/s BHEL on 19.3.2020 for Rs. 21.69 crore (incl. GST), but due to the Covid-19 pandemic, the supply of transformers got delayed. The Petitioner has added that presently, the transformers were received at the site, and the work has resumed and is expected to be completed by March 2023. In response to the submissions of the Respondent GRIDCO above, the Petitioner has submitted that the information sought has been provided and the contract with EMCO being commercial in nature, the confidentiality of the same needs to be maintained.

25. The submissions have been considered. It is observed that the Petitioner had a BG for Rs. 4.60 crores from EMCO, it had provided an amount of Rs. 3.17 crores as advance to EMCO. In addition, the original awarded cost to M/s EMCO was Rs. 22 crores, while the re-awarded cost of the same works to M/s BHEL is Rs. 20.80 crores. It is also noticed that the said item (as an apportioned cost) was also claimed in Petition No. 442/GT/2020 (Kahalgaoon Stage-II), and the Commission, based on the information available on record at that point in time, by order dated 29.3.2023 in Petition No. 442/GT2020, decided as under:

“37. As per submissions of the Petitioner, it is noticed that 400 kV bus splitting was already completed. With regard to 132 kV, it is observed that though the Petitioner has executed the said works, the same was not to be implemented due to issues related with vendor and non-availability of ICT. Considering the same, the Petitioner has awarded the contract to a new supplier M/s BHEL, who had supplied both the ICTs and the erection work is in progress. The Petitioner has also recovered penalty by encashing the BG given by M/s EMCO. It is also noticed that earlier, the Petitioner has released Rs. 3.17 crore as advance to M/s EMCO and the Petitioner has encashed the BG of EMCO for Rs. 4.60 crore. The original estimated cost awarded to EMCO was Rs. 22 crore, whereas, the subject work awarded to new contractor, BHEL, was for Rs. 18.38 crore and had released Rs. 20.80 crore (with GST). However, the Petitioner has not furnished any information as to how the advance amount of Rs. 3.17 crore was accounted, the year of BG encashment and the revised claim on account of lower awarded cost and BG encashment.



38. Considering the submissions of the Petitioner, it is noticed that the additional capital expenditure of Rs 9631.00 lakh (Rs 9894.00 lakh – Rs 143.00 lakh – Rs. 120.00 lakh) is required for the subject works of Kahalgaon 400/132 kV bus splitting associated with Stages- I and II. The apportioned additional capitalization for Stages- I and II, based on the installed capacity, is Rs. 3457.28 lakh and Rs. 6173.12 lakh, respectively. Accordingly, the additional capital expenditure of Rs. 6173.12 lakh (i.e. Rs. 3831.12 lakh in 2019-20 and Rs 2342 lakh in 2021-22) for the generating station (Kahalgaon Stage II) towards 400 kV / 132 kV Switchyard extension package during 2019-22 is allowed under Regulation 26(1)(b) of the 2019 Tariff Regulations, in exercise of the power under Regulation 76 of the 2019 Tariff Regulations. However, the Petitioner is directed to furnish detailed additional information i.e. scope of works, original estimated cost, total expenditure incurred excluding the advance made of Rs. 3.17 Cr to the agency, IDC, interest, penalty recovered and year thereof etc., along with the supporting documents including audited certificate at the time of truing-up of tariff.”

26. In line with the above decision and in the exercise of the power under Regulation 76 of the 2019 Tariff Regulations, the additional capital expenditure of Rs. 3457.28 lakhs (i.e. Rs. 2000.00 lakhs in 2019-20, Rs 700.00 lakh in 2021-22 and Rs 757.28 lakhs in 2022-23) for the generating station (Kahalgaon Stage I) towards 400 kV/132 kV Switchyard extension package is allowed under Regulation 26(1)(b) of the 2019 Tariff Regulations. However, the Petitioner is directed to furnish detailed information, i.e. scope of works associated with GE T & D, the scope of works assigned to BHEL, scheduled timelines, actual timelines, the original estimated cost, auditor-certified actual expenditure incurred, recovery of the advance of Rs. 3.17 crore provided to M/s EMCO, IDC, award of contract, the year-wise release of payments, penalty clauses, penalty recovered from each vendor, etc., along with the supporting documents at the time of truing-up of tariff for consideration.

Ash Dyke / Ash Handling

27. The Petitioner has claimed the projected additional capital expenditure of Rs. 1346.00 lakh in 2020-21 towards Ash Dyke / Ash handling under Regulations 25(1)(c) and Regulation 25(1)(g) of the 2019 Tariff Regulations. In justification for the same, the Petitioner has submitted that the said amount has been claimed against the Ash Dyke raising and associated work which are within the original scope of work.



28. Respondent TANGEDCO has submitted that the existing station has served nearly 25 years, and the projected additional capital expenditure has been claimed without ascertaining the remaining life period of the units by the Petitioner. It has, therefore, prayed that the Commission may undertake a prudence check as to whether the said work forms part of the original scope of work. Respondents, BRPL, and BYPL, have submitted that the Petitioner has not provided detailed justification and supporting documents to substantiate its claim. Respondent GRIDCO has submitted that though the MoEF&CC notifications 3.11.2009 and 25.01.2016 mandated the Petitioner to achieve 100% ash utilization by 31.12.2017, the Petitioner could not achieve the same. It has stated that the MoEF&CC notification 31.12.2021 provides for the progressive utilization of legacy ash, over and above the utilization targets, but the Petitioner has paid the least attention to legacy ash and proposes to enhance the capacity of ash dyke, which not only increases the burden but also increase the accumulation of ash. The Respondent has further submitted that as the Petitioner has not taken adequate measures, the quantity of ash utilization locally is 3500 MT/annum out of 17 LMT ash produced annually. It has submitted that the Petitioner may pursue with the coal companies and obtain good quality of coal and minimize ash production. The Respondent has added that the Petitioner has not furnished the scope of works completed with regard to each ash dyke, lagoon, and pond; the envisaged scope of works for ash dyke raising; apportionment of ash dyke/handling expenses to Stages I & II, etc., In response, the Petitioner has clarified as under:

- (a) The asset/ item forms part of the original scope of work and is continuous in nature throughout the life of the plant. These works were deferred for execution, i.e., developed in a phased manner to meet the increased requirement with time and avoid front loading of tariff. The plant being remotely located, the ash utilization is low and thereby necessitating for ash dyke.



- (b) The scope of work includes Ash dyke raising with ash, earth covering, construction of sand blanket and sand chimney, construction of rock toe, inner slope with flat ash brick pitching and outer slope with grass, construction of decanting well for collection of decanted water for re-use, buttressing, laying of Hume pipe for drainage of toe drain water, slope drain on each embankment to escape the rainwater from road, construction of toe guard on each embankment etc.
- (c) Further, the bottom ash extracted being a slurry having high water content, the ash is transported only after water is settled down, which requires dumping of this ash into the ash dyke and therefore necessitates ash dyke raising. In addition, the MoEF&CC notification dated 31.12.2021 mandates the Petitioner to achieve 100 % ash utilization within 3-4 years and permits to construct/establish an ash pond with an area of 0.1 hectare/MW. Thus, it is a statutory mandate, and the same may be allowed under Regulation 25(1)(c) and 25(1)(g) of the 2019 Tariff Regulations.
- (d) The ash content in coal is not the sole criterion for availing coal, but depends on various other factors such as availability of source, FSA with coal companies, logistics, etc.,

29. In response to a specific query of the Commission with regard to the requirement of Ash dyke and Ash handling works, over and above the ash transportation charges, the Petitioner has reiterated its submissions made earlier and has also submitted that the increased PLF of the Plant from 62.8% at the time of commissioning to 85% during the period 2014-19 and poor quality of coal received at plant, has increased ash quantity multi-fold. In response to another query on the detailed scope of works completed with respect to each ash dyke, lagoon, and pond, the existing quantity of ash available at the plant as on 31.3.2019, the scope of works envisaged during 2019-24, apportionment of these expenses to Stages I & II, the requirement of these facilities over and above the existing facilities, the Petitioner has reiterated its submissions earlier and has also submitted that as on 31.3.2019 the existing quantity of ash is approximately 535 LMT and the expenditure for ash dyke depends on many factors such as operational requirements, demand / PLF, ash utilization, etc., for each stage and the work is undertaken as per the need. It has stated that the actual work



undertaken for Ash dyke and the stage-wise expenses thereof shall be submitted at the time of truing-up of tariff.

30. The submissions have been considered. It is noticed that the Petitioner has claimed a projected additional capital expenditure of Rs. 1346 lakh in 2020-21 towards Ash dyke and Ash handling works. The Petitioner has envisaged the production of around 17 LMT of Ash annually but was able to utilize only 3500 MT of Ash locally. On seeking information regarding the scope of works completed as of 31.3.2019, the envisaged scope of works during the period 2019-24, the quantity of ash available as on 31.03.2019, and apportionment of these expenses to stages I & II, the Petitioner has submitted that, as on 31.3.2019, only 535 LMT of ash is available at the plant. However, the Petitioner has not provided any information regarding the scope of works completed as on 31.3.2019 and envisaged during the period 2019-24 with regard to each ash dyke, lagoon, and pond, apportionment of expenses to Stage-I & II, but has stated that these will be decided as per requirement and the actual scope of works and apportionment will be submitted at the time of truing-up of tariff. We also notice that the Commission vide its order dated 19.5.2024 in Petition No. 294/GT/2020 had allowed an expenditure of Rs. 3063.94 lakh towards Ash dyke lagoon-II and III. As per the submissions of the Petitioner Petition No. 294/GT/2020, the total ash pond area for the whole Kahalgaon STPS (Stages- I & II) is 1395 acres, i.e., 540 acres for Lagoon-II, 340 acres for lagoon-III AB, 182 acres for Lagoon-IIIC, 210 acres for lagoon-IIID and 165 acres for overflow lagoon, AWRS, etc., It has also stated that four (4) raisings have been completed for Lagoon-II, III AB and III C and one (1) raising has been completed for Lagoon-III D, and the average natural ground level along dyke alignment for all four lagoons is 30 mts. Thus, the Petitioner already had Ash dyke/pond capacity as prescribed in the MoEF&CC notification dated 31.12.2021, and in terms of this



notification, the Petitioner envisages more than 100 % ash utilization during the period 2022-24. Keeping in view the above and in the absence of any information regarding the scope of works already completed as on 31.3.2019 and the scope of works envisaged during the period 2019-24 with regard to each Ash dyke, lagoon, and pond, and apportionment of the envisaged expenditure to Stages I and II, etc., the claim of the Petitioner **has not been allowed** at this stage. However, the Petitioner is granted liberty to claim the same at the time of truing up along with all relevant details, including raisings completed, raising envisaged, existing capacity, envisaged additional capacity, etc., with regard to each ash dyke, lagoon, and pond, for consideration of the Commission.

Dry Ash Extraction System-Units 3 & 4

31. The Petitioner has claimed the projected additional capital expenditure of Rs. 1500.00 lakh in 2020-21 and Rs 2383.00 lakh in 2021-22 towards Dry Ash Extraction System Unit 3 & 4 under Regulation 26(1)(b) and Regulation 26(1)(e) of the 2019 Tariff Regulations. In justification for the same, the Petitioner has submitted that the Commission has allowed the expenditure for the Dry Ash extraction system under 'change in law' in 2016-17, vide order dated 30.7.2016 in Petition No. 279/2014. It has also submitted that the work contract was awarded to the agency in March 2016, but due to the implementation of GST, the said work could not be capitalized during the period 2014-19. The Petitioner has further submitted that considering the total reform of the tax structure, the contract was reviewed for tax purposes, and the agency was unable to raise invoices for interim billing and faced a shortage of cash flow, which led to the delay in the dispatch of material. The Petitioner has stated that the work is expected to be completed during the period 2019-24.

32. Respondent TANGEDCO has submitted that though the work was awarded in March 2016, the same could not be completed during the period 2014-19, and hence,



the Petitioner has sought approval to execute the same during the period 2019-24. Therefore, the same cannot be considered as a change in law event. Respondent TPDDL has submitted that the Petitioner has simply mentioned the reform of tax structure and has failed to provide any explanation for the supposed 'uncontrollable factors' that prevented the work from being completed and, hence, capitalized during 2014-19. It has stated that in any case, the beneficiaries cannot be made to bear the burden of the Petitioner's lapses or incompetence. Respondents, BRPL and BYPL, have submitted that the Commission, in its order dated 30.7.2016 in Petition No. 279/GT/2014, had categorically held that the delay in carrying out these works cannot be brushed aside while considering the claim and also directed the Petitioner to provide the documents substantiating the increase in the said expenditure at the time of truing up of tariff for the period 2014-19, but the Petitioner has not furnished any such details. Respondent GRIDCO has submitted that the Petitioner has not furnished the detailed scope of works envisaged after 31.3.2019.

33. The Petitioner, in its rejoinder, has clarified as under:

- (a) The subject work is necessary to meet the environmental norms specified in the MoEF&CC's notification 3.11.2009, and the claim was already allowed by the Commission but could not be capitalized during the period 2014-19, due to force majeure event, i.e., implementation of GST. The Petitioner has only deferred the implementation, and the same shall be considered as a change in law. The scope of works includes 4 nos. of Distribution Transformers conforming to 'IS-2026', and subsequently, BIS had made it mandatory for all transformers rated up to 2500 kVA to comply with IS-1180, reduced no load and load losses, and the same necessitated re-engineering, which necessitated substantial time for finalization and change in contract scope.
- (b) In addition, due to modification in ESP of Units 1 to 4 and the upcoming chimney for FGD to be implemented due to revised emissions norms, the route approved for the pipe rack from buffer hopper to storage silo was required to be changed. After various rounds of discussions among different agencies, the route was revised. Further, as the multiple agencies for DAES, i.e., BHEL and agency for FGD, were working in the same area, though the fabrication of the pipe bridge



was completed in the yard area, its erection could not be taken up due to the unavailability of clear fronts in the area (heavy machines movements at height in the same area). Further, the work includes modification of ESP hoppers, which require unit shutdown for longer periods; the same was carried out in a phased manner, matching with planned shutdown.

- (c) Further, the restrictions on account of 1st and 2nd wave of COVID-19, including the shortage of oxygen cylinders, impacted the manufacturing of materials ordered by the main contractor to various sub-contractors. The work is expected to be completed by the end of 2022.

34. In response to specific query by the Commission regarding the details of the existing facilities and capacities thereof with regard to the 'Dry Ash Extraction System Units-3 & 4' as on 31.3.2019 and the detailed scope of works envisaged to be carried out towards the said item after 31.3.2019 along with requirement of the same over and above the existing facilities, the Petitioner has reiterated its submissions made earlier and has also submitted that under the scheme, the ash extracted from ESP hoppers is collected in buffer hoppers and then transported to the silo with the help of transport air blowers and conveying system. It has stated that Units 3 & 4 have provision for only a wet de-ashing system, but not a dry ash disposal system, and this system will enable the collection of dry ash and improve the station dry ash utilization.

35. The matter has been examined. It is noticed that the Petitioner has claimed the expenditure towards the extraction of ash in dry form from Units 3 & 4 of the generating station. As regards the scope of works, existing facilities and their capacity, the requirement of items over and above the existing facilities, etc, the Petitioner has submitted that as on date, these units do not have a dry ash extraction system. However, the Petitioner has not furnished any details regarding the capacities of the existing facilities (wet ash extraction system), detailed scope of works envisaged during the period 2019-24, etc. In this context, it is noticed that the Petitioner in Petition No. 245/2009 had claimed an expenditure of Rs. 974.00 lakhs in 2011-12 for the said asset/



item and the scope of works include 2 nos. of silos each, having a storage capacity of 350 MT and 2 nos. of transport blowers each for the Units-3 and 4 and the Commission vide its order dated 30.7.2016 had allowed the same. Subsequently, the Petitioner in Petition No. 279/ GT/ 2014 had submitted that after completion of the tendering process, as the L1 party, i.e., M/s Techpro had problems with its bankers, the tender was cancelled and NIT was revised, as per which, the tender was to be awarded in February 2015 and scheduled to be completed within 37 months. The Petitioner had claimed the expenditure of Rs. 4100 lakh in 2016-19 (Rs. 1845 in 2016-17 for Dry Ash Evacuation System with Silo Unit-3, Rs. 1845 lakhs in 2017-18 for Dry Ash Evacuation System with Silo Unit-4, and Rs. 410 lakhs in 2018-19 for the balance works, including PG test) and has prayed for condonation of the delay. However, the Commission vide order dated 30.7.2016 noticed that the Petitioner had not carried out any financial due diligence prior to the award of the contract and that it had not substantiated the significant increase in the cost from Rs. 974 lakhs to Rs. 4100 lakhs. Accordingly, the Commission directed the Petitioner to furnish the details of the claim raised and the amount received towards the order cancellation at the time of the truing-up of the tariff. The relevant portion of the order is extracted under:

“26..... The Petitioner has submitted that the work got delayed due to re-tendering process. In response to query of the Commission regarding the details of the claims made and the amount received against cancellation of the contract for Dry ash evacuation system, the Petitioner has submitted vide rejoinder dated 21.6.2016 that it emerged during the process of award, that the L1 party was put on notice by the bankers and therefore the Petitioner did not proceed with the award of contract. It has submitted that due to financial crisis of the party and poor performance of M/s Techpro at various other projects, it was blacklisted and since the award was cancelled at very early stage, no amount was received against cancellation of the award process for Dry ash evacuation system.

27. We are not convinced with the submissions of the Petitioner. Though the expenditure to be incurred is in compliance with the guidelines of MOEF, GOI dated 3.11.2015, the delay in carrying the said work due to cancellation of tender cannot be brushed while considering the claim of the Petitioner, However no financial due diligence was conducted before awarding the contract to L1 party and the Petitioner has also not substantiated the significant increase in the expected expenditure as against the projected expenditure of `974.00 lakh approved vide order dated 23.5.2012. In our view the Petitioner ought to have accounted for the difference in scope of works carried out in 2002 for Units I & II and that projected for



units III & IV. Accordingly, we are in view to consider only the projected expenditure of `974.00 lakh in 2016-17 under Regulation 14(3)(ii) of the 2014 Tariff Regulations. Any increase in the actual expenditure claim shall be substantiated with proper justification at the time of truing up. Further the Petitioner is also directed to submit the details of the claim raised and the amount received towards the order cancellation of the contract/tender at the time of truing up.”

36. Though the Petitioner has claimed the additional capitalization for DAES, it has not furnished any details as sought in the order dated 30.7.2016. In addition, it is also noticed that the Petitioner has awarded the works to M/s BHEL in March, 2016. However, citing a change in IS for distribution transformers, difficulty in raising invoices on account of implementation of GST, space constraints in the erection of pipe bridge, re-engineering, Covid-19, etc., the Petitioner has submitted that the work is expected to be completed by December 2022 and has sought for condonation of delay. Considering the information available on record, it is noticed that neither the delay nor the multi-fold increase in cost appears to be sound, and the Petitioner has not substantiated these with any supporting documents. It is observed that though the asset/item has been claimed as a CIL event in terms of the MoEF&CC's notification 3.11.2009 and the Commission had granted its approval for the asset /item in May 2012, the same could not be completed by the Petitioner till December 2022. In our view, the delay in the execution of these works, is either attributable to Petitioner or the vendor, and the same cannot be passed on to the beneficiaries. Accordingly, we restrict the projected additional expenses to Rs. 974.00 lakh in 2022-23 for the said work and allow the same under Regulation 26(1)(b) of the 2019 Tariff Regulations. Any further increase in the actual expenditure may be substantiated with details like the tender document, scope of works, scheduled timelines, actual timelines, original estimated cost, year-wise financial and physical progress made, the total expenditure incurred, IDC, year-wise interest levied, penalty recovered from Techpro, BHEL, etc, along with the relevant documents including audited certificate at the time of truing-up of tariff.



37. Based on the above, the total projected additional capital expenditure claimed by the Petitioner and those allowed for the period 2019-24 is summarized below:

(Rs. in lakh)

Head of Work / Equipment		2019-20	2020-21	2021-22	2022-23	2023-24	Total
Drain Separation and Toe water Drain System	Claimed	500.00	810.00	0.00	0.00	0.00	1310.00
	Allowed	0.00	0.00	0.00	0.00	0.00	0.00
400 kV/ 132 KV Switchyard extension package	Claimed	2000.00	0.00	700.00	851.00	0.00	3551.00
	Allowed	2000.00	0.00	700.00	757.28	0.00	3457.28
Ash Dyke/ Ash Handling	Claimed	0.00	1346.00	0.00	0.00	0.00	1346.00
	Allowed	0.00	0.00	0.00	0.00	0.00	0.00
Dry Ash Extraction System Units-3 & 4	Claimed	0.00	1500.00	2383.00	0.00	0.00	3883.00
	Allowed	0.00	0.00	0.00	974.00	0.00	974.00
Net Additional Capital Expenditure (D=A-B+C)	Claimed	2500.00	3656.00	3083.00	851.00	0.00	10090.00
	Approved	2000.00	0.00	700.00	1731.28	0.00	4431.28

Emission Control System :

38. The petitioner submitted that it is in the process of installing the Emission Control System (ECS) in compliance with revised emission standards as notified by MoEF&CC, vide notification dated 7.12.2015 as amended, and a separate petition would be filed for the same. In this regard, it is noted that the petitioner has filed a petition no. 522/MP/2020 and the Commission, vide its order dated 31.10.2021, disposed of the subject petition. Accordingly, the claim of the petitioner is governed by the order dated 31.10.2021.

Capital cost allowed

39. Based on the above, the capital cost allowed for the period 2019-24 is as under:

(Rs. in lakh)

	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Capital Cost (A)	218345.35	220345.35	220345.35	221045.35	222776.63
Add: Admitted Additional capital expenditure (B)	2000.00	0.00	700.00	1731.28	0.00
Closing Capital Cost (C) = (A+B)	220345.35	220345.35	221045.35	222776.63	222776.63
Average Capital cost (D) = (A+C)/2	219345.35	220345.35	220695.35	221910.99	222776.63

Debt-Equity Ratio

40. Regulation 18 of the 2019 Tariff Regulations provides as follows:



“18. Debt-Equity Ratio: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:*
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

Explanation-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication, system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.”

41. The debt-equity ratio for the projected additional capital expenditure allowed has been considered as 70:30. Accordingly, debt-equity is worked out and allowed as under:

(Rs. in lakh)



Funding	Capital cost upto COD / 1.4.2019		Additional Capital Expenditure during 2019-20, 2020-21 and 2021-22		Capital cost as on 1.4.2022	
	Amount	(%)	Amount	(%)	Amount	(%)
Debt	112300.86	51.43%	1890.00	70.00%	114190.86	51.66%
Equity	106044.49	48.57%	810.00	30.00%	106854.49	48.34%
Total	218345.35	100.00%	2700.00	100.00%	221045.35	100.00%

(Rs. in lakh)

	Amount
Closing equity as on 31.3.2022* (a)	106854.49
Equity in excess of 30% (b)	40540.89
Equity admissible as on 1.4.2022** (a-b)	66313.61

* Represents 48.34% of capital cost of Rs. 221045.35 lakh as on 01.04.2022.

** Represents 30% of capital cost of Rs. 221045.35 lakh as on 01.04.2022.

(Rs. in lakh)

Funding	Capital cost as on 1.4.2022		Additional Capital Expenditure during 2022-23 and 2023-24		Capital cost as on 31.3.2024	
	Amount	(%)	Amount	(%)	Amount	(%)
Debt	114190.86	51.66%	1211.90	70.00%	115402.76	51.80%
Equity	106854.49**	48.34%	519.38	30.00%	107373.87****	48.20%
Total	221045.35	100.00%	1731.28	100.00%	222776.63	100.00%

** Equity to be serviced as on 1.4.2022 is Rs. 66313.61 lakh (Rs. 106854.49 lakh – Rs. 40540.89 lakh i.e. equity in excess of 30%) **** Equity to be serviced as on 31.3.2024 is Rs. 66832.99 lakh (Rs. 107373.87 lakh – Rs. 40540.89 lakh i.e. equity in excess of 30%)

42. As the generating station has completed its useful life as on 1.4.2022, in accordance with the first proviso to Regulation 18(3) of 2019 Tariff Regulations, the equity component in excess of 30% of the capital cost has not been considered for the purpose of tariff. The Petitioner, in Form-1(II A), has also claimed the Return on Equity (ROE) after reducing the equity of Rs.40540.89 lakhs from the gross equity of Rs. 110188.53 lakhs, as on 1.4.2022. Accordingly, in terms of the first proviso to Regulation 18(3) of the 2019 Tariff Regulations, equity to be considered for the purpose of tariff as on 1.4.2022 works out to Rs. 66313.61 lakhs, as indicated in the table above. However, this adjustment in equity for the purpose of ROE, will be reviewed at the time of truing up of tariff. The gross normative loan of Rs. 114190.86 lakhs and the net equity of Rs. 66313.61 lakhs have been considered for the purpose of tariff, as on 1.4.2022. Further, the admitted projected additional capital expenditure has been allocated in the debt: equity ratio of 70:30.



Return on Equity

43. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provide as follows:

“30. Return on Equity:

(1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system

Provided further that:

In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

In case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

in case of a thermal generating station, with effect from 1.4.2020:rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute; an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

“31. Tax on Return on Equity. (1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act



applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

Rate of return on equity = $15.50/(1-0.2155) = 19.758\%$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

Estimated Advance Tax for the year on above is Rs 240 crore;

Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;

Rate of return on equity = $15.50/(1-0.24) = 20.395\%$.

The generating company or the transmission licensee, as the case may be, shall true up the grossed-up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after trueing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis."

44. As stated above, equity from 2022-23 onwards has been restricted to 30% as per the first proviso to Regulation 18(3) of the 2019 Tariff Regulations. The additional capital expenditure, within the original scope of work, has been calculated as per the methodology provided in Regulation 30 and Regulation 31 of the 2019 Tariff Regulations. For the equity base, ROE has been calculated by grossing up of the ROE, during the period 2019-24. The Petitioner has claimed tariff considering the rate of ROE as 18.782%, i.e., base rate of 15.50% and MAT rate of 17.472% (i.e., MAT rate of 15% + Surcharge of 12% + HEC of 4%) for the period 2019-24. Accordingly, ROE has been worked out based on the projected additional capital expenditure and is allowed as under:

(Rs. in lakh)



		2019-20	2020-21	2021-22	2022-23	2023-24
Normative Equity - Opening	A	106044.49	106644.49	106644.49	106854.49	107373.87
Adjustment in Equity in terms of 1st proviso to Regulation 18 (3)	B	0.00	0.00	0.00	40540.89	40540.89
Net Gross Equity	C=A-B	106044.49	106644.49	106644.49	66313.61	66832.99
Addition of Equity due to additional capital expenditure	D	600.00	0.00	210.00	519.38	0.00
Normative Equity-Closing	E=C+D	106644.49	106644.49	106854.49	66832.99	66832.99
Average Normative Equity	F=Average (C, E)	106344.49	106644.49	106749.49	66573.30	66832.99
Return on Equity (Base Rate)	G	15.500%	15.500%	15.500%	15.500%	15.500%
Tax Rate for the year	H	17.472%	17.472%	17.472%	17.472%	17.472%
Rate of Return on Equity (Pre-Tax)	I=G/(1-H)	18.782%	18.782%	18.782%	18.782%	18.782%
Return on Equity (Pre-Tax) (annualized)	J=F*I	19973.62	20029.97	20049.69	12503.80	12552.57

Interest on Loan

45. Regulation 32 of the 2019 Tariff Regulations provides as follows:

“32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.

The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.

Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.



The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.”

46. Interest on the loan has been computed as under:

- (i) The gross normative loan amounting to Rs. 112,300.86 lakh as on 31.3.2019, as considered in the order dated 19/05/2024 in Petition No. 294/GT/2020 has been considered as on 1.4.2019;
- (ii) Cumulative repayment amounting to Rs.112,300.86 lakh as on 31.3.2019, as considered in the order dated 19/05/2024 in Petition No. 294/GT/2020 has been considered as on 1.4.2019;
- (iii) Accordingly, the net normative opening loan as on 1.4.2019 is ‘nil’;
- (iv) Addition to normative loan on account of the admitted additional capital expenditure has been considered;
- (v) Depreciation allowed has been considered as repayment of the normative loan during the respective years of the period 2019-24.

47. Interest on loan has been worked out as follows:

		<i>(Rs. in lakh)</i>				
		2019-20	2020-21	2021-22	2022-23	2023-24
Gross opening loan	A	112300.86	113700.86	113700.86	114190.86	115402.76
Cumulative repayment of loan upto previous year	B	112300.86	113700.86	113700.86	114190.86	114379.13
Net Loan Opening	C=A-B	0.00	0.00	0.00	0.00	1023.63
Addition due to additional capital expenditure	D	1400.00	0.00	490.00	1211.90	0.00
Repayment of loan during the year	E	1400.00	0.00	490.00	188.27	233.97
Less: Repayment adjustment on account of de-capitalization	F	0.00	0.00	0.00	0.00	0.00
Net Repayment of loan during the year	G=E-F+F1	1400.00	0.00	490.00	188.27	233.97
Net Loan Closing	H=C+D-G	0.00	0.00	0.00	1023.63	789.66
Average Loan	I=Average (C, H)	0.00	0.00	0.00	511.82	906.64
Weighted Average Rate of Interest of loan	J	8.3861%	8.3878%	8.3907%	8.3934%	8.3971%
Interest on Loan	K=I*J	0.00	0.00	0.00	42.96	76.13

Depreciation

48. Regulation 33 of the 2019 Tariff Regulations provides as follows:

“33. Depreciation: (1) Depreciation shall be computed from the date of commercial



operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.

The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by



taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.”

49. Since the generating station completed its useful life of 25 years in 2021-22, depreciation on existing assets is allowed during 2019-20, 2020-21, and 2021-22 on a spreading basis, considering the capital cost of Rs. 218345.35 lakh as of 1.4.2019 and the cumulative depreciation recovered up to 31.3.2019 of Rs. 174292.97 lakh, as per the Commission order dated 19.5.2024 in Petition No. 294/GT/2020. It is noted that during the fag end and upon completion of its useful life, the petitioner has claimed additional capital expenditure, which has been allowed on a projection basis in earlier paragraphs. However, for this additional capital expenditure, the petitioner has not indicated the period for which the life of the generating station would be extended beyond its useful life. In the absence of this information, the depreciation for new assets has been computed considering the weighted average rate of depreciation (WAROD) of 5.28%, and the same is subject to true-up. Accordingly, depreciation allowed for the generating station is as under:

(A) For Existing assets

(Rs. in lakh)

	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Capital Cost	218345.35	218345.35	218345.35	218345.35	218345.35
Add: Projected Additional capital expenditure	0.00	0.00	0.00	0.00	0.00
Closing Capital Cost	218345.35	218345.35	218345.35	218345.35	218345.35
Average Capital Cost (A)	218345.35	218345.35	218345.35	218345.35	218345.35
Value of Freehold Land included in Avg capital cost	4824.40	4824.40	4824.40	4824.40	4824.40
Depreciable Value	192168.86	192168.86	192168.86	192168.86	192168.86
Cumulative Depreciation at the beginning	174292.97	181303.12	188313.27	192168.86	192168.86
Dep adjustment on a/c of decapitalization	0.00	0.00	0.00	0.00	0.00
Net Cumulative Depreciation after adjustment for de-capitalization	0.00	0.00	0.00	0.00	0.00
Remaining Depreciation Value	17875.88	10865.73	3855.58	0.00	0.00
Balance useful life of the asset	2.55	1.55	0.55	0.00	0.00
Depreciation	7010.15	7010.15	3855.58	0.00	0.00

(B) For New Assets

(Rs. in lakh)



	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Capital Cost	0.00	2000.00	2000.00	2700.00	4431.28
Add: Projected Additional capital expenditure	2000.00	0.00	700.00	1731.28	0.00
Closing Capital Cost	2000.00	2000.00	2700.00	4431.28	4431.28
Average Capital Cost (A)	1000.00	2000.00	2350.00	3565.64	4431.28
Value of freehold land included in average capital cost (B)	0.00	0.00	0.00	0.00	0.00
Value of software and IT equipment included in average capital cost (C)	0.00	0.00	0.00	0.00	0.00
Aggregated Depreciable Value (D)= (A-B-C) *90%+ (C)	900.00	1800.00	2115.00	3209.08	3988.15
Remaining aggregate depreciable value at the beginning of the year (E) = (D) - (M)	900.00	1752.48	1974.95	2964.75	3587.29
Weighted Average Rate of Depreciation (WAROD) (F)	5.28%	5.28%	5.28%	5.28%	5.28%
Combined Depreciation during the year/ period (G) = (A) * (F)	52.80	105.60	124.08	188.27	233.97
Cumulative depreciation at the end of the year	52.80	158.40	282.48	470.75	704.72

50. Further, it is noted that the Petitioner vide affidavit dated 14.3.2024 has claimed unrecovered depreciation for an amount of Rs. 2391.64 lakh till 31.3.2014 on account of availability lower than NAPAF in terms of the APTEL judgment dated 13.6.2007 in Appeal Nos. 139 /2006 & batch. We have considered the submissions of the Petitioner, and the same will be dealt with at the time of truing up of tariff in accordance with the APTEL judgment dated 13.6.2007.

O&M Expenses

51. Regulation 35(1)(1) of the 2019 Tariff Regulations provides as follows:

“(35)(1) Thermal Generating Station: Normative Operation and Maintenance expenses of thermal generating stations shall be as follows:

(1) Coal based and lignite fired (including those based on Circulating Fluidised Bed Combustion (CFBC) technology) generating stations, other than the generating stations or units referred to in clauses (2), (4) and (5) of this Regulation:



(Rs in lakh/MW)

Year	200/210/ 250 MW Series	300/ 330/ 350 MW Series	500 MW Series	600 MW Series	800 MW Series and above
FY 2019-20	32.96	27.74	22.51	20.26	18.23
FY 2020-21	34.12	28.71	23.30	20.97	18.87
FY 2021-22	35.31	29.72	24.12	21.71	19.54
FY 2022-23	36.56	30.76	24.97	22.47	20.22
FY 2023-24	37.84	31.84	25.84	23.26	20.93

Provided that where the date of commercial operation of any additional unit(s) of a generating station after first four units occurs on or after 1.4.2019, the O&M expenses of such additional unit(s) shall be admissible at 90% of the operation and maintenance expenses as specified above;

xxx

Provided also that operation and maintenance expenses of generating station having unit size of less than 200 MW not covered above shall be determined on case to case basis.

52. The Petitioner has claimed the normative O&M expenses in Form 3A as under:

(Rs. in lakh)

2019-20	2020-21	2021-22	2022-23	2023-24
27686.40	28660.80	29660.40	30710.40	31785.60

53. Since the normative O&M expenses claimed by the Petitioner are in terms of Regulation 35(1)(1) of the 2019 Tariff Regulations, the same is allowed for the period 2019-24.

Water Charges

54. The first proviso to Regulation 35(1)(6) of the 2019 Tariff Regulations provides as under:

“(6) The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Provided that water charges shall be allowed based on water consumption depending upon type of plant and type of cooling water system, subject to prudence check. The details regarding the same shall be furnished along with the petition;

xxxxx.”

55. The Petitioner has submitted that presently, water charges are not being billed by the concerned authority for consumptive water, and hence, the same has not been



claimed. It has, however, submitted that as and when the same is billed by the authority and paid by the Petitioner, it shall approach the Commission claiming the said charges. In view of this, we grant the liberty to the Petitioner to approach the Commission claiming the water charges as and when billed by the concerned authority and paid by the Petitioner.

Security Charges

56. The second proviso to Regulation 35(1)(6) of the 2019 Tariff Regulations provides as under:

“(6) The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Xxxx

Provided further that the generating station shall submit the assessment of the security requirement and estimated expenses;

57. The Petitioner has claimed total security expenses of Rs. 7999.56 lakhs (i.e. Rs. 1310.26 lakhs in 2019-20, Rs. 1441.28 lakhs in 2020-21, Rs. 1585.41 lakhs in 2021-22, Rs. 1743.95 lakhs in 2022-23 and Rs. 1918.35 lakhs in 2023-24), in terms of the second proviso to Regulation 35(1)(6) of the 2019 Tariff Regulations. The Respondents TANGEDCO, TPDDL, GRIDCO, and BSPCL have submitted that in terms of the said Regulations, the Petitioner is required to furnish the assessment of the security requirement and estimated expenses, which the Petitioner has not done. In response, the Petitioner has clarified that based on its assessment, the projected expenses have been claimed, and since the plant is located in a remote area, it is prone to potential risk. It has stated that the assessment is based on the recommendations of the Central/State Government. In addition, the Petitioner, vide affidavit dated 23.6.2021, has submitted that the actual security expenses incurred for Kahalgaon STPS during the years 2019-20 and 2020-21, are Rs 3864.00 lakh and Rs 4060.97 lakh, respectively,



and the share for this generating station works out to Rs 1387.08 lakh in 2019-20 and Rs 1457.79 lakh in 2020-21, on a pro-rata basis of the installed capacity.

58. The submissions have been considered. It is observed that the Petitioner had earlier claimed security expenses on a projection basis, based on the actual expenses incurred in 2018-19, with an annual escalation of around 10%. Subsequently, the Petitioner, vide affidavit dated 23.6.2021, has submitted that the actual security expenses (apportioned on the basis of installed capacity) incurred for the generating station as Rs 1387.08 lakh in 2019-20 and Rs 1457.79 lakh in 2020-21. In view of this, the actual security expenses claimed up to the period 2019-21 and the projected security expenses for the period 2021-24 are allowed on a provisional basis. The Petitioner is directed to submit the auditor-certified actual bills matching with the books of accounts, the assessment for the security requirement, the number of personnel, pay level, year-wise segregated expenses associated with CISF and non-CISF, year-wise segregated expenses pertaining to plant and other than plant, etc, and other relevant information in terms of the proviso to the said regulations, at the time of truing up of tariff. Accordingly, the security expenses allowed for the generating station are as under:

	<i>(Rs.in lakh)</i>				
	2019-20	2020-21	2021-22	2022-23	2023-24
Security expenses claimed	1387.08	1457.79	1585.41	1743.95	1918.35
Security expenses allowed	1387.08	1457.79	1585.41	1743.95	1918.35

Capital Spares

59. As regards the capital spares consumed, the Petitioner has submitted that the same shall be claimed at the time of truing up of tariff in terms of the last proviso to Regulation 35(6) of the 2019 Tariff Regulations, based on actual consumption of capital spares during the period 2019-24. In response to a direction to furnish the details of capital spares consumed as on 31.3.2022, the Petitioner has submitted an amount of



Rs. 158.49 lakh in 2019-20 and Rs. 57.18 lakhs in 2020-21 has been incurred towards capital spares, and the details of consumption from 1.4.2019 to 31.3.2022 will be submitted at the time of truing up of tariff. In view of this, the Petitioner is permitted to claim the actual capital spares consumed at the time of the truing-up of tariff, along with a list of items, quantity, each item wise specific justification, relevant documents, and also to submit an undertaking that the items claimed do not form part of the O & M expenses, additional capitalization, compensation allowance, and special allowance.

Fly Ash Transportation charges

60. The Petitioner has submitted that the Commission vide its order dated 5.11.2018 in Petition No. 172/MP/2016 held that the MoEF&CC notification 25.1.2016 is a change in law event and directed the Petitioner to claim the same at the time of truing-up of tariff for the period 2014-19 as additional O & M expenses, subject to submission of the award of contract through competitive bidding, schedule of rates of the respective State Government etc, The Petitioner has submitted that as these expenses are recurring in nature, recovering the same in the truing-up exercise may increase the liability on the beneficiaries towards interest. Accordingly, the Petitioner has prayed that the ash transportation charges, after adjusting revenue earned, may be allowed at the end of each quarter, subject to truing-up exercise. However, in the main petition, the Petitioner has not claimed any Ash transportation charges and submitted that the same will be claimed at the truing-up of tariff. Thereafter, the Petitioner vide dated 14.5.2021 has submitted the actual ash transportation charges incurred during 2019-20 and 2020-21 and has prayed to permit the recovery of these expenses provisionally on a monthly basis, on self-certification. The Petitioner has also pointed out that the Commission vide its order dated 22.3.2021 in Petition No. 405/MP/2019 (GMRKEL & anr -v- DHBVNL & ors) had allowed the monthly recovery of the ash transportation charges with annual



reconciliation. Accordingly, the details of the ash transportation expenses claimed during 2019-21 are as under:

(Rs. in crore)

Year	Ash Fund Opening balance	Sale of Ash	Ash Transportation expenses	Ash transportation charges to be recovered
2019-20	12.81	5.64	12.04	0.00
2020-21	6.41	6.90	53.89	40.58

61. The Respondents, TANGEDCO and BSPHCL, submitted that in terms of the order dated 05.11.2018, the Petitioner should furnish bidding details, auditor-certified actual expenditure incurred after 25.01.2016, revenue generated, etc.,

62. The Petitioner clarified that MoEF&CC has on 31.12.2021, mandated that the Petitioner shall incur additional transportation charges to deliver fly ash to roads, flyover embankments, dams, etc. Accordingly, ash generation, utilization, and projected expenses from 1.1.2022 to 31.3.2024 is as follows:

Year	Generation (LMT)	Road (LMT)	Product manufacturing (LMT)	Low lying area (LMT)	Mine void (LMT)	Total utilization (LMT)	Cost (Rs. lakh)
Jan, 2022 to Mar, 2022	3.3	3.3	0.25	0	0	3.55	3003
2022 – 23	17.16	16.20	0.20	0.20	0.9	17.50	13600
2023 - 24	17.42	18.85	0.20	0.10	0.9	20.05	15850

63. In response to the specific queries of the Commission regarding the envisaged electricity generation, ash production, and utilization of ash within the plant and outside the plant, the Petitioner submitted that out of the total ash, approximately 3500 MT is utilized inside the plant (brick manufacturing plant), annual utilization in nearby brick, block and tile manufacturing plants as 1 LMT and the details of envisaged electricity generation and ash production are as follows :

	2019-20	2020-21	2021-22	2022-23	2023-24
Generation (MUs)	6011	5001	5860	5960	6050
Ash Generated (LMT)	17.96	15.36	16.24	17.16	17.42

64. It is pertinent to mention that in Petition No.205/MP/2021, filed by the Petitioner seeking the reimbursement of the fly ash transportation charges for its various



generating stations for the period 2019-24, the Commission, vide its order dated 28.10.2022, observed as follows and disposed of the petition:

“39. Petitioner has furnished the details of the distance to which fly ash has been transported from the generating station, schedule rates applicable for transportation of fly ash, as notified by the State Governments along with details, including Auditor certified accounts. These documents have been examined and accordingly, the total fly ash transportation expenditure allowed to the Petitioner generating station wise for the period 2019-22 is as per the table in para 38 above totalling to Rs.309704.03 lakh and the same shall be recovered from the beneficiaries of the respective generating stations in 6 (six) equal monthly instalments. However, the Petitioner is directed to submit details regarding award of transportation contracts, distance to which fly ash has been transported along with duly reconciled statements of expenditure incurred on ash transportation at the time of filing petitions for truing up of tariff for the 2019-24 tariff period of the generating stations.

xxx

43. In the light of the above discussion and keeping in view that the Petitioner is entitled for recovery of fly ash transportation charges, under change in law, as additional O&M expenses, we permit the provisional billing at 90% of the fly ash transportation charges incurred by the Petitioner, in respect of its generating stations, for the balance period (i.e. 2022-24), on a monthly basis, based on self -certification, and the beneficiaries shall pay the same accordingly. This is, however, subject to prudence check of the claims, at the time of truing-up of tariff for the period 2019-24, in respect of the generating stations of the Petitioner, in terms of Regulation 13 of the 2019 Tariff Regulations.”

65. Accordingly, the reimbursement of the fly ash transportation charges of the Petitioner for the period 2019-24 shall be governed by the decision of the Commission in the said order.

Special Allowance

66. Regulation 28 of the 2019 Tariff Regulations provides as follows:

*“28. Special Allowance for Coal-based/Lignite fired Thermal Generating station
(1) In case of coal-based/lignite fired thermal generating stations, the generating company, instead of availing renovation and modernization (R&M) may opt to avail a ‘special allowance’ in accordance with the norms specified in this Regulation, as compensation for meeting the requirement of expenses including renovation and modernisation beyond the useful life of the generating station or a unit thereof and in such an event, upward revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the Special Allowance shall be included in the annual fixed cost:*

Provided that such option shall not be available for a generating station or unit thereof for which renovation and modernization has been undertaken and the expenditure has been admitted by the Commission before commencement of these regulations, or for a generating station or unit which is in a depleted condition or operating under relaxed operational and performance norms;



Provided further that special allowance shall also be available for a generating station which has availed the Special Allowance during the tariff period 2009-14 or 2014-19 as applicable from the date of completion of the useful life.

(2) The Special Allowance admissible to a generating station shall be @ Rs 9.5 lakh per MW per year for the tariff period 2019-24.

(3) In the event of a generating station availing Special Allowance, the expenditure incurred upon or utilized from Special Allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission as and when directed.

(4) The Special Allowance allowed under this Regulation shall be transferred to a separate fund for utilization towards Renovation & Modernisation activities, for which detailed methodology shall be issued separately.”

67. In terms of Regulation 28 of the 2019 Tariff Regulations, the special allowance claimed by the Petitioner is as under:

(Rs. in lakh)

2019-20	2020-21	2021-22	2022-23	2023-24
497.38	4311.60	7313.18	7980.00	7980.00

68. In a specific query of the Commission, the petitioner submitted that as of March 2022, various items/works have been identified for R&M, and the envisaged expenditure towards these works is around 167.33 crore, and the same is to be met out of special allowance. Further, R & M shall be undertaken as and when required during the remaining period to ensure the reliable operation of the plant. In terms of Regulation 28(2) of the 2019 Tariff Regulations, Special allowance for the generating station has been worked out and allowed as under:

(Rs. in lakh)

Unit No.	Capacity (MW)	Date of COD	Year of completion of the useful life of 25 yrs.	Special Allowance				
				2019-20	2020-21	2021-22	2022-23	2023-24
1	210	1-Jan-95	2019-20	0.00	1995.00	1995.00	1995.00	1995.00
2	210	1-Apr-95	2020-21	0.00	1995.00	1995.00	1995.00	1995.00
3	210	1-Feb-96	2020-21	0.00	0.00	1995.00	1995.00	1995.00
4	210	1-Aug-96	2021-22	0.00	0.00	0.00	1995.00	1995.00
Year wise total for the generating station				0.00	3990.00	5985.00	7980.00	7980.00

Operational Norms



69. The operational norms claimed by the Petitioner in Form-3 of the petition are as follows:

	2019-20	2020-21	2021-22	2022-23	2023-24
Normative Annual Plant Availability Factor (NAPAF) %	85.00	85.00	85.00	85.00	85.00
Gross Station Heat Rate (kcal/kwh)	2430.00	2430.00	2430.00	2430.00	2430.00
Auxiliary Power Consumption %	9.00	9.00	9.00	9.00	9.00
Specific Oil Consumption (ml/kwh)	0.50	0.50	0.50	0.50	0.50

(a) Normative Annual Plant Availability Factor

70. Regulation 49 of the 2019 Tariff Regulations provides as follows:

- (A) Normative Annual Plant Availability Factor (NAPAF)
- (a) For all thermal generating stations, except those covered under clauses (b), (c), (d), & (e) - 85%.

71. The Petitioner has considered NAPAF of 85% in terms of Regulation 49(A)(a) of 2019 Tariff Regulations and hence, the same is allowed.

(b) Station Heat Rate

72. Regulation 49(C)(a)(i) of the 2019 Tariff Regulations provides as follows:

“(C) Gross Station Heat Rate: (a) Existing Thermal Generating Stations (i) For existing Coal-based Thermal Generating Stations, other than those covered under clauses (ii) and (iii) below:

200/210/250 MW Sets	500 MW Sets (Sub-critical)
2,430kCal/kWh	2,390kCal/kWh

73. The Petitioner has considered the Gross Station Heat Rate of 2430.00 kCal / kWh to be in terms of Regulation 49(C)(a)(i) of the 2019 Tariff Regulations, and hence, the same is allowed.

(c) Auxiliary Power Consumption:



74. Regulation 49(E)(a)(ii) of the 2019 Tariff Regulations provides for Auxiliary Power Consumption as follows:

“49(E) Auxiliary Energy Consumption

(a) Coal-based generating stations except at (b) below:

	<i>With Natural Draft cooling tower or without cooling tower</i>
<i>(i) 200 MW series</i>	<i>8.5%</i>
<i>(ii) 300 MW and above</i>	
<i>Steam driven boiler feed pumps</i>	<i>5.75%</i>
<i>Electrically driven boiler feed pumps</i>	<i>8.0%</i>

Provided that for thermal generating stations with induced draft cooling towers and where tube type coal mill is used, the norms shall be further increased by 0.5% and 0.8% respectively:

75. The Petitioner has claimed the Auxiliary Power Consumption (APC) of 9.00%. As the units have induced draft cooling towers, the claim of APC for 9.00% is in terms of the above regulation and hence allowed.

(d) Specific Oil Consumption

76. Regulation 49(D)(a) of 2019 Tariff Regulations provides for the Secondary fuel oil consumption of 0.50 ml/kWh for coal-based generating stations. The Petitioner has claimed secondary oil as 0.5 ml / kWh, and the same is allowed in terms of the said regulations.

77. Based on the above, the operational norms considered for the determination of energy charges for the generating station for the period 2019-24 are as under:

	2019-24
Normative Annual Plant Availability Factor (NAPAF) (%)	85
Heat Rate (kCal/kWh)	2430.00
Auxiliary Power Consumption (%)	9.00
Specific Oil Consumption (ml/kWh)	0.50

Interest on Working Capital

78. Regulation 34 of the 2019 Tariff Regulation provides as follows:

“34. Interest on Working Capital: (1) The working capital shall cover:

(a) For Coal-based/lignite-fired thermal generating stations:



(i) Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal/lignite stock storage capacity whichever is lower;

(ii) Advance payment for 30 days towards cost of coal or lignite and limestone for generation corresponding to the normative annual plant availability factor;

(iii) Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

(iv) Maintenance spares @ 20% of operation and maintenance expenses including water charges and security expenses;

(v) Receivables equivalent to 45 days of capacity charge and energy charge for sale of electricity calculated on the normative annual plant availability factor; and

(vi) Operation and maintenance expenses, including water charges and security expenses, for one month.

(b) Xxx
xxx”

(2) The cost of fuel in cases covered under sub-clauses (a) and (b) of clause (1) of this Regulation shall be based on the landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) by the generating station and gross calorific value of the fuel as per actual weighted average for the third quarter of preceding financial year in case of each financial year for which tariff is to be determined:

Provided that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined.

(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.”

79. Regulation 3(7) of the 2019 Tariff Regulations defines Bank Rate as under:

“In these regulations, unless the context otherwise requires: - Bank Rate’ means the one-year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

Fuel Cost for computation of working capital



80. Regulation 34(2) of the 2019 Tariff Regulations provides that the computation of the cost of fuel as part of Interest on Working Capital (IWC) is based on the landed price and GCV of fuel of the third quarter of the preceding financial year. Regulations 3(31), 3(41), and 38 of the 2019 Tariff Regulations provide as under:

“3(31) ‘GCV as Received’ means the GCV of coal as measured at the unloading point of the thermal generating station through collection, preparation and testing of samples from the loaded wagons, trucks, ropeways, Merry-Go-Round (MGR), belt conveyors and ships in accordance with the IS 436 (Part-1/ Section 1)- 1964:

Provided that the measurement of coal shall be carried out through sampling by third party to be appointed by the generating companies in accordance with the guidelines, if any, issued by Central Government:

Provided further that samples of coal shall be collected either manually or through hydraulic augur or through any other method considered suitable keeping in view the safety of personnel and equipment:

Provided also that the generating companies may adopt any advance technology for collection, preparation and testing of samples for measurement of GCV in a fair and transparent manner;

3(41) ‘Landed Fuel Cost’ means the total cost of coal (including biomass in case of co-firing), lignite or the gas delivered at the unloading point of the generating station and shall include the base price or input price, washery charges wherever applicable, transportation cost (overseas or inland or both) and handling cost, charges for third party sampling and applicable statutory charges;

38. Landed Fuel Cost of Primary Fuel: The landed fuel cost of primary fuel for any month shall consist of base price or input price of fuel corresponding to the grade and quality of fuel and shall be inclusive of statutory charges as applicable, washery charges, transportation cost by rail or road or any other means and loading, unloading and handling charges:

Provided that procurement of fuel at a price other than Government notified prices may be considered, if it is based on competitive bidding through transparent process;

Provided further that landed fuel cost of primary fuel shall be worked out based on the actual bill paid by the generating company including any adjustment on account of quantity and quality;

Provided also that in case of coal-fired or lignite based thermal generating station, the Gross Calorific Value shall be measured by third party sampling and the expenses towards the third-party sampling facility shall be reimbursed by the beneficiaries

81. Regulation 43 of the 2019 Tariff Regulations provides as under:

43. Computation and Payment of Energy Charge for Thermal Generating Stations

(1) The energy charge shall cover the primary and secondary fuel cost and limestone consumption cost (where applicable), and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month (with fuel and limestone price adjustment).

Total Energy charge payable to the generating company for a month shall be:

Energy Charges = (Energy charge rate in Rs./kWh) x {Scheduled energy (exbus) for the month in kWh}



(2) Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:

(a) For coal based and lignite fired stations:

$ECR = \{(SHR - SFC \times CVSF) \times LPPF / (CVPF + SFC \times LPSFi + LC \times LPL)\} \times 100 / (100 - AUX)$ (b) For gas and liquid fuel-based stations: $ECR = SHR \times LPPF \times 100 / \{(CVPF) \times (100 - AUX)\}$

Where,

AUX = Normative auxiliary energy consumption in percentage.

CVPF = (a) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal-based stations less 85 Kcal/Kg on account of variation during storage at generating station;

(b) Weighted Average Gross calorific value of primary fuel as received, in kCal per kg, per litre or per standard cubic meter, as applicable for lignite, gas and liquid fuel-based stations;

(c) In case of blending of fuel from different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio:

CVSF = Calorific value of secondary fuel, in kCal per ml;

ECR = Energy charge rate, in Rupees per kWh sent out;

SHR = Gross station heat rate, in kCal per kWh;

LC = Normative limestone consumption in kg per kWh;

LPL = Weighted average landed cost of limestone in Rupees per kg;

LPPF = Weighted average landed fuel cost of primary fuel, in Rupees per kg, per litre or per standard cubic metre, as applicable, during the month. (In case of blending of fuel from different sources, the weighted average landed fuel cost of primary fuel shall be arrived in proportion to blending ratio);

SFC = Normative Specific fuel oil consumption, in ml per kWh;

LPSFi = Weighted Average Landed Fuel Cost of Secondary Fuel in Rs./ml during the month:

Provided that energy charge rate for a gas or liquid fuel based station shall be adjusted for open cycle operation based on certification of Member Secretary of respective Regional Power Committee during the month.

(3) In case of part or full use of alternative source of fuel supply by coal based thermal generating stations other than as agreed by the generating company and beneficiaries in their power purchase agreement for supply of contracted power on account of shortage of fuel or optimisation of economical operation through blending, the use of alternative source of fuel supply shall be permitted to generating station:

Provided that in such case, prior permission from beneficiaries shall not be a precondition, unless otherwise agreed specifically in the power purchase agreement: Provided further that the weighted average price of alternative source of fuel shall not exceed 30% of base price of fuel computed as per clause (5) of this Regulation: Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and, in that event, prior consultation with beneficiary shall be made at least three days in advance.

(4) Where biomass fuel is used for blending with coal, the landed cost of biomass fuel shall be worked out based on the delivered cost of biomass at the unloading point of the generating station, inclusive of taxes and duties as applicable. The energy charge rate of the blended fuel shall be worked out considering consumption of biomass based on blending ratio as specified by Authority or actual consumption of biomass, whichever is lower.

(5) The Commission through specific tariff orders to be issued for each generating station shall approve the energy charge rate at the start of the tariff period. The energy charge rate so approved shall be the base energy charge rate for the first year of the tariff period. The base energy charge rate for subsequent years shall be the energy charge computed after



escalating the base energy charge rate by escalation rates for payment purposes as notified by the Commission from time to time under competitive bidding guidelines.

(6) The tariff structure as provided in this Regulation 42 and Regulation 43 of these regulations may be adopted by the Department of Atomic Energy, Government of India for the nuclear generating stations by specifying annual fixed cost (AFC), normative annual plant availability factor (NAPAF), installed capacity (IC), normative auxiliary energy consumption (AUX) and energy charge rate (ECR) for such stations.

92. Regulation 39 of the 2019 Tariff Regulations provides as under:

“39. Transit and Handling Losses: For coal and lignite, the transit and handling losses shall be as per the following norms: -

Thermal Generating Station	Transit and Handling Loss (%)
Pit Head	0.2
Non-pithead	0.8

Provided that in case of pit-head stations, if coal or lignite is procured from sources other than the pit-head mines which is transported to the station through rail, transit and handling losses applicable for non-pit head station shall apply;

Provided further that in case of imported coal, the transit and handling losses applicable for pit-head station shall apply.”

82. The Petitioner, on the basis of the cost and GCV of coal and oil for the preceding three months, i.e., October 2018 to December 2018, has claimed the weighted average price of coal as Rs. 2671.95 / MT, weighted average ‘as received GCV’ of coal as 3229.33 kCal/kg (after adjusting 85 kcal and the same is 3144.33 kCal/kg), the weighted average price of oil as Rs. 39702.14 / kL and GCV of oil as 9873.33 kCal /L. The Petitioner has considered the ECR as Rs. 2.286 / kWh and has claimed the fuel component in working capital as under:

	(Rs. in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Cost of coal for 40 days	14125.15	14125.15	14125.15	14125.15	14125.15
Cost of Secondary fuel oil 2 months	207.50	206.94	206.94	206.94	207.50

83. The Respondent UPPCL has submitted that the Petitioner has included the opening stock in Form 15, and the same shall be excluded. It has also been submitted that the Petitioner has claimed the receipt of ‘Grade 14’ coal and, therefore, shall establish through the bills of the coal company that the billing was done for G-14 and



not otherwise. The Respondent has stated that the Petitioner has not furnished the details of the credit note on account of grade slippage, i.e., accrual basis or accounting basis, but has claimed that the adjustment of the credit note is made on an accrual basis and the information furnished does not match with this statement. Accordingly, the Respondent has submitted that the Petitioner shall furnish the credit note along with the outstanding recovery and adjustment since inception. The Respondent, BSPHCL, has submitted that the Petitioner may be directed to provide the auditor-certified information/bills as per Form 15, i.e., segregated details shall be submitted for MGR and railways, source-wise, GCV of opening stock as per bill of the coal company and as received at the station. The Respondent has also submitted that in terms of Regulation 38 of the 2019 Tariff Regulations, GCV shall be measured by third-party sampling, but the Petitioner has not submitted any such report. It has further stated that in terms of Regulation 40 of the 2019 Tariff Regulations, the Commission may direct the Petitioner to furnish the specific website link to access the copy of bills and parameters, such as the GCV of fuel, price of fuel etc., The Respondent GRIDCO has submitted that there is a large difference, i.e., 463 kCal / kg to 732 kCal/kg, between the GCV billed at the mine end and at the station end in 2020-21, and the same is contrary to the CEA's opinion and the Commission's order dated 30.7.2016 in Petition No. 279/GT/2014, which state that the despatch of GCV of coal by the coal suppliers should be approximately same as "as received GCV" of coal. It has also been submitted that there is no justification for the change in the heat content of the coal consignment from the mine end to the generating station end on the ground that the heat energy per kg of coal may vary from the mine end to the generating station end, due to addition/release of moisture, which would only increase/decrease the weight of the coal consignment, but the total heat content of the coal consignment from mine end to the generating station



end would remain unaffected; the Respondent has stated that coal may be subjected to higher moisture levels, due to addition of moisture externally, which leads to increase in ECR and burdening the consumers thereof, by allowing the “GCV on Total Moisture basis” at the generating station end, the Petitioner is able to factor the externalities such as ingress moisture, rain, dew, etc. during transit, in addition to the Total Moisture (Surface Moisture + Equilibrated Moisture), as received by them at the colliery end. Accordingly, the Respondent has stated that the Commission, in its order dated 3.3.2017 in Petition No. 280/GT/2014, had determined the “as received GCV” by subjecting the “billed GCV’ (equilibrated GCV) to total moisture correction and the same is as per the relevant Indian Standards. The Respondent has added that it has filed Appeal No. 238/2017 before APTEL, challenging the order dated 25.1.2016, praying to consider the “as received GCV” at the mine’s end for billing, and the same is pending.

84. The Petitioner has clarified that the information submitted as per regulations is based on third-party reports, and the same is certified by the auditor. It has also been submitted that since the GCV billed is at the mine end, carried out on an EM basis, and the GCV received at the Plant end is on a TM basis, these cannot be compared. The Petitioner has further submitted that in terms of regulations, the GCV ‘as received’ at the Plant end is considered for IWC, the accounting for grade slippage is done on an accrual basis, and the credit note is directly passed onto the beneficiaries.

85. In response to the directions of the Commission with regard to segregated GCV for MGR, railways, imported, normative, and actual EM and TM, details of penalty/ adjustment carried out, CIMFR reports, detailed computation sheet of GCV based on the CIMFR reports, auditor-certified credit note with regard to grade slippage and excess moisture, copy of all actual bills, head-wise break up of other charges claimed



along with actual bills, the Petitioner has furnished some information. The Petitioner has stated that the information furnished is as per Form 15, there is no normative TM and EM, penalty, if any, on account of grade slippage has already been adjusted in Form 15. Further, the credit/debit note for the excess moisture is yet to be reconciled, and the GCV as received is determined at the end of the month, based on the third-party reports available and in case of any delay in the receipt of the subject report, the values obtained through NTPC Chemistry lab has been considered. Petitioner further stated that the Form -15 is auditor-certified.

86. Considering the above, it is noticed that the Petitioner has claimed the month-wise landed cost and GCV 'as received' of coal during the months from October 2018 to December 2018 as under:

	October, 2018	November, 2018	December, 2018
GCV received (kCal/kg)	3287	3225	3176
Landed cost (Rs. / MT)	2661.06	2655.26	2695.59

87. It is also noticed that initially the Petitioner had furnished the details inclusive of opening stock. However, subsequently, the Petitioner has provided the opening stock and its value separately. With regard to the information furnished by Petitioner, the following is observed:

- a. The Petitioner has submitted that the credit notes on account of grade slippage, if any, are already included in the claim. However, the month-wise credit note received has not been provided. Further, form-15 consists of a specific head 'adjustment in the amount charged by the coal company,' but the same is shown as 'nil' for all three months.
- b. As regards the credit note with respect to the excess moisture, the Petitioner has submitted that the credit note on this account is yet to be reconciled with the Coal company. The Petitioner is directed to reconcile and submit the same along with supporting documents, including the month-wise reconciled excess moisture, the corresponding quantity of coal, credit note, etc., at the time of truing-up of tariff.



- c. As regards the computation of GCV based on CIMFR reports, the Petitioner has submitted that while preparing the original Form 15, the landed cost of coal is taken as the weighted average of all billed grades of coal companies from different mines, and the unloading end GCV is taken as per available CIMFR results till the end month. Generally, all CIMFR reports are not available for the whole month and therefore, the period for which results are not available, the GCV at unloading end is provisionally considered as per NTPC Chemistry lab. In such cases, the complete result of unloading end GCV by CIMFR for the whole month is received almost after a month's gap.
- d. It is noticed that the GCV claimed as received exactly matches the detailed computation sheet of the respective months, which includes reports of CIMFR as well as the NTPC laboratory. However, Regulation 3(31) provides for the determination of GCV as received, based on the third-party reports, but not on the Petitioner's laboratory results. Though the Petitioner has claimed that the complete report, based on CIMFR received after a month's gap and more than 5 years have elapsed from October 2018 – December 2018 till date, Form-15, particularly GCV on 'as received', credit note, the amount charged by coal company has not been revised. The Petitioner has also not provided any information regarding the values that were considered based on the CIMFR reports or the same were of NTPC Chemistry laboratory.
- e. The petitioner considered 152 samples, 190 samples, and 210 samples for October – 2018, November – 2018, and December – 2-018, respectively, in arriving at GCV as received, and GCV as received claimed is in the range of 2347 kCal / kg to 5447 kCal / kg.
- f. The information furnished in the CIMFR reports consists of sampling date, EM, TM, and GCV. Further, the detailed computation sheet specifies loading date, quantity, GCV, EM, TM, etc., However, GCV, as specified in the CIMFR reports, could not be traced in the detailed computation sheets. As such, owing to such differences between the CIMFR reports and detailed computation, the data could not be analyzed further.
- g. As regards the Petitioner's claim that the Form 15 submitted, including GCV 'as received' and the adjustment of credit notes, if any, in the amount charged by the coal company, were auditor-certified, it is noticed that as Form 15 is prepared provisionally, the GCV as received, credit note, the amount charged by coal company is not on a firm basis. Thus, the claim of the Petitioner that Form 15 is auditor-certified, is not relevant.
- h. With regard to the detailed breakup of the month-wise 'other charges', i.e., Rs. 392.78 lakhs, Rs. 377.61 lakhs, and Rs. 355.98 lakhs claimed in October 2018, November 2018, and December 2018, submitted along with copy of bills to substantiate such claim, the Petitioner has clubbed the three months expenditure and then segregated the same into different heads. Thus, the same could not be analyzed. The Petitioner is directed to submit the month-wise and head-wise expenses for the respective months incurred in each year during truing up.



- i. As regards the submission of all actual bills raised by the Coal company, credit/debit notes, and bills associated with other charges, the Petitioner has not furnished all bills but has submitted a few on a sample basis.
- j. Therefore, the Petitioner is directed to revise Form 15, based on the CIMFR reports (only) & weighted average GCV of coal received from each source and submit the same at the time of truing of tariff.

88. Considering the above, we observe that GCV on 'as received' credit note on account of grade slippage, the amount charged by the coal company provided in Form 15 is on a provisional basis, and the Petitioner is yet to reconcile the credit note on account of excess moisture. The information furnished by the Petitioner with regard to the 'other charges' is also not clear. Accordingly, on a provisional basis, we have not considered the lower values of GCV 'as received' 25 samples each month and other charges at this stage. In line with this, we have only considered the GCV 'as received' of coal other than the aforementioned 25 samples taken each month, landed cost of coal, GCV of oil, and landed cost of oil, exclusive of opening stock and after restricting the transit loss to normative values, is determined as under:

Description	Unit	2019-24
Weighted average GCV of oil	Kcal/lit	9874.40
Weighted average GCV of coal	Kcal/kg	3346.23
Weighted average price of oil	Rs/KL	39702.14
Weighted average price of Coal	Rs/kg	2636.28

89. The ex-bus ECR determined, after accounting for 85 kcal/kg margin, as Rs. 2.176 / kWh. Accordingly, the fuel components in working capital are allowed as under:

	(Rs. in Lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Cost of Coal for stock (10 days generation corresponding to NAPAF)	3359.25	3359.25	3359.25	3359.25	3359.25
Advance towards the cost of Coal for generation (30 days generation corresponding to NAPAF)	10077.76	10077.76	10077.76	10077.76	10077.76
Cost of Secondary fuel (2 Months generation corresponding to NAPAF)	207.50	206.94	206.94	206.94	207.50



Working capital for O&M expenses (1 month)

90. O&M expenses for 1 month claimed by the Petitioner for the purpose of working capital (including water charges and security expenses) are as follows:

(Rs. in lakh)

2019-20	2020-21	2021-22	2022-23	2023-24
2416.39	2508.51	2603.82	2704.53	2808.66

91. Regulation 34(1)(a)(vi) of the 2019 Tariff Regulations provides for O&M expenses, including water charges and security expenses for one month. Accordingly, the O&M expenses (1 month) component of working capital is allowed as follows:

(Rs. in lakh)

2019-20	2020-21	2021-22	2022-23	2023-24
2422.79	2509.88	2603.82	2704.53	2808.66

Working capital for Maintenance Spares

92. Regulation 34(1)(a)(iv) of the 2019 Tariff Regulations provides for Maintenance spares @ 20% of the O&M expenses including water charges and security expenses. Accordingly, maintenance spares have been allowed as under:

(Rs. in lakh)

2019-20	2020-21	2021-22	2022-23	2023-24
5814.70	6023.72	6249.16	6490.87	6740.79

Working capital for Receivables

93. Regulation 34(1)(a)(v) of the 2019 Tariff Regulations provides for Receivables for 45 days. Accordingly, after taking into account the mode of operation of the generating station on secondary fuel, the Receivable component of working capital is allowed as follows:

(Rs. in lakh)

	2019-20	2020-21	2021-22	2022-23	2023-24
Energy charge for 45 days corresponding to NAPAF (pit or non-pit) (A)	15269.41	15269.41	15269.41	15269.41	15269.41
Fixed charge for 45 days corresponding to NAPAF (pit or non-pit) (A)	7561.22	7685.97	7399.43	6144.16	6387.13
Total	22830.63	22955.38	22668.84	21413.57	21656.54



94. As per Regulation 34(2) of 2019 Tariff Regulations, the cost of coal shall be based on landed fuel cost, taking into account normative transit and handling losses in terms of Regulation 39 of the 2019 Tariff Regulations and gross calorific value of fuel as per actual weighted average for the third quarter of preceding financial year. Hence, the Petitioner is directed to furnish the details of the quantity of coal as per Regulation 34(2) of the 2019 Tariff Regulations at the time of truing up of tariff. The Petitioner is also directed to submit the details strictly as provided in the Forms / Annexures attached to the 2019 Tariff Regulations.

95. The Petitioner, on a month-to-month basis, shall compute and claim the energy charges from the beneficiaries based on the formulae given under Regulation 43 of the 2019 Tariff Regulations.

Rate of Interest on Working Capital

96. In line with Regulation 34(3) of the 2019 Tariff Regulations, the rate of interest on working capital is considered as 12.05% (i.e., 1 year SBI MCLR of 8.55% as on 1.4.2019 + 350 bps) for the year 2019-20, 11.25% (i.e. 1 year SBI MCLR of 7.75% as on 1.4.2020 + 350 bps) for the year 2020-21, 10.50% (i.e., 1 year SBI MCLR of 7.00% as on 1.4.2021 / 1.4.2022 + 350 bps) for the period 2021-23 and 12.00% (i.e., 1 year SBI MCLR of 8.50% as on 1.4.2023 + 350 bps) for the year 2023-24 and same is subject to true up.

Accordingly, Interest on working capital is allowed as under:

(Rs. in lakh)

	2019-20	2020-21	2021-22	2022-23	2023-24
Working Capital for Cost of Coal/Lignite for Stock (10 or 20 days generation corresponding to NAPAF) (pit or non-pit) (A)	3359.25	3359.25	3359.25	3359.25	3359.25
Working Capital for Cost of Coal/Lignite (30 days generation corresponding to NAPAF) (B)	10077.76	10077.76	10077.76	10077.76	10077.76



	2019-20	2020-21	2021-22	2022-23	2023-24
Working capital for Cost of Oil (2 Months generation corresponding to NAPAF) (C)	207.50	206.94	206.94	206.94	207.50
Working Capital for O&M expenses (1 month of O&M Expenses) (D)	2422.79	2509.88	2603.82	2704.53	2808.66
Working Capital for Maintenance Spares (20% of Annual O&M Expenses) (E)	5814.70	6023.72	6249.16	6490.87	6740.79
Working Capital for Receivables (45 Days of Sale of Electricity at NAPAF) (F)	22830.63	22955.38	22668.84	21413.57	21656.54
Total Working Capital (I) = (A+B+C+D+E+F)	44712.63	45132.92	45165.76	44252.91	44850.50
Rate of Interest (G)	12.05%	11.25%	10.50%	10.50%	12.00%
Total Interest on Working capital (H) = (I)*(G)	5387.87	5077.45	4742.40	4646.56	5382.06

Annual Fixed Charges approved for the period 2019-24

97. Accordingly, the annual fixed charges approved for the generating station for the period 2019-24 are summarised below:

	<i>(Rs. in lakh)</i>				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation (A)	7062.95	7115.75	3979.66	188.27	233.97
Interest on Loan (B)	0.00	0.00	0.00	42.96	76.13
Return on Equity (C)	19973.62	20029.97	20049.69	12503.80	12552.57
O&M Expenses (D)	29073.48	30118.59	31245.81	32454.35	33703.95
Interest on Working Capital (E)	5387.87	5077.45	4742.40	4646.56	5382.06
Special Allowance (F)	0.00	3990.00	5985.00	7980.00	7980.00
Total AFC (F) = (A+B+C+D+E+F)	61497.92	66331.76	66002.57	57815.93	59928.68

Filing fees and Publication charges

98. The Petitioner has sought the reimbursement of the fees paid by it for filing of the tariff petition and for publication expenses and has submitted that the reimbursement of the same is in accordance with Regulation 70(1) of the 2019 Tariff Regulations. In accordance with Regulation 70(1) of the 2019 Tariff Regulations, the Petitioner shall be entitled to reimbursement of the filing fees and publication expenses in connection with the filing of this petition directly from the beneficiaries, on a pro-rata basis, in accordance with Regulation 70(1) of the 2019 Tariff Regulations.



99. Similarly, RLDC Fees & Charges paid by the Petitioner in terms of the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Dispatch Centre and other related matters) Regulations, 2019, shall be recovered from the beneficiaries. In addition, the Petitioner is entitled to recovery of statutory taxes, levies, duties, cess, etc., levied by the statutory authorities in accordance with the 2019 Tariff Regulations.

100. The annual fixed charges approved as above, is subject to truing-up in terms of Regulation 13 of the 2019 Tariff Regulations.

101. Petition No. 440/GT/2020 is disposed of in terms of the above.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V)
Member

Sd/-
(Jishnu Barua)
Chairperson

