CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 111/GT/2026

Coram:

Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Date of Order: 12th October, 2026

In the matter of:

Petition for determination of tariff of Buxar Thermal Power Project (1320 MW) of SJVN Thermal Private Limited from the date of COD of Unit-I (i.e., 14.11.2025) till 31.3.2029.

And

In the matter of:

SJVN Thermal Private Limited,
Buxar Thermal Power Project, Mohanpurwa,
Akhauripur, Chausa, Distt. Buxar, Bihar - 802114 **……Petitioner**

Vs.

1. Bihar State Power Holding Company Limited
2. North Bihar Power Distribution Company Limited
3. South Bihar Power Distribution Company Limited
   Vidyut Bhawan, Bailey Road, Patna – 800001 **...Respondents**

Parties Present:
Ms. Anushree Bardhan, Advocate, STPL
Ms. Rashmi Vaish, Advocate, STPL
Ms. Ritika Singh, Advocate, STPL
Shri Pintu Das, STPL
Shri Bhim Negi, STPL
Shri Prince Kumar, STPL
Shri Yakshik Kumar, STPL
Shri Puneeth Ganapathy, Advocate, Bihar Discoms
Shri Naman Kumar, Advocate, Bihar Discoms

ORDER

The Petitioner, SJVN Thermal Private Limited (STPL), has filed this petition for determination of tariff of the Buxar Thermal Power Project (2 x 660 MW) (in short 'the

generating station or BTPP') for the period from 14.11.2025 (COD of Unit-I) till 31.3.2029, in terms of the provisions of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2024 (in short, 'the 2024 Tariff Regulations').

Background

2. The Petitioner is a wholly owned subsidiary of SJVN Limited ("SJVNL"), (a joint venture of the Government of India and the Government of Himachal Pradesh), incorporated for execution of a 1320 MW (2x660 MW) project in Chausa, District Buxar, Bihar. The Petitioner's holding company, SJVNL, took over Buxar Bijlee Company Pvt. Limited from the Govt. of Bihar and renamed it SJVN Thermal (P) Limited ("STPL") (the Petitioner company).

3. The Petitioner has submitted the impugned petition seeking determination of tariff for the period from 14.11.2025 (COD of Unit-1) to 31.3.2029 in respect of the BTPP. The Petitioner has also prayed for interim tariff pending final determination of tariff in accordance with Regulations 9 and 10(3) of the 2024 Tariff Regulations.

4. The Petitioner has submitted that erstwhile Bihar State Electricity Board, now Bihar State Power (Holding) Company Limited (BSPHCL), entered into a PPA dated 5.1.2011 with Buxar Bijli Company Private Limited for setting up BTPP at Chausa in Buxar District, Bihar. SJVN Limited took over the said PPA and subsequently assigned it to NBPDCL vide resolution dated 1.6.2018. Subsequently, a supplementary PPA was also executed among SJVN, BSPHCL and the Bihar distribution companies on 9.4.2021.

5. The investment approval for the 1320 MW project amounting to Rs. 10439.09 Crore was accorded by the Ministry of Power (MoP), Government of India, vide letter dated 8.3.2019, with the scheduled commercial operation date (SCOD) of Unit-I stipulated as 8.7.2023, being 52 months from the date of investment approval, and the

SCOD of Unit-II as 8.1.2024, six months thereafter. MoP, vide letters dated 18.9.2024 and 8.4.2025, allocated 1122 MW (85%) of the installed capacity to Bihar and retained 198 MW (15%) as unallocated power. The unallocated power was to form part of the Eastern Region pool from the date of commercial operation and be distributed among the States/ Union Territories in accordance with the applicable allocation guidelines.

6. The Petitioner has further submitted that the Eastern Regional Power Committee (ERPC) proposed a tentative distribution of the unallocated power among Bihar, West Bengal, Jharkhand, Odisha and Sikkim on 6.6.2025, which could not fructify. Accordingly, the Petitioner was advised to approach MoP/Central Electricity Authority for further directions. Pending finalisation of long-term arrangements, the Petitioner explored sale of power to DVC, Indian Railways, GUVNL, KSEB Ltd and TNPDCL and entered into a PPA dated 31.12.2025 with its holding company, SJVN, for sale of unallocated or un-requisitioned power through the Power Exchange or bilateral market, subject to mutually agreed terms, availability of transmission corridor and applicable market conditions.

Present Petition

7. The Petitioner has filed this petition in accordance with Regulation 9(1) and 10 of the 2024 Tariff Regulations, after serving a copy of the same on the Respondents. Accordingly, the annual fixed charges claimed by the Petitioner are as under:

(Rs. in lakh)

	2025-26 (14.11.2025 -31.3.2026)	**2026-27**		**2027-28**	**2028-29**
		Unit-I & II (1.4.2026 – 14.4.2026)	**Unit-I & II (15.4.2026 -31.3.2027)**		
Depreciation	10747.80	1096.37	49948.88	52667.42	54921.44
Interest on Loan	16503.66	1664.08	71803.37	71343.15	70094.47
Return on Equity	17252.18	1753.80	77200.36	81402.96	84889.40
Interest on Working Capital	2591.38	235.84	12748.67	13422.66	13652.42
O&M Expenses.	8624.35	905.45	45960.46	50563.84	53525.80
Total AFC claimed	**55719.37**	**5655.53**	**257661.75**	**269400.03**	**277083.53**

8. The Petitioner has submitted that Unit-I has been declared under commercial operation on 14.11.2025, while Unit-II is under the commissioning stage and the COD of Unit-II is expected around 15.4.2026, subject to successful completion of the requisite trial runs and statutory clearances.

Hearing dated 25.5.2026

9. During the hearing, the learned counsel for the Petitioner submitted that Unit-I of BTPP has achieved COD and requested an interim tariff for the same. The Commission observed that the tariff forms submitted by the Petitioner are for the entire generating station (COD of Unit-I and anticipated COD of Unit-II; therefore, the Petitioner was directed to submit the revised tariff forms considering the capital cost as on COD of Unit-I and the additional capital expenditure pertaining thereto, in terms of Regulation 9(1) and 10(3) of the 2024 Tariff Regulations. The Petitioner was also directed to submit the competent authority's approval of the Revised Cost Estimate (RCE) for the claimed capital cost, and an Auditor-Certified reconciliation of the capital cost of Unit-I with the balance sheet up to the COD of Unit-I.

10. The Petitioner, in compliance of the above direction, has submitted that the RCE of BTPP amounting to Rs. 13,756.56 crore (inclusive of taxes) has been approved by the 105th meeting of the Board of Directors of the Petitioner company on 31.7.2025, which has subsequently also approved by the Board of Directors of SJVN Limited (the holding company) on 10.11.2025, along with the approval for infusion of additional equity in the Project and approval for onwards submission to the MoP for further approval of Cabinet/ CCEA. The Petitioner has further submitted that a letter dated 12.12.2025 was sent to MoP for consideration of the RCE of Rs. 13,756.56 crore at the November, 2024 Price Level, and onward submission to the CCEA for approval, which is presently under consideration. The Petitioner has further submitted that, during the appraisal process,

the Integrated Finance Division, MoP examined the proposal and subsequently referred it to the Central Electricity Authority ("CEA") for technical vetting. After detailed examination of the time and cost overrun aspects, and the Petitioner's submission of the requisite clarifications/documents, CEA has completed its scrutiny and forwarded the proposal to the MoP for further processing, where the same is being actively pursued for expeditious approval. The Petitioner has also resubmitted the tariff formats for the entire generating station (COD of Unit-I and anticipated COD of Unit-II), along with the linked MS Excel and PDF files, and mentioned that the COD of Unit-II is planned for the last week of June 2026.

11. The Respondent, BSPHCL, has made its detailed submissions in its reply in the matter pertaining to reasons for delay in commissioning of Unit-I, power supply required for operation of the Raw Water Intake Pump House, start-up power being drawn from Bihar DISCOMS (being pending before the Appellate Tribunal of Electricity), Additional Capital Expenditure, Water Charges, Security Expenses, Gross Calorific Value of Coal, Landed Cost of Primary Fuel, RCE under consideration of MoP. The Petitioner has also submitted its rejoinder to said reply.

Hearing dated 30.7.2026

12. During the hearing, the learned counsel for the Petitioner submitted that at the time of filing the Petition, commissioning of Unit-II was anticipated, and had accordingly filed tariff forms for both the units and requested one week's time to file revised tariff forms in respect of Unit-I, being the commissioned unit. The Petitioner has further submitted that the trial run of Unit-II is underway and that the same is expected to be commissioned in August 2026. The learned counsel for the Respondent, BSPHCL, submitted that the Petition and the tariff forms on record were incomplete, did not comply

with the applicable 2024 Tariff Regulations, and opposed granting of interim tariff at this stage. The Commission directed the Petitioner to submit the information sought vide Record of Proceedings (RoP) for the hearing dated 25.5.2026, after serving copies to the Respondents, provided time to the parties to submit replies and rejoinders thereafter, and also reserved its order with regard to the prayer of the Petitioner for the grant of an interim tariff for Unit-I of the generating station, in terms of the 2024 Tariff Regulations.

13. The Petitioner, in its additional submissions vide affidavit dated 11.8.2026, has submitted the revised tariff forms for Unit-I of the Project from 14.11.2025 to 31.3.2029 and Auditor-Certified capital cost of Unit-I up to the COD of Unit-I. Accordingly, the revised annual fixed charges claimed by the Petitioner are as under:

(Rs. in lakh)

	2025-26 (14.11.2025 - 31.3.2026)	**2026-27**	**2027-28**	**2028-29**
Depreciation	10657.55	28188.45	28188.45	28188.45
Interest on Loan	16413.16	41741.24	39317.03	36892.82
Return on Equity	17120.66	45282.91	45282.91	45282.91
Interest on Working Capital	2347.28	10583.35	10639.57	10662.20
O&M Expenses.	8338.15	24353.43	25872.95	27462.92
Total AFC claimed	**54876.81**	**150149.37**	**149300.91**	**148489.30**

14. The Respondent, BSPHCL, vide its reply dated 31.8.2026, mentioned instances of non-compliance and deficiencies in the revised tariff forms and submission of various expenses on a consolidated basis, prior to any further adjudication in this matter. The Petitioner, in its rejoinder dated 7.9.2026, has submitted that the revised tariff forms have been filed pursuant to the directions dated 30.7.2026 for determination of tariff of Unit-I, which had already achieved COD, and based on the actual Unit-I data available at this stage and wherever further actual data is required, the same will be furnished at the appropriate stage. The Petitioner has further submitted that the 72-hour trial run of Unit-II was successfully completed on 31.8.2026, and the COD of Unit-II is likely to be

declared by 10.9.2026.

Interim Tariff

15. We have considered the submissions made by the parties. In order to enable the Petitioner to meet its ongoing financial obligations through a reasonable recovery of the cost of supply of electricity by the Petitioner to the Respondents and keeping in view that the interim tariff of Unit-I of the generating station will be subject to adjustment, based on the final tariff to be determined by the Commission, we proceed to examine the prayer of the Petitioner for the grant of interim tariff in this Petition, as stated in the subsequent paragraphs.

16. Regulations 9(1) and 10(3) of the 2024 Tariff Regulations provide as under:

> *"**9. Application for determination of tariff:***
> *(1) The generating company or the transmission licensee may make an application for determination of tariff for a new generating station or unit thereof or transmission system or element thereof in accordance with these Regulationss within 90 days from the actual date of commercial operation:*
> *xxxx:*
> *Provided further that the generating company or the transmission licensee, as the case may be, shall submit an Auditor Certificate and, in case of non-availability of an Auditor Certificate, a Management Certificate duly signed by an authorised person, not below the level of Director of the company indicating the estimated capital cost incurred as on the date of commercial operation and the projected additional capital expenditure for respective years of the tariff period 2024-29:*
> *Provided that for a new generating station or unit thereof or transmission system or element thereof, the applicant, through a specific prayer in its application filed under Regulation 9(1) of these regulations, may plead for an interim tariff, and the Commission may consider granting interim tariff from the date of commercial operation after the first hearing of the application and where such interim tariff of the generating station or unit thereof and the transmission system or element thereof including communication system has been determined based on Management Certificate, the generating company or the transmission licensee shall submit the Auditor Certificate not later than 90 days from the date of Commercial Operation:*
> *xxxx."*
>
> *"**10. Determination of tariff***
> *xxxx*
> *(3) If the information furnished in the petition is in accordance with these regulations, the Commission may consider granting an interim tariff of up to ninety per cent (90%) of the tariff claimed in the case of a new generating station or unit thereof or transmission*

system, or element thereof during the first hearing of the application for billing purposes till the final tariff is determined by the Commission:
Provided that in case the final tariff determined by the Commission is lower than the interim tariff by more than 10%, the generating company or transmission licensee shall return the excess amount recovered from the beneficiaries or long term customers, as the case may be, with simple interest at 1.20 times of the rate worked out on the basis of 1 year SBI MCLR plus 100 basis points prevailing as on 1st April of the financial year in which such excess recovery was made.
xxxx."

17. The Petitioner has submitted that it has placed on record the required information in the prescribed format, as per the provisions of the 2024 Tariff Regulations. Further, Regulation 9(1) of 2024 the Tariff Regulations mandates that the generating company shall submit, along with the application, an Auditor Certificate and, in the absence thereof, a Management Certificate duly signed by an authorised person not below the level of Director, indicating the estimated capital cost incurred as on the date of commercial operation and the projected additional capital expenditure for the tariff period 2024-29.

18. It is observed that the Petitioner has submitted the Auditor-Certified capital cost of Unit-I up to the COD of Unit-I and the revised tariff forms. Accordingly, the same has been considered. It is further observed that the investment approval for the 1320 MW project amounting to Rs. 10439.09 crore was accorded by the MoP, vide letter dated 8.3.2019. Subsequently, RCE amounting to Rs. 13,756.56 Crore (inclusive of taxes), as has been approved by the Board of Directors of the Petitioner company on 31.7.2025 and also by the Board of Directors of SJVN Limited (the holding company) on 10.11.2025, along with the approval for infusion of additional equity in the Project, has been submitted to the MoP for further approval of Cabinet/ CCEA. It is also observed that the interim tariff for Unit-I claimed in the tariff formats has been worked out based on the maximum capital cost of Rs. 7287.35 crore (as per revised tariff formats), a figure much lesser than the original investment approval amount of Rs. 10439.09 crore

sanctioned vide said letter, which pertains to the capital cost of the generating station as a whole, comprising both units of the project. In this context, the present petition, at this stage, seeks determination of the interim tariff only for Unit-I of the generating station, not for the entire generating station, including Unit-II. Therefore, the RCE amounting to Rs. 13,756.56 crore, being under consideration by the approval authority, is not considered at this stage for the interim tariff for Unit-I of the generating station. Accordingly, based on the submissions of the parties and details available on record, we proceed to consider the grant of interim tariff for Unit- I of the generating station from 14.11.2025 (i.e. COD of Unit I) till 31.3.2029 or till the determination of the final tariff of the generating station, whichever is earlier.

Commissioning Schedule

19. The scheduled COD of the units as per the Investment Approval dated 27.7.2016 and the actual/anticipated COD of the units, as submitted by the Petitioner, is as follows:

Unit	SCOD (as per Investment Approval)	COD	Time overrun (days)
Unit-I	8.7.2023	14.11.2025 (actual)	860
Unit II	8.1.2024	10.9.2026*	976 (tentative)

**As per rejoinder dated 7.9.2026 submitted by the Petitioner*

Time and Cost Overrun

20. The Petitioner has submitted that the commissioning of Unit-I encountered time overruns on account of factors beyond the reasonable control of the Petitioner, including delays in land acquisition for railway siding, water corridor, statutory clearances, and other extraneous circumstances.

21. The matter has been considered. It is observed that the present Petition pertains to determination of interim tariff in respect of Unit-I of the generating station. Accordingly, we are of the view that determining interim tariff for Unit-I, without going into the merits of the time and cost overrun and the prudence check of the capital cost at this stage, is

critical and necessary, considering its time-sensitive nature for both the generating station and the beneficiary. The question of time and cost overrun involved in completing the project and its impact on capital cost is required to be considered in detail only after hearing the parties on merits when determining the final tariff of the generating station. Hence, this order has not considered the issue of time and cost overrun at this stage while determining the interim tariff for Unit-I of the generating station.

Capital Cost

22. The original sanctioned cost of the project is Rs. 10439.09 crore at the January 2018 price level vide Government of India's Letter No. FU-18/2017-IPC dated 8.3.2019. Subsequently, the project cost was revised to Rs. 13,756.56 Crore in RCE, as has been approved by the Board of Directors of the Petitioner company on 31.7.2025 and also by the Board of Directors of SJVN Limited (the holding company) on 10.11.2025, along with the approval for infusion of additional equity in the Project, and has been submitted to the MoP for further approval of Cabinet/ CCEA. The Petitioner has placed on record the tariff forms corresponding to the actual capital cost incurred as on COD of Unit-I of the generating station and its projected capital expenditure during the period till 31.3.2029.

23. The Petitioner, vide affidavit dated 11.8.2026, has furnished the audited Form-B indicating the total capital cost (excluding IDC, FC, FERV and Hedging Cost) of Unit-I as on COD as Rs. 595001.60 lakh. Additionally, the Petitioner has claimed Rs. 110184.40 lakh towards IDC, FC, FERV and Hedging Cost. An amount of Rs. 23549.70 lakh has been considered corresponding to the Notional IDC claimed by the Petitioner towards Unit-I of the generating station. Further, the Petitioner has not projected any additional capital expenditure (forming part of the original scope of work) for Unit-I of the generating station, stating that the same shall be submitted at the time of station COD. The Petitioner has also not projected any discharge of liabilities against Unit-I of the

generating station, stating that the same shall be submitted at the time of truing-up. Accordingly, the capital cost claimed by the Petitioner from the COD of Unit-I (14.11.2025) till 31.3.2029 is as under:

(Rs. in lakh)

	2025-26 (14.11.2025 -31.3.2026)	**2026-27**	**2027-28**	**2028-29**
Capital Cost excluding IDC & FC	595001.60			
Add: IDC, FC, FERV & Hedging Cost	110184.40			
Add: Normative IDC	23549.70			
Opening Capital Cost (including IDC & FC)	728735.70	728735.70	728735.70	728735.70
Add: Addition during the year/period	To be submitted at the time of Station COD			
Less: De-capitalizsation during the year/ period	To be submitted at the time of Truing up			
Less: Reversal during the year / period				
Add: Discharges during the year/ period				
Closing Capital Cost	**728735.70**	**728735.70**	**728735.70**	**728735.70**
Average Capital Cost	728735.70	728735.70	728735.70	728735.70

24. For the purpose of working out the interim tariff, the capital cost, additional capital expenditure and discharge of liabilities as claimed by the Petitioner for Unit-I of the generating station, from 14.11.2025 (COD of Unit-I) till 31.3.2029, have been considered. Thus, the capital cost from 14.11.2025 to 31.3.2029, as provided above by the Petitioner, is considered for granting interim tariff for Unit-I of the generating station.

Debt-Equity Ratio, Return on Equity, Interest on Loan and Depreciation

25. Based on the preliminary scrutiny of the revised tariff forms furnished by the Petitioner vide affidavit dated 11.8.2026, the debt-equity ratio of 70:30, the effective rate of Return on Equity (ROE) at 20.713% (with base rate of ROE at 15.50% and effective tax rate at 25.168%) has been considered by the Petitioner for the period from 14.11.2025 till 31.3.2029. The Petitioner has considered the interest rate on the loan at 8.60% and the weighted average rate of depreciation @ 3.87% (corresponding to Unit-I) to compute the ROE, Interest on loan, and Depreciation, respectively, for Unit-I of the

generating station during the period. Since the interim tariff determined in this order is subject to final tariff determination, we are of the view that the Petitioner's claim may be considered at this stage, without prejudice to the final determination on the merits of the claim. Based on these parameters and the capital cost for Unit-I considered as per the Petitioner's submission as above, the depreciation, ROE and Interest on loan as provided by the Petitioner and considered for interim tariff are as under:

(Rs. in lakh)

	2025-26 (14.11.2025 - 31.3.2026)	**2026-27**	**2027-28**	**2028-29**
Depreciation				
For the period	10657.55	28188.45	28188.45	28188.45
Annualised	28188.45	28188.45	28188.45	28188.45
Interest on Loan				
For the period	16413.16	41741.24	39317.03	36892.82
Annualised	43411.61	41741.24	39317.03	36892.82
Return on Equity				
For the period	17120.66	45282.91	45282.91	45282.91
Annualized	45282.91	45282.91	45282.91	45282.91

O&M Expenses

26. The normative O&M expenses, in terms of Regulation 36(1) of the 2024 Tariff Regulations, have been allowed for Unit-I of the generating station. The Petitioner has also claimed Water charges, Security expenses and O&M expenses on account of ECS (except FGD) under Regulation 36(9) of the 2024 Tariff Regulations. As the interim tariff granted in this order is subject to final determination of tariff, we consider the Petitioner's claim at this stage, without going into the details of the claim pertaining to O&M Expenses for ECS. Based on the above, the total O&M expenses considered for the period from 14.11.2025 to 31.3.2029 are summarised below:

(Rs. in lakh)

	2025-26 (14.11.2025 -31.3.2026)	**2026-27**	**2027-28**	**2028-29**
Normative O&M expenses	6769.86	18849.60	19839.60	20882.40
Water Charges	408.56	1167.03	1263.85	1361.22

Security Expenses	964.58	3793.52	4197.71	4617.48
O&M Expenses for ECS	195.16	543.27	571.79	601.81
Total O&M Expenses	**8338.15**	**24353.43**	**25872.95**	**27462.92**
Total O&M Expenses (Annualised)	**22053.81**	**24353.43**	**25872.95**	**27462.92**

Operational norms

27. The operational norms claimed by the Petitioner in terms of the provisions of the 2024 Tariff Regulations are as under:

	Regulations	Norms
Normative Annual Plant Availability Factor (NAPAF) (%)	70(A)(a)	85
Gross Station Heat Rate (kcal/kWh)	70(C)(b)(i)	2115.15
Auxiliary Power Consumption (APC) (%)	70(E)(a)(iii)	5.75
Specific Oil Consumption (ml/kWh)	70(D)(a)	0.50

28. We have considered the NAPAF, Gross Station Heat Rate, Auxiliary Power Consumption and the Specific fuel oil consumption, as claimed by the Petitioner, for the purpose of the interim tariff of Unit-I of the generating station in line with the applicable provisions of 2024 Tariff Regulations.

Coal Price, Oil Price and ECR

29. The Petitioner's claim towards GCV and price of coal and oil and Energy Charge Rate (ECR) for the period from 14.11.2025 to 31.3.2029 is summarised below:

	2025-26 (14.11.2025 -31.3.2026)	2026-27	2027-28	2028-29
Weighted average price of Coal (Rs./MT)	3866.16	3839.10	3878.64	3878.64
Weighted average GCV of Coal (kCal/Kg)	3433.02	3433.02	3433.02	3433.02
Weighted average price of Oil (Rs./KL)	75565.72	93785.52	93785.52	93785.52
Weighted average GCV of Oil (kCal/L)	9376.71	9347.75	9347.75	9347.75
Energy Charge Rate (ECR) (Rs./kWh)	2.535	2.527	2.580	2.580

30. Accordingly, for the purpose of the interim tariff, the Petitioner's claim for ex-bus Energy Charge Rate (ECR) as above has been considered for the purpose of computing the fuel cost component of Receivables, for the purpose of working out the Normative

Working Capital requirement subject to revision at the time of final tariff determination, in terms of the 2024 Tariff Regulations.

Interest on Working Capital

31. The Petitioner has claimed Interest on Working Capital (IOWC) as per Regulation 34(1)(a) and (d) of the 2024 Tariff Regulations, as applicable for coal-based/ lignite-fired thermal generating stations. The Petitioner has claimed the cost of coal for 50 days (20 days' cost of coal towards stock and 30 days' advance payment of cost of coal at the normative annual plant availability factor) in terms of said Regulation. The Petitioner has also considered the reference rate of interest of 12.25%, i.e., the 1-year SBI Base Rate as on 1.4.2025 (8.65%) plus 325 basis points, as the working capital interest rate. Based on the normative parameters as submitted by the Petitioner, the O&M expenses and the cost of the coal and oil as above, the interest on working capital is claimed for the purpose of the interim tariff, as under:

(Rs. in lakh)

	2025-26 (14.11.2025 - 31.3.2026)	**2026-27**	**2027-28**	**2028-29**
Working Capital for Cost of Coal towards Stock and Generation - (50 days)	15832.23	15721.42	15881.53	15881.53
Working Capital for Cost of Secondary fuel oil - (2 months)	115.77	380.05	381.05	380.00
Working Capital for Maintenance Spares @ 20% of O&M expenses	1667.63	4870.69	5174.59	5492.58
Working Capital for Receivables – (45 days of sale of electricity at NAPAF)	32370.13	63392.16	63259.56	62994.90
Working Capital for O&M expenses - 1 month	694.85	2029.45	2156.08	2288.58
Total Working Capital	**50680.62**	**86393.76**	**86852.80**	**87037.59**
Rate of Interest	12.25%	12.25%	12.25%	12.25%
Total Interest on Working Capital (annualized)	**6208.38**	**10583.24**	**10639.47**	**10662.11**
Total Interest on Working Capital	**2347.28**	**10583.24**	**10639.47**	**10662.11**
Interest on Working Capital claimed in Form-1	**2347.28**	**10583.35**	**10639.57**	**10662.20**

32. It is observed that the Petitioner, while claiming the normative working capital requirement for the period from 14.11.2025 to 31.3.2026, has not annualised the individual working capital components and has calculated the same based on the number of days in the year, i.e. 138 days only. It is also observed that the Petitioner claimed minor variations in decimal places in the interest on working capital claimed in Form-O and Form-1, as shown in the table above. As the interim tariff granted in this order is subject to final tariff determination, we are inclined to consider the Petitioner's claim for normative working capital requirement and interest (i.e., @ 12.25% p.a.) thereon, as submitted in Form-1, while computing the Annual Fixed Charges. However, this is subject to revision at the time of final tariff determination, in terms of the 2024 Tariff Regulations.

Annual Fixed Charges (AFC)

33. Accordingly, the annual fixed charges claimed by the Petitioner for Unit-I of the generating station for the period from the COD of Unit-I (i.e. 14.11.2025) till 31.3.2029 are summarised below:

(Rs. in lakh)

	Unit-I (14.11.2025 - 31.03.2026)	**2026-27**	**2027-28**	**2028-29**
Depreciation	10657.55	28188.45	28188.45	28188.45
Interest on Loan	16413.16	41741.24	39317.03	36892.82
Return on Equity	17120.66	45282.91	45282.91	45282.91
Interest on Working Capital	2347.28	10583.35	10639.57	10662.20
O&M Expenses.	8338.15	24353.43	25872.95	27462.92
Total Annual Fixed Charges claimed	**54876.81**	**150149.37**	**149300.91**	**148489.30**

34. While considering the interim AFC for Unit-I of the generating station, we observe that while there is a delay of 860 days in COD of Unit-I, the overall capital cost claimed for computation of the interim annual fixed charge is well within the Investment Approval cost of the Project amounting to Rs. 10439.09 crore sanctioned by the Government of

India vide Letter No. FU-18/2017-IPC dated 8.3.2019. We further observe that out of the total capital cost claimed by the Petitioner as on COD of Unit-I amounting to Rs. 728735.70 lakh, approx. 18% portion, amounting to Rs. 133734.10 lakh, is attributable to IDC (including notional IDC), IEDC and FERV, and is subject to a prudence check at the time of determination of the tariff. Further, Regulation 10(3) of the 2024 Tariff Regulations provides that for billing purposes, the Commission may consider granting an interim tariff up to ninety per cent (90%) of the tariff claimed for a new generating station till the final tariff is determined. Considering the substantial delay in completion of the Project, and the resultant capital cost claimed, without going into the prudence check for time overrun at this stage, we decide to grant an interim tariff of ninety per cent (90%) of the AFC claimed from the COD of Unit-I (i.e. 14.11.2025) till 31.3.2029, or till the determination of final tariff, whichever is earlier.

35. Accordingly, the AFC claimed by the Petitioner and the interim annual fixed charges allowed for Unit-I of the generating station for the period from the COD of Unit-I (i.e. 14.11.2025) till 31.3.2029 is summarised below:

(Rs. in lakh)

	Unit-I (14.11.2025 - 31.3.2026) *	**2026-27**	**2027-28**	**2028-29**
AFC claimed by the Petitioner	54876.81	150149.37	149300.91	148489.30
Interim Fixed Charges allowed @ 90% of the AFC claimed by the Petitioner	49389.13	135134.44	134370.82	133640.37

*AFC claimed and Interim Fixed Charges allowed for the period 14.11.2025-31.03.2026 are on a pro-rata basis.

36. The interim tariff granted as above is subject to adjustment based on the determination of tariff, in terms of the provisions of the 2024 Tariff Regulations. Also, the interim tariff granted for Unit-I of the generating station shall be in operation from the COD of Unit-I (i.e. 14.11.2025) till 31.3.2029 or till the determination of final tariff,

whichever is earlier.

37. In respect of Unit-II of the generating station, the Petitioner is granted liberty to file a separate submission for the determination of the tariff for the period from its actual COD till 31.3.2029, in terms of the provisions of the 2024 Tariff Regulations, and after serving copies of the same on the Respondents. The Petition filing fees already paid shall be adjusted accordingly.

38. Accordingly, Petition No. 111/GT/2026 relating to the determination of tariff for Unit-I from COD of its Unit-I, i.e. from 14.11.2025 till 31.3.2029, shall be listed for hearing in due course, post COD of Unit-II and of the generating station, for which a separate notice will be issued to the parties.

Sd/-	***Sd/-***	***Sd/-***	***Sd/-***
(Ravinder Singh Dhillon)	**(Harish Dudani)**	**(Ramesh Babu V.)**	**(Jishnu Barua)**
Member	**Member**	**Member**	**Chairperson**