

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 39/GT/2025**

**Coram:**

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

**Date of Order: 28<sup>th</sup> May, 2026**

**In the matter of:**

Petition for truing up of the generation tariff for the period 2019-24 and determination of tariff for the period 2024-29 in respect of Agartala Gas Based Power Station (AgGBPS) (135 MW) of North Eastern Electric Power Corporation Limited (NEEPCO Limited).

**And**

**In the matter of:**

North Eastern Electric Power Corporation Limited  
Corporate Office: Brookland Compound Lower New Colony,  
Shillong 793 003, Meghalaya

**...Petitioner**

**Vs**

1. Assam Power Distribution Company Limited,  
"Bijulee Bhawan", Paltan bazar,  
Guwahati-781 001, Assam
2. Meghalaya Energy Corporation Limited,  
Meter Factory Area, Short Round Road, Integrated Office Complex  
Shillong – 793001, Meghalaya
3. Tripura State Electricity Corporation Limited,  
Vidyut Bhawan, North Banamalipur,  
Agartala, Tripura – 799001
4. Power and Electricity Department,  
Government of Mizoram, New Secretariat Complex,  
Kawlphetha, Aizawal, Mizoram – 796001
5. Manipur State Power Distribution Company Limited,  
Government of Manipur, Electrical Complex,  
Khwai Bazar, Keishampat, Imphal, Manipur – 795001



6. Department of Power, Vidyut Bhawan,  
Government of Arunachal Pradesh,  
Itanagar – 791111, Arunachal Pradesh
7. Department of Power,  
Government of Nagaland,  
Kohima – 797 001, Nagaland
8. North Eastern Regional Power Committee,  
NERPC Complex, Dong Parmaw,  
Lapalang, Shillong 793006, Meghalaya.
9. North Eastern Regional Load Despatch Centre  
Dogtieh, Lower Nongrah,  
Lapalang, Shillong 793006, Meghalaya.

...Respondents

**Parties Present:**

Shri Ripunjoy Bhuyan, NEEPCO

**ORDER**

This Petition has been filed by the Petitioner, North Eastern Electric Power Corporation Limited (in short “NEEPCO”) for truing up of tariff for the period 2019-24, in respect of Agartala Gas Based Power Station (135 MW) (in short, ‘the generating station’), in accordance with the provisions of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2019 (in short, ‘the 2019 Tariff Regulations’) and determination of tariff of the generating station for the period 2024-29, in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (in short ‘the 2024 Tariff Regulations’) for the period 2024-29.

2. The generating station with an installed capacity of 135 MW comprises four Gas Turbine (GT) units of 21 MW each and two Steam Turbine (ST) units of 25.50 MW each. The beneficiaries of the North-Eastern States have been allocated the full capacity of 135 MW from the generating station. The generating station, with an installed capacity of 84 MW and operating in open cycle mode, was declared to be in commercial operation (COD) on 1.8.1998. The generating station was converted to a Combined Cycle Power Plant with the addition of



two Steam Turbine Generating units (STG) each with a capacity of 25.5 MW with effect from 29.7.2015 and 1.9.2015, respectively. Accordingly, the COD of the units of the generating station are as under:

|                                     | <b>Capacity<br/>(MW)</b> | <b>Date of Commercial Operation<br/>(COD)</b> |
|-------------------------------------|--------------------------|-----------------------------------------------|
| Unit – I (GT)                       | 21                       | 1.4.1998                                      |
| Unit – II (GT)                      | 21                       | 1.4.1998                                      |
| Unit – III (GT)                     | 21                       | 1.4.1998                                      |
| Unit – IV (GT)                      | 21                       | 1.8.1998                                      |
| Unit – V (ST)                       | 25.5                     | 29.7.2015                                     |
| Unit – VI (ST) / Generating Station | 25.5                     | 1.9.2015                                      |

3. In Petition No. 246/GT/2020 filed by the Petitioner for the determination of the tariff of the generating station for the period 2019-24, the order dated 26.10.2023 approved the capital cost and annual fixed charges of the generating station for the 2019-24 tariff period, as follows:

#### **Capital Cost allowed**

*(Rs. in lakh)*

| <b>Particulars</b>                   | <b>2019-20</b>  | <b>2020-21</b>  | <b>2021-22</b>  | <b>2022-23</b>  | <b>2023-24</b>  |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening Capital Cost                 | 65293.48        | 65622.34        | 65875.31        | 65910.90        | 65979.77        |
| Add: Addition during the year/period | 328.86          | 252.97          | 35.59           | 68.88           | 0.00            |
| <b>Closing Gross Block</b>           | <b>65622.34</b> | <b>65875.31</b> | <b>65910.90</b> | <b>65979.77</b> | <b>65979.77</b> |
| Average Gross Block                  | 65457.91        | 65748.83        | 65893.10        | 65945.33        | 65979.77        |

#### **Annual Fixed Charges allowed**

*(Rs. in lakh)*

|                                          | <b>2019-20</b>  | <b>2020-21</b>  | <b>2021-22</b>  | <b>2022-23</b>  | <b>2023-24</b>  |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Depreciation (A)                         | 1411.01         | 1421.05         | 1440.42         | 1437.05         | 941.93          |
| Interest on Loan (B)                     | 903.14          | 825.42          | 739.97          | 649.63          | 574.52          |
| Return on Equity (C)                     | 4877.85         | 4891.60         | 4899.44         | 4902.28         | 4904.16         |
| Interest on Working Capital (D)          | 1137.50         | 1053.78         | 993.47          | 1020.91         | 1021.14         |
| O&M Expenses (E)                         | 5907.59         | 6107.29         | 6323.09         | 6541.64         | 6768.29         |
| Capital Spares allowed (F)               | 1316.7          | 0.00            | 0.00            | 1284.61         | 980.91          |
| <b>Total AFC (G) =<br/>(A+B+C+D+E+F)</b> | <b>15553.78</b> | <b>14299.14</b> | <b>14396.40</b> | <b>15836.12</b> | <b>15190.95</b> |

#### **Present Petition**

#### **Truing up of tariff for the 2019-24 tariff period**

4. Regulation 13(1) of the 2019 Tariff Regulations provides as under:



“13. Truing up of tariff for the period 2019-24: (1) The Commission shall carry out truing up exercise for the period 2019-24 along with the tariff petition filed for the next tariff period, for the following:

- a) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, as admitted by the Commission after prudence check at the time of truing up:
  - b) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, on account of Force Majeure and Change in Law.
- .....”

5. Accordingly, the capital cost and annual fixed charges claimed by the Petitioner in the revised submission are as under:

**Capital cost claimed**

|                                                | (Rs in lakh)    |                 |                 |                 |                 |
|------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
| Opening Capital Cost                           | 65293.48        | 65374.28        | 65689.56        | 65726.98        | 65359.43        |
| Add: Addition during the year/period           | 705.31          | 315.28          | 17.39           | 129.27          | 41.99           |
| Less: De-capitalization during the year/period | 631.25          | 0.00            | 0.00            | 496.82          | 396.02          |
| Less: LD Recovery                              | 0.00            | 1401.30         | 0.00            | 0.00            | 0.00            |
| Add: Discharges during the year/ period        | 6.74            | 11.09           | 20.02           | 14.63           | 0.00            |
| <b>Closing Capital Cost</b>                    | <b>65367.54</b> | <b>65689.56</b> | <b>65726.98</b> | <b>65359.43</b> | <b>65005.40</b> |
| Average Capital Cost                           | 65330.51        | 65531.92        | 65708.27        | 65543.20        | 65182.42        |

**Annual Fixed Charges (AFC) claimed**

|                             | (Rs. in lakh)   |                 |                 |                 |                 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                             | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
| Depreciation                | 3312.00         | 3325.31         | 3340.72         | 3337.62         | 3324.59         |
| Interest on Loan            | 698.20          | 341.02          | 196.28          | 203.63          | 49.72           |
| Return on Equity            | 4956.45         | 5017.42         | 5047.70         | 5394.80         | 5398.06         |
| Interest on Working Capital | 1122.99         | 1036.77         | 824.48          | 986.93          | 1970.16         |
| O&M Expenses                | 7469.98         | 7685.26         | 9116.41         | 6798.23         | 9941.25         |
| <b>Total AFC Claimed</b>    | <b>17559.61</b> | <b>17405.78</b> | <b>18525.58</b> | <b>16721.21</b> | <b>20683.78</b> |

6. The Commission, vide its Technical Validation (TV) letter dated 1.5.2025, directed the Petitioner to furnish certain additional information. In compliance with the directions, the Petitioner filed the additional information, along with the revised tariff forms with the necessary modifications vide affidavit dated 7.5.2025, after serving a copy on the Respondents. None of

the Respondents has filed their replies thereto. The matter was listed for hearing on 27.5.2025, and the Commission, vide its Record of Proceedings (ROP), directed the Petitioner to file certain additional information. In compliance with the directions, the Petitioner filed additional information vide affidavit dated 23.6.2025, after serving a copy on the Respondents. None of the Respondents has filed a reply thereto. Subsequently, the Petition was listed for hearing on 7.8.2025, and the Commission, after hearing the Petitioner, directed it to file certain additional information and reserved its order in the Petition. In compliance with the directions, the Petitioner, vide affidavit dated 1.9.2025, has filed the additional information, after serving a copy on the Respondents. None of the Respondents has filed their replies thereto.

7. Taking into consideration the submissions of the Petitioner and the documents available on record, we proceed to examine the claims of the Petitioner on a prudence check, as stated in the subsequent paragraphs.

### **Capital Cost**

8. Regulation 19 (1) of the 2019 Tariff Regulations provides that the capital cost as determined by the Commission after prudence check, in accordance with this regulation shall form the basis of determination of tariff for existing and new generating stations and capital cost for an existing generating station is governed as per Regulation 19 (3) of the 2019 Tariff Regulations, which is as follows:

*“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 modernisation as admitted by this Commission in accordance with these regulations.*
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility.*
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to 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.*

9. Further Regulation 13 of the 2019 Tariff Regulations provides as under:

*“13. (1) The Commission shall carry out truing up exercise for the period 2019-24 along with the tariff petition filed for the next tariff period, for the following:*

- (a) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, as admitted by the Commission after prudence check at the time of truing up;*
- (b) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, on account of Force Majeure and Change in Law.”*

10. In terms of the above, the Petitioner in the Petition has initially claimed the annual fixed charges based on the opening capital cost of Rs. 68333.64 lakh for the period 2019-24. However, the order dated 28.7.2023 in Petition No. 32/GT/2020 (Truing up for the period 2014-19) had approved the closing capital cost of Rs. 65293.48 lakh, on a cash basis, as on 31.3.2019. In response to the various queries regarding the variation sought vide TV Letter dated 1.5.2025, the Petitioner modified tariff forms, changed the opening capital cost to Rs. 65293.48 lakh, and accordingly modified the related calculations. Further, the order dated 26.10.2023 in Petition No. 246/GT/2020 (determination of tariff for the period 2019-24) has also considered the opening capital cost of Rs. 65293.48 lakh, as on 1.4.2019, for the determination of tariff for the period 2019-24. Accordingly, in terms of Regulation 19(3) of the 2019 Tariff Regulations, the closing capital cost of Rs. 65293.48 lakh, on a cash basis, as on 31.3.2019, has been considered as the opening capital cost, as on 1.4.2019, for truing up the tariff for the period 2019-24.

### **Additional Capital Expenditure**

11. Regulation 25 of the 2019 Tariff Regulations provides as follows:

*“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.”

12. Regulation 26 of the 2019 Tariff Regulations provides as follows:

*“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 decapitalisation 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.”*

13. The year-wise additional capital expenditure claimed by the Petitioner for the 2019-24 tariff period in terms of the 2019 Tariff Regulations is summarised below:

(Rs. in lakh)

| Sl. No   | Head of Work/ Equipment                                                                                                                                                                                                                                                                                                                                                                                                                     | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total         | Regulation                         |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------------|------------------------------------|
| <b>A</b> | <b>Works under the original scope, eligible for RoE at the normal rate</b>                                                                                                                                                                                                                                                                                                                                                                  |         |         |         |         |         |               |                                    |
| 1        | Upgradation from AVR to DVR of All Gas Turbine Generators                                                                                                                                                                                                                                                                                                                                                                                   | 85.78   | 0.00    | 0.00    | 0.00    | 0.00    | <b>85.78</b>  | 25(2)(d)                           |
| 2        | Procurement of 2 No. 145 kV SF6 Circuit Breakers for replacement of the old Circuit Breakers of GTG#1 & 2                                                                                                                                                                                                                                                                                                                                   | 20.68   | 0.00    | 0.00    | 0.00    | 0.00    | <b>20.68</b>  | 25(2)(c)                           |
| 3        | Procurement and Installation of 125 V Battery Chargers                                                                                                                                                                                                                                                                                                                                                                                      | 23.85   | 0.00    | 0.00    | 0.00    | 0.00    | <b>23.85</b>  | 25(1)(f)                           |
| 4        | Procurement and Installation of 220 V Battery Chargers                                                                                                                                                                                                                                                                                                                                                                                      | 7.34    | 0.00    | 0.00    | 0.00    | 0.00    | <b>7.34</b>   | 25(1)(f)                           |
| 5        | Procurement and Installation of 1 No. GT Cooler Radiator. Already installed in GT#2 on 31.08.2018. Due to a delay in execution, a time extension was required for releasing the final payment, for which capitalisation could not be done in 2018-19. Now, after the final time extension is accorded and 100% payment released, the capitalisation of the new radiator and decapitalization of the old radiator in 2019-20 are in process. | 33.63   | 0.00    | 0.00    | 0.00    | 0.00    | <b>33.63</b>  | 25(2)(c)                           |
| 6        | Procurement of 6 No. of GT Cooling Water Pumps with Motors                                                                                                                                                                                                                                                                                                                                                                                  | 26.55   | 0.00    | 0.00    | 0.00    | 0.00    | <b>26.55</b>  | 25(2)(d)                           |
| 7        | Renovation and upgradation of Firefighting System                                                                                                                                                                                                                                                                                                                                                                                           | 28.30   | 0.00    | 0.00    | 0.00    | 0.00    | <b>28.30</b>  | 25(2)(a)                           |
| 8        | Construction of B-type quarter at AgGBPS                                                                                                                                                                                                                                                                                                                                                                                                    | 91.08   | 0.00    | 0.00    | 0.00    | 0.00    | <b>91.08</b>  | 76&77 to relax Regulation 25(2)(d) |
| 9        | Construction retaining wall back side of B-type quarter                                                                                                                                                                                                                                                                                                                                                                                     | 3.46    | 0.00    | 0.00    | 0.00    | 0.00    | <b>3.46</b>   | 76&77 to relax Regulation 25(2)(d) |
| 10       | Construction of a stock yard inside the store complex                                                                                                                                                                                                                                                                                                                                                                                       | 26.35   | 0.00    | 0.00    | 0.00    | 0.00    | <b>26.35</b>  | 76&77 to relax Regulation 25(2)(d) |
| 11       | Construction of a guest house in the colony complex.                                                                                                                                                                                                                                                                                                                                                                                        | 212.24  | 0.00    | 0.00    | 0.00    | 0.00    | <b>212.24</b> | 76&77 to relax Regulation 25(2)(d) |
| 12       | Architectural works of the guest house, colony complex                                                                                                                                                                                                                                                                                                                                                                                      | 22.98   | 0.00    | 0.00    | 0.00    | 0.00    | <b>22.98</b>  | 76&77 to relax Regulation 25(2)(d) |
| 13       | Supply, design, Engg., testing commissioning of station service board (SSB)                                                                                                                                                                                                                                                                                                                                                                 | 9.08    | 0.00    | 0.00    | 0.00    | 0.00    | <b>9.08</b>   | 25(2)(c)                           |
| 14       | Procurement of Skid Cable for Gas Turbine Control System for GTG#1 and GTG#2, and installation                                                                                                                                                                                                                                                                                                                                              | 0.00    | 172.47  | 0.00    | 0.00    | 0.00    | <b>172.47</b> | 25(2)(a)                           |
| 15       | Construction of an RCC drain for the transport of wastewater from DM plant                                                                                                                                                                                                                                                                                                                                                                  | 0.00    | 18.62   | 0.00    | 0.00    | 0.00    | <b>18.62</b>  | 25(1)(a)                           |
| 16       | Water supply and Drainage (Rs. 774210 spent for the construction of rainwater harvesting) / Rs. 96                                                                                                                                                                                                                                                                                                                                          | 0.00    | 0.00    | 17.39   | 0.00    | 0.00    | <b>17.39</b>  | 26(1)(b)                           |



| Sl. No   | Head of Work/ Equipment                                                                                                       | 2019-20       | 2020-21       | 2021-22      | 2022-23       | 2023-24      | Total          | Regulation                         |
|----------|-------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|--------------|---------------|--------------|----------------|------------------------------------|
|          | rainwater construction of earthing embankment for natural revoir at plant)                                                    |               |               |              |               |              |                |                                    |
| 17       | Construction and installation of HT and LT lines from the Powerhouse to colony                                                | 0.00          | 0.00          | 0.00         | 58.13         | 0.00         | <b>58.13</b>   | 25(2)(a)                           |
| 18       | Extra work executed in guest house                                                                                            | 0.00          | 0.00          | 0.00         | 14.28         | 0.00         | <b>14.28</b>   | 76&77 to relax Regulation 25(2)(d) |
| 19       | Constr. of edge brick soling paving in GBT store plant                                                                        | 0.00          | 0.00          | 0.00         | 3.10          | 0.00         | <b>3.10</b>    | 25(2)(c)                           |
| 20       | Installation of 1(one) deep tube well at Colony Complex                                                                       | 0.00          | 0.00          | 0.00         | 20.17         | 0.00         | <b>20.17</b>   | 76&77 with Regulation 25(2)(c)     |
| 21       | Constr. of Store building                                                                                                     | 0.00          | 0.00          | 0.00         | 0.00          | 8.94         | <b>8.94</b>    | 25(2)(d)                           |
| 22       | Construction of water tank                                                                                                    | 0.00          | 0.00          | 0.00         | 0.00          | 6.83         | <b>6.83</b>    | 76&77 with Regulation 25(2)(c)     |
| 23       | Construction of security barrack                                                                                              | 0.00          | 0.00          | 0.00         | 0.00          | 24.45        | <b>24.45</b>   | 76&77 with Regulation 25(2)(c)     |
| 24       | Installation & commissioning of AMF panel for 500 KVA EDG                                                                     | 0.00          | 0.00          | 0.00         | 0.00          | 1.77         | <b>1.77</b>    | 25(2)(d)                           |
|          | <b>Subtotal-A</b>                                                                                                             | <b>591.32</b> | <b>191.09</b> | <b>17.39</b> | <b>95.68</b>  | <b>41.99</b> | <b>937.47</b>  |                                    |
| <b>B</b> | <b>Works beyond eligibility for RoE at the Weighted Average Rate of Interest</b>                                              |               |               |              |               |              |                |                                    |
| 1        | Supply and installation of Display Board for display of emission data, viz., Sox, Nox, CO2, etc. at Main Gate for public view | 7.46          | 0.00          | 0.00         | 0.00          | 0.00         | <b>7.46</b>    | 26(1)(d)                           |
| 2        | Construction of Security Road (1200.00 m)                                                                                     | 88.14         | 0.00          | 0.00         | 0.00          | 0.00         | <b>88.14</b>   | 76&77 with Regulation 26(1)(d)     |
| 3        | Construction of a chemical storage building for the DM plant                                                                  | 8.63          | 0.00          | 0.00         | 0.00          | 0.00         | <b>8.63</b>    | 76&77 with Regulation 26(1)(d)     |
| 4        | Construction of a car shed in front of the hospital building                                                                  | 2.83          | 0.00          | 0.00         | 0.00          | 0.00         | <b>2.83</b>    | 76&77 with Regulation 26(1)(d)     |
| 5        | Security road including B cess                                                                                                | 0.00          | 124.19        | 0.00         | 0.00          | 0.00         | <b>124.19</b>  | 26(1)(d)                           |
| 6        | Constr. of barrack for Fire Man barrack with electrification at AgGBPS                                                        | 0.00          | 0.00          | 0.00         | 33.59         | 0.00         | <b>33.59</b>   | 76&77 with Regulation 26(1)(d)     |
| 7        | Procurement of Relay Time Sync kit and installation and commissioning.                                                        | 6.93          | 0.00          | 0.00         | 0.00          | 0.00         | <b>6.93</b>    | 26(1)(a)                           |
|          | <b>Subtotal-B</b>                                                                                                             | <b>113.99</b> | <b>124.19</b> | <b>0.00</b>  | <b>33.59</b>  | <b>0.00</b>  | <b>271.77</b>  |                                    |
|          | <b>Total Additional Capitalisation</b>                                                                                        | <b>705.31</b> | <b>315.28</b> | <b>17.39</b> | <b>129.27</b> | <b>41.99</b> | <b>1209.24</b> |                                    |
| <b>C</b> | <b>Decapitalisation</b>                                                                                                       | 631.25        | 0.00          | 0.00         | 496.82        | 396.02       | 1524.08        |                                    |
| <b>D</b> | <b>Reversals</b>                                                                                                              | 0.00          | 1401.30       | 0.00         | 0.00          | 0.00         | 1401.30        |                                    |
| <b>E</b> | <b>Discharge of liability corresponding to allowed works</b>                                                                  | 6.74          | 11.09         | 20.02        | 14.63         | 0.00         | 52.48          |                                    |
|          | <b>Total additional capitalisation claimed, including discharge of liability</b>                                              | <b>712.05</b> | <b>326.37</b> | <b>37.41</b> | <b>143.90</b> | <b>41.99</b> | <b>1261.72</b> |                                    |

14. The COD of the open cycle (GT) of the generating station is 1.8.1998. However, with the introduction of two additional Steam Turbine generating units with effect from 29.7.2015



and 1.9.2015, the COD of the combined cycle generating station (i.e., only STG) is 1.9.2015. Accordingly, the STG cut-off date is 31.3.2018.

15. The Petitioner has claimed additional capital expenditure of various items under the relevant Regulations of the 2019 Tariff Regulations. The analysis and decisions made for each of the items claimed are based on the submissions of the Parties and documents placed on record. Further, the admissibility of the claims is done by exercising a prudence check of the claims made by the Petitioner with relevant documentary evidence submitted to substantiate the claim of additional capital expenditure.

16. For additional capital expenditure items claimed under Regulation 25(1)(a) of the 2019 Tariff Regulations which is for additional capital expenditure items within original scope of work and after the cut-off date for 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, the claim is allowed if the Petitioner has corroborated the claim with relevant documentary evidence indicating the liabilities to meet the award of arbitration or compliance of the directions or order of any statutory authority. Similarly, for items claimed under Regulation 25(1)(f) of the 2019 Tariff Regulations which is for additional capital expenditure items within original scope of work and after the cut-off date for Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments, the claim is allowed after prudence check of the supporting documents furnished by the Petitioner to justify the claim.

17. For additional capital expenditure items claimed under Regulation 25(2)(a) of the 2019 Tariff Regulations, which permits replacement of assets which have completed their useful life and have been fully depreciated or become unreliable due to aging, lack of spare parts, and harsh site condition, the claim is allowed subject to prudence check and verification of actual capitalization and requires the Petitioner to furnish supporting documentation including life completion evidence, procurement details, and justification. The Commission has been



considering the claims under this regulation on verification of details of old assets which are being replaced from Form- I (Details of Assets De-capitalized during the period), wherein the details of the year put to use of the asset, gross block and corresponding depreciation recovered are provided. Further, if the gross block of the old asset is not provided, the Commission derives the assumed deletion value of the same. In the instant petition, the Petitioner has provided the details of most of the items replaced under this head in Form- I and the same is considered. For the items for which the required details are not provided by the Petitioner, the method of assumed deletion is considered.

18. For additional capital expenditure items claimed under Regulation 25(2)(c) of the 2019 Tariff Regulations, which is for the replacement of the asset on account of obsolescence of technology, the obsolescence certificate from OEM or by the competent authority, as submitted by the Petitioner, is considered to ascertain the claim. Further details of the old asset which are being replaced are verified from Form-I (Details of Assets De-capitalized during the period), wherein the details of put to use of the asset, gross block and corresponding depreciation recovered are provided. In the instant petition, the Petitioner has provided the details in support of obsolescence and for assets replaced under this head in Form- I and the same is considered. For the items for which the required details are not provided by the Petitioner, the method of assumed deletion is considered.

19. For additional capital expenditure items claimed under Regulation 25(2)(d) of the 2019 Tariff Regulations, which is for replacement of assets within original scope of works and after the cut-off date, which was otherwise been allowed by the Commission, the claim is allowed if the work was previously allowed during the determination of tariff for the period 2019-24 in order dated 26.10.2023 in Petition No. 246/GT/2020. Moreover, for claims that were not part of the said order, and the Petitioner has referred to previous orders for the same generating

station, the claims are allowed after a prudence check of the documentary evidence submitted by the Petitioner.

20. For the additional capital expenditure items claimed under Regulation 26(1)(b) of the 2019 Tariff Regulations which is for additional capital expenditure beyond the original scope due to change in law or compliance of any existing law, the claim is allowed if the Petitioner has submitted sufficient justification for corroborating the claim as a mandatory requirement as per the direction of any competent authority.

21. Similarly, for the additional capital expenditure items claimed under Regulation 26(1)(d) of the 2019 Tariff Regulations, which is for the higher safety and security of the plant as advised/ directed by the appropriate Government Instrumentality or statutory authorities responsible for national or internal security, the claim is allowed after exercising prudence check of the direction received from the appropriate Government Instrumentality or statutory authorities, as submitted by the Petitioner.

22. Accordingly, based on the submissions of the parties, we proceed to examine the year-wise admissibility of the additional capital expenditure under the 2019 Tariff Regulations for the period 2019-24 as follows:

### **2019-20**

| Sl. No.                         | Item                                                      | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                     | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                    | Amount allowed |
|---------------------------------|-----------------------------------------------------------|------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Items previously allowed</b> |                                                           |            |                |                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                |                |
| 1                               | Upgradation from AVR to DVR of All Gas Turbine Generators | 25(2)(d)   | 85.78          | <p>The upgradation of AVR to DVR is allowed by CERC, and the same are installed in Generating units as follows:</p> <p>1. AVR panel#2 synchronised &amp; loaded up to 22MW on 29.22.2019.</p> <p>2. AVR panel#1 synchronised &amp; loaded up to 22MW on 03.12.2019.</p> <p>3. AVR panel#3 synchronised &amp; loaded up to 22MW on 05.12.2019.</p> | <p>The upgradation of AVR to DVR for Gas Turbines had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(2)(d) of the 2019 Tariff Regulations.</p> <p>However, the Petitioner has not submitted the</p> | 85.78          |



| Sl. No. | Item                                                                                                           | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Amount allowed |
|---------|----------------------------------------------------------------------------------------------------------------|------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                                                                                |            |                | 4. AVR panel#4 synchronised & loaded up to 22MW on 11.12.2019.<br><br>All units were commissioned in 1998. This was approved by the commission under clause 25(2)(d).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 2       | Procurement of 2 No. 145 kV SF6 Circuit Breakers for replacement against the old Circuit Breakers of GTG#1 & 2 | 25(2)(c)   | 20.68          | Two nos. 145kV SF6 Circuit Breaker procured vide PO No. NEEPCO/AGTCCPP/C&P/T-42/2020-21/1354 dated 15.12.2020 and installed Station Transformer (ST1) and GTG#1 on. 06.02.2021 & 10.02.2021. The CBs were replaced considering the low-rated breaking & making current-carrying capacity of the existing set of equipment. The replacement is considered under Regulation 25(2)(c).                                                                                                                                                                                                                                                                                | The item was already allowed in the order dated 26.10.2023 in Petition No. 246/GT/2020, subject to the Petitioner furnishing the OEM certificate with regard to the obsolescence of technology at the time of truing up the tariff. In the present petition, the Petitioner has furnished the obsolescence certificate from the OEM. Therefore, the item is <b>allowed</b> .<br><br>However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion). | 20.68          |
| 3       | Procurement and Installation of 125 V Battery Chargers                                                         | 25(1)(f)   | 23.85          | 04 nos. 125 V Battery Chargers were procured vide PO no. NEEPCO/AGTCCP commissioned 2018-19/859 dated 27.12.2018 and installed as follows :<br>1. Charger of GTG#1 installed & commissioned on 09.02.2021.<br>2. Charger of GTG#2 installed & commissioned on 20.02.2021.<br>3. Charger of GTG#3 installed & commissioned on 27.02.2021.<br>4. Charger of GTG#4 installed & commissioned on 01.03.2021.<br><br>The commission had allowed the additional capital expenditure of Rs. 80 lakhs under this head vide its order 14.7.2017 in Petition No. 94/GT/2014. The claim of the Petitioner is allowed under Regulation 25(1)(f) of the 2019 Tariff Regulations. | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(1)(f) of the 2019 Tariff Regulations.                                                                                                                                                                                                                                                                                                                                        | 23.85          |
| 4       | Procurement and Installation of 220                                                                            | 25(1)(f)   | 7.34           | 01 no. 220 V Battery Chargers were procured vide PO no. NEEPCO/AGTCCPP/C&P/CS-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7.34           |



| Sl. No. | Item                                                                                                                                                                                                                                                                                                                                                                                                                                        | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount allowed |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         | V Battery Chargers                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                | 16&17/2018-19/842 dated 24.12.2018 and installed on 31.12.2019. The commission had allowed the additional capital expenditure of Rs. 80 lakhs under this head vide its order 14.7.2017 in Petition No. 94/ GT/2014. The claim of the Petitioner is allowed under Regulation 25(1)(f) of the 2019 Tariff Regulations.                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                |
| 5       | Procurement and Installation of 1 No. GT Cooler Radiator. Already installed in GT#2 on 31.08.2018. Due to a delay in execution, a time extension was required for releasing the final payment, for which capitalisation could not be done in 2018-19. Now, after the final time extension is accorded and 100% payment released, the capitalisation of the new radiator and decapitalization of the old radiator in 2019-20 are in process. | 25(2)(c)   | 33.63          | The Commission has allowed the claim under regulation 25(1)f on release of 100% payment on installation. The payment is already released, and the Radiator cooler is in operation now. The expenditure was allowed by the commission to be claimed under Clause 25(2)(c).                                                                                                                                                                                                                                                                                                                                     | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(2)(c) of the 2019 Tariff Regulations.<br><br>However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                       | 33.63          |
| 6       | Procurement of Relay Time Sync kit, installation, and commissioning                                                                                                                                                                                                                                                                                                                                                                         | 26(1)(a)   | 6.93           | Vide PO No. NEEPCO/AGTCCP/DGM(E/M) EC&I/G-01/2019-20/ 222 dated 19.8.2019 procured a Time sync kit and installed and commissioned on 11.1.20220. The requirement is of statutory Authority and is allowed under regulation 26(1)(a). the claim is allowed under Regulation 26(1)(a) of the 2019 Tariff Regulations. The Petitioner is directed to submit documentary evidence indicating that the expenditure is incurred based on the advice or as directed by the appropriate Indian Government Instrumentality or Statutory authorities, at the time of truing-up of tariff and the same is complied with. | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020, subject to the submission of documentary evidence indicating that the expenditure is incurred based on the advice or as directed by an appropriate Indian Government Instrumentality or Statutory authority at the time of truing-up of tariff. The Petitioner has submitted the documentary evidence, as directed in the said order. In view of this, the expenditure is <b>allowed</b> under Regulation | 6.93           |



| Sl. No. | Item                                                                                                                              | Regulation                             | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amount allowed |
|---------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                                                                                                   |                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 26(1)(a) of the 2019 Tariff Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 7       | Supply and installation of Display Board for display of emission data, viz., Sox, Nox, CO2, etc. at the Main Gate for public view | 26(1)(d)                               | 7.46           | Vide PO No. NEEPCO/AGTCCPP/DGM(E/M)/EC&I/G-01/2019-20/216 dated 14.08.2019 procured a Display Board and installed it on 14.01.2020 as per the guidelines of CPCB (Statutory requirement). It is allowed under regulation 26(1)(d) by the Commission. As the additional capital expenditure claimed is for the display of emission data and is a mandatory requirement as advised by the Tripura State Pollution Control Board (TSPCB), the claim was allowed under Regulation 26(1)(d) of the 2019 Tariff Regulations. The commission approved 3.54 lakh, but the expenditure is 7.46 lakh.                                              | As the additional capital expenditure claimed is for the display of emission data and is a mandatory requirement as advised by the Tripura State Pollution Control Board (TSPCB), and the same has already been allowed in order dated 26.10.2023 in Petition No. 246/GT/2020. However, considering the nature of the claim as it is directed by the TSPCB, the claim is <b>allowed</b> under Regulation 26(1)(b) of the 2019 Tariff Regulations.                                                                                                                                                                          | 7.46           |
| 8       | Construction of Security Road (1200.00 m)                                                                                         | Regulation 76 & 77 along with 26(1)(d) | 88.14          | Construction of such a security road was carried out due to the requirement of security movement around the plant area. Both the TSR security force (GOT) and the NEEPCO security are deployed the whole day and night. Such a road was constructed for the security and safety of the plant. the claim is allowed under Regulation 26(1)(d) of the 2019 Tariff Regulations. The Petitioner is directed to submit documentary evidence indicating that the expenditure is incurred based on the advice or as directed by the appropriate Indian Government Instrumentality or Statutory authorities, at the time of truing-up of tariff. | The claim is related to the higher safety and security of the generating station, and it was already allowed in an order dated 26.10.2023 in Petition No. 246/GT/2020 with direction of furnishing the documentary evidence indicating that the expenditure is incurred based on the advice or as directed by appropriate Indian Government Instrumentality or Statutory authorities, at the time of truing-up of tariff. The Petitioner has submitted the required documentary evidence, which shows the direction from the Intelligence Bureau, MHA. Accordingly, the claim is <b>allowed</b> under Regulation 26(1)(d). | 88.14          |
| 9       | Procurement of 6 No. of GT Cooling Water Pumps with Motors                                                                        | 25(2)(d)                               | 26.55          | All 16 nos. cooling water pump-motor sets were installed successfully and are now in operation. The Commission has allowed the claim under Regulation 25(2)(d).                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(2)(d) of the 2019 Tariff Regulations. However, the Petitioner has not submitted the                                                                                                                                                                                                                                                                                                                                                 | 26.55          |



| Sl. No.                  | Item                                                    | Regulation                             | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Amount allowed |
|--------------------------|---------------------------------------------------------|----------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|                          |                                                         |                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |
| 10                       | Renovation and upgradation of the Firefighting System   | 25(2)(a)                               | 28.3           | The underground firefighting pipelines are 21 years old. It is very essential to maintain the desired water pressure in a sustainable manner for effective firefighting at any time. The coatings of the underground pipelines are susceptible to rusting, and eventual damage occurs, leading to water leakage and pressure drop. The claim was allowed by the Commission under Regulation 25(2)(a) of the 2019 Tariff Regulations. Hence, it is claimed accordingly.                                                                                                                                                                                                                                                                                                               | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(2)(a) of the 2019 Tariff Regulations.<br><br>However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                                                                      | 28.3           |
|                          | <b>Sub-total (A)</b>                                    |                                        | <b>328.66</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>328.66</b>  |
| <b>New items claimed</b> |                                                         |                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |
| 11                       | Construction of B-type quarter at AGTCCPP               | Regulation 76 & 77 along with 25(2)(d) | 91.08          | AGTPP was converted to a Combined Cycle Power Plant. Commission allowed similar nature of work vide order dated 28 <sup>th</sup> July 2023 in Petition no-32/GT/2020. With the addition of two Steam Turbine Generating units (STG), each with a capacity of 25.5 MW, with effect from 29.7.2015 and 1.9.2015, respectively. The cut-off date of the STG is 31.3.2018. For running the additional capacity Generating station needed additional manpower. Construction of B type quarter was necessary to accommodate the additional manpower. Commission allowed similar nature of work vide order dated 28 <sup>th</sup> July 2023 in Petition No. 32/GT/2020. Hence, it is claimed under clauses 76 & 77, i.e., the power to relax clause 25(2)(d) of the Tariff Regulation 2019. | Since AgGBPS became a Combined Cycle Power Plant with two additional STG units, which were commissioned in 2015, extra manpower was required for operating the enhanced capacity. The claimed items were part of the RCE, as evident from the submission of DPR vide additional information dated 7.5.2025. Construction of B-type quarters was necessary due to the requirement for additional staff. Therefore, we are of the considered view that the same is <b>allowed</b> under Regulation 76 & 77 by relaxing Regulation 25(2)(d) of the 2019 Tariff Regulations. | 91.08          |
| 12                       | Construction retaining wall back side of B-type quarter | Regulation 76 & 77 along with 25(2)(d) | 3.46           | The said work was related to the above work. It is also claimed under clauses 76 & 77, i.e. power to relax clause 25(2)(d) of the Tariff Regulation 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Further, the construction of a retaining wall is also towards the safety and security of the personnel to be deployed, hence the same is also <b>allowed</b> .                                                                                                                                                                                                                                                                                                                                                                                                           | 3.46           |
| 13                       | Construction of a stock yard inside the store complex   | Regulation 76 & 77 along with 25(2)(d) | 26.35          | The provision for the construction of the store building was there in RCE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 26.35          |



| Sl. No. | Item                                                         | Regulation                                        | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                              | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amount allowed |
|---------|--------------------------------------------------------------|---------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                              |                                                   |                |                                                                                                                                                                                                                                                                                                                                                                                                                                            | Since the assets are newly constructed, no decapitalisation or assumed deletion has been considered.                                                                                                                                                                                                                                                                                                                                                                                           |                |
| 14      | Construction of the Guest House in the Colony Complex        | Regulation 76 & 77 along with 25(2)(d)            | 212.24         | This construction was done to accommodate the manpower posted in this project against AGTP extension (51 MW STG) as per the provisions of DPR. Work was completed during 2019-20. Commission allowed similar nature of work in vide order dated 28 <sup>th</sup> July 2023 in Petition No. 32/GT/2020.                                                                                                                                     | Since AgGBPS became a Combined Cycle Power Plant with two additional STG units, which were commissioned in 2015, extra manpower was required for operating the enhanced capacity. The claimed items were part of the RCE, as evident from the Petitioner's submission of the DPR vide additional information dated 7.5.2025. Therefore, we are of the considered view that the same is <b>allowed</b> under Regulation 76 & 77 by relaxing Regulation 25(2)(d) of the 2019 Tariff Regulations. | 212.24         |
| 15      | Architectural works of the guest house, colony complex       | Regulation 76 & 77 along with 25(2)(d)            | 22.98          | This construction was done to accommodate the manpower posted in this project against AGTP extension (51 MW STG) as per the provisions of DPR. Work was completed during 2019-20. Commission allowed a similar nature of work in vide order dated 28 <sup>th</sup> July 2023 in Petition No. 32/GT/2020.                                                                                                                                   | Since the assets are newly constructed, no decapitalisation or assumed deletion has been considered.                                                                                                                                                                                                                                                                                                                                                                                           | 22.98          |
| 16      | Construction of a chemical storage building for DM plant     | Regulation 76 & 77 along with 25(2)(d) & 26(1)(d) | 8.63           | Consequent to the commissioning of the DM plant, which was approved by the commission vide order dated 28th July 2023 in Petition No. 32/GT/2020, after the steam cycle is introduced, a chemical storage building was necessary to store the chemicals safely, which may otherwise cause injury to the workers. Hence, the chemical storage building was constructed. The same is claimed under clauses 76 & 77 to relax clause 25(2)(d). | As the additional capital expenditure items is related to the higher safety and security of the workers, the claimed expenditure is <b>allowed</b> under Regulation 26(1)(d) of the 2019 Tariff Regulations.                                                                                                                                                                                                                                                                                   | 8.63           |
| 17      | Construction of a car shed in front of the hospital building | Regulation 76 & 77 along with 25(2)(d) & 26(1)(d) | 2.83           | This construction was done to accommodate the manpower posted in this project against AGTP extension (51 MW STG) as per the provisions of DPR. Work was completed during 2019-20. Commission allowed a similar nature of work in vide order dated 28 <sup>th</sup> July 2023 in Petition No. 32/GT/2020.                                                                                                                                   | The claim of the Petitioner is beyond the original scope of work, and there is no provision to allow such expenditure, and the claimed expenditure is not related to higher safety and security of the plant. Further, the exercise of power to relax is to be based on sufficient and reasonable justification                                                                                                                                                                                | 0.00           |



| Sl. No. | Item                                                                                   | Regulation | Amount Claimed | Justification                                                                                                                                 | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amount allowed |
|---------|----------------------------------------------------------------------------------------|------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                                                        |            |                |                                                                                                                                               | furnished by the Petitioner. Accordingly, the claim of the Petitioner is <b>not allowed</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                |
| 18      | Supply, design, engineering, testing, and commissioning of Station Service Board (SSB) | 25(2)(c)   | 9.08           | This modification is necessary to match the life of the equipment after the commissioning of STG 2015, extending the project life up to 2040. | Regulation 25(2)(c) of the 2019 Tariff Regulations is for the replacement of an asset within the original scope after the cut-off date, necessary on account of the obsolescence of technology. However, the Petitioner has not furnished any obsolescence certificate, OEM communication, or documentary evidence to establish that the existing Station Service Board had become technologically obsolete or that spares were no longer available. In the absence of such substantiation, the Commission is unable to accept the claim as a case of replacement due to obsolescence under Regulation 25(2)(c) of the 2019 Tariff Regulations. In view of this, the claimed expenditure is <b>not allowed</b> . | 0.00           |
|         | <b>Sub-total (B)</b>                                                                   |            | <b>376.65</b>  |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>364.74</b>  |
|         | <b>Total Claimed (A)+(B)</b>                                                           |            | <b>705.31</b>  |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |
|         | <b>Total Allowed (A)+(B)</b>                                                           |            |                |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>693.40</b>  |

## 2020-21

| Sl. No.                         | Item                                                                                          | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                                        | Reason for admissibility/ non-admissibility                                                                                                                                                                                  | Amount allowed |
|---------------------------------|-----------------------------------------------------------------------------------------------|------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Items previously allowed</b> |                                                                                               |            |                |                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                              |                |
| 1                               | Procurement of Skid Cable for Gas Turbine Control System for GTG#1 and GTG#2 and installation | 25(2)(a)   | 172.47         | Vide PO NEEPCO/AGTCCPP/C&P/T-38/2019-20/1081 dated 15.02.2020 procured skid cables for GTG#1 &2. and vide WO No. NEEPCO/AGTCCPP/C&P/T-38/2019-20/1200 dated 22.02.2020, successfully completed the installation work on 08.04.2022 at GTG#1 and on 07.09.2020 at GTG#2. The Commission is allowed to | The item had already been approved by the Commission in the order dated 26.10.2023 in Petition No. 246/GT/2020. In view of this, the expenditure is <b>allowed</b> under Regulation 25(2)(a) of the 2019 Tariff Regulations. | 172.47         |



| Sl. No.                  | Item                                                                       | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                       | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Amount allowed |
|--------------------------|----------------------------------------------------------------------------|------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|                          |                                                                            |            |                | procure under regulation 25(2)(a).                                                                                                                                                                                                                                  | However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
|                          | <b>Sub-total (A)</b>                                                       |            | <b>172.47</b>  |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>172.47</b>  |
| <b>New items claimed</b> |                                                                            |            |                |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 2                        | Construction of an RCC drain for the transport of wastewater from DM Plant | 25(1)(a)   | 18.62          | To segregate the backwash water of the DM Plant and collect it in a nearby valley for natural groundwater recharge. The same type of job was admitted by the commission in Petition No. 32/GT/2020 dated 26.7.2023, and as per the Central Pollution Control Board. | The present claim is beyond the cut-off date, and the work is for the segregation of backwash water of the DM plant for collection in a nearby valley for natural groundwater recharge, for which there is no mandatory direction from the Central Pollution Control Board (CPCB). The Commission in petition no. 32/GT/2020 dated 26.7.2023 had allowed the claim, as it was within the original scope of work and the cut-off date. However, in this case, the claim is neither within the original scope nor supported by a statutory direction; the claim does not meet the criteria of the Tariff Regulations, and therefore, the claim is <b>not allowed</b> under 25(1)(a) of the 2019 Tariff Regulations. | 0.00           |
| 3                        | Security Road including B CESS                                             | 26(1)(d)   | 124.19         | Such a road was constructed for the movement of security personal including TSR (paramilitary force of the Government. of Tripura), around the plant area                                                                                                           | The claim for additional capital expenditure is for enhanced safety and security of the generating station, as directed by the Intelligence Bureau, MHA. The Petitioner has also corroborated the claim with supporting documentary evidence. Accordingly, the claim is <b>allowed</b> .                                                                                                                                                                                                                                                                                                                                                                                                                          | 124.19         |
|                          | <b>Sub-total (B)</b>                                                       |            | <b>142.81</b>  |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>124.19</b>  |
|                          | <b>Total Claimed (A)+(B)</b>                                               |            | <b>315.28</b>  |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
|                          | <b>Total Allowed (A)+(B)</b>                                               |            |                |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>296.66</b>  |

**2021-22**

| Sl. No.                         | Item                                                                                                                                                                         | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                 | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                   | Amount allowed |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Items previously allowed</b> |                                                                                                                                                                              |            |                |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               |                |
| 1                               | -                                                                                                                                                                            | -          | -              |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               | -              |
|                                 | <b>Sub-total (A)</b>                                                                                                                                                         |            | -              |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               | -              |
| <b>New items claimed</b>        |                                                                                                                                                                              |            |                |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               |                |
| 2                               | Water supply and Drainage (Rs. 774210 spent for construction of rainwater harvesting)/ Rs. 964705 spent for construction of earthing embankment for natural revoir at plant) | 26(1)(b)   | 17.39          | For the collection of rainwater through stormwater drains and allowing natural groundwater recharge. And shall be treated as a statutory requirement as the GOI has notified to reduce the use of groundwater, and also the GOT has formulated a rainwater harvesting scheme. | The claim for additional capital expenditure is for the construction of the rainwater harvesting system and the construction of the earthing embankment, which is as per the direction of the Govt. of Tripura, as per the 4th amendment dated 17.1.2025 of the 'Tripura Building Rules, 2017'. Accordingly, the said expenditure is <b>allowed</b> under Regulation 26(1)(b) of the 2019 Tariff Regulations. | 17.39          |
|                                 | <b>Sub-total (B)</b>                                                                                                                                                         |            | <b>17.39</b>   |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               | <b>17.39</b>   |
|                                 | <b>Total Claimed (A)+(B)</b>                                                                                                                                                 |            | <b>17.39</b>   |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               |                |
|                                 | <b>Total Allowed (A)+(B)</b>                                                                                                                                                 |            |                |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               | <b>17.39</b>   |

**2022-23**

| Sl. No.                         | Item                                                                      | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                   | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                       | Amount allowed |
|---------------------------------|---------------------------------------------------------------------------|------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Items previously allowed</b> |                                                                           |            |                |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 1                               | -                                                                         | -          | -              |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                   | -              |
|                                 | <b>Sub-total (A)</b>                                                      |            | -              |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                   | -              |
| <b>New items claimed</b>        |                                                                           |            |                |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 2                               | Construction and installation of HT and LT line from Powerhouse to colony | 25(2)(a)   | 58.13          | Such a line was most essential for an uninterrupted electricity supply to the colony. Since the line was very old and was a part of the original project, the replacement is claimed under 25(2)a with a prayer to relax the norm. Separate certificate issued. | The claim for additional capital expenditure is for the replacement of an asset under the original scope for which the useful life is not commensurate with the useful life of the plant. The said asset is necessary for uninterrupted power supply, and considering the poor condition of the asset, as submitted in the certificate furnished by the Petitioner, the claim is <b>allowed</b> . | 58.13          |



| Sl. No. | Item                                                        | Regulation                             | Amount Claimed | Justification                                                                                                                                                                                                                                                                                            | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Amount allowed |
|---------|-------------------------------------------------------------|----------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                             |                                        |                |                                                                                                                                                                                                                                                                                                          | However, the Petitioner has not submitted the decapitalization value of the replaced asset, accordingly, assumed deletion has been considered. (refer assumed deletion).                                                                                                                                                                                                                                                                                                                                                                                                                                              |                |
| 3       | Extra work for the executives in the guest house            | Regulation 76 & 77 along with 25(2)(d) | 14.28          | This construction was done to accommodate the manpower posted in this project against AGTP extension (51 MW STG) as per the provisions of DPR . Work was completed during 2019-20 . Commission allowed similar nature of work in vide order dated 28 <sup>th</sup> July 2023 in Petition No. 32/GT/2020. | <p>Since AgGBPS became a Combined Cycle Power Plant with two additional STG units, which were commissioned in 2015, extra manpower was required for operating the enhanced capacity. The claimed items were part of the RCE as evident from the submission of DPR vide additional information dated 7.5.2025 by the Petitioner. Therefore, we are of the considered view that the same is <b>allowed</b> under Regulation 76 &amp; 77 by relaxing Regulation 25(2)(d) of the 2019 Tariff Regulations.</p> <p>Since the assets are newly constructed, no decapitalisation or assumed deletion has been considered.</p> | 14.28          |
| 4       | Construction of edge brick soling paving in GBT store plant | 25(2)(c)                               | 3.10           | For the movement of heavy vehicles and cranes, pavement was necessary.                                                                                                                                                                                                                                   | The petitioner has claimed the capitalisation for the construction of edge brick-soling paving in the GBT store area, stating that it was needed for the movement of heavy vehicles and cranes; however, such paving works are routine civil and maintenance activities meant to facilitate internal movement. The petitioner has not shown that this work was essential for the commissioning or operation of any specific project component. Further, the said expenditure is                                                                                                                                       | 0.00           |



| Sl. No. | Item                                                                              | Regulation                             | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amount allowed |
|---------|-----------------------------------------------------------------------------------|----------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|         |                                                                                   |                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | not related to the obsolescence of technology of any asset under the original scope, and the Petitioner has not furnished any certificate from the competent authority to substantiate the claim of obsolescence. Accordingly, considering the nature of the work, the claim is <b>not allowed</b> under Regulation 25(2)(c) of the 2019 Tariff Regulations.                                                                                                                                                                    |                |
| 5       | Construction of a barrack for the Fire Man barrack with electrification at AgGBPS | Regulation 76 & 77 along with 26(1)(d) | 33.59          | 24 x 7 Firefighting service is mandatory for the Power Plant from safety and security of the plant. There was no permanent arrangement for stationing a firefighting crew. As such, the barrack was constructed to accommodate firefighting crews. It is claimed under Power to relax the norm 26(1)(d).                                                                                                                                                                                                                                                                                                                            | Considering that the additional capital expenditure is for higher safety and security of the plant, as per the direction of the Intelligence Bureau, MHA, the claim of additional capital expenditure is <b>allowed</b> under Regulation 26(1)(d).                                                                                                                                                                                                                                                                              | 33.59          |
| 6       | Installation of 1(one) deep tube well at Colony Complex                           | Regulation 76 & 77 along with 25(2)(c) | 20.17          | After conversion from Open cycle to Combined cycle, the capacity of the plant increased by 50 MW, necessitating additional water requirements both for the plant as well as for the colony. As there is no river nearby the plant, both the plant and the colony of the Project are entirely dependent on underground water. The entire water supply is practically dependent on a single deep tube well. So, augmentation of the existing facilities was essential. Hence, a standby deep tube is installed. Petitioner prays to the Commission to relax the norms of clause 25 (2)(c) and allow the expenditure on the said work. | The said expenditure is not related to the obsolescence of technology of any asset under the original scope, and the Petitioner has not furnished any certificate from the competent authority to substantiate the claim of obsolescence. Further, the exercise of power to relax is to be based on sufficient and reasonable justification furnished by the Petitioner and not due to any difficulty caused to the Petitioner on account of the application of the Regulations. Accordingly, the claim is <b>not allowed</b> . | 0.00           |
|         | <b>Sub-total (B)</b>                                                              |                                        | <b>129.27</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>106.00</b>  |
|         | <b>Total Claimed (A)+(B)</b>                                                      |                                        | <b>129.27</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |
|         | <b>Total Allowed (A)+(B)</b>                                                      |                                        |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>106.00</b>  |

**2023-24**

| Sl. No.                         | Item                               | Regulation                              | Amount Claimed | Justification                                                                                                                                                                                                                                                                               | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amount allowed |
|---------------------------------|------------------------------------|-----------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Items previously allowed</b> |                                    |                                         |                |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |
| 1                               | -                                  | -                                       | -              |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -              |
|                                 | <b>Sub-total (A)</b>               |                                         | -              |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -              |
| <b>New items claimed</b>        |                                    |                                         |                |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |
| 2                               | Construction of Store Building     | 25(2)(d)                                | 8.94           | The construction of the store building was there in RCE.                                                                                                                                                                                                                                    | A similar item is dealt with in Sl. No. 13 of 2019-20. Accordingly, the claim is <b>allowed</b> . However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion).                                                                                                                                                                                                                                               | 8.94           |
| 3                               | Construction of a water tank       | Regulations 76 & 77 along with 25(2)(c) | 6.83           | The plant area does not have an adequately sized overhead water tank. Moreover, the implementation of the combined cycle 2015 necessitated additional water requirements. Hence, a water tank was installed to cater to additional requirements. Petitioner prays to relax the norms 25(2)c | The said expenditure is not related to the obsolescence of technology of any asset under the original scope, and the Petitioner has not furnished any certificate from the competent authority to substantiate the claim of obsolescence. Further, the exercise of power to relax is to be based on sufficient and reasonable justification furnished by the Petitioner and not due to any difficulty caused to the Petitioner on account of the application of the Regulations. Accordingly, the claim is <b>not allowed</b> . | 0.00           |
| 4                               | Construction of a security barrack | Regulation 76 & 77 along with 25(2)(c)  | 24.45          | A new barracks has been constructed for the accommodation of security personnel                                                                                                                                                                                                             | Considering that the additional capital expenditure is for higher safety and security of the plant, as per the direction of the Intelligence Bureau, MHA, the claim of additional capital expenditure is <b>allowed</b> under Regulation 26(1)(d).                                                                                                                                                                                                                                                                              | 24.45          |



| Sl. No. | Item                                                      | Regulation | Amount Claimed | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reason for admissibility/ non-admissibility                                                                                                                                                                                                                                                                                                                                                                                                          | Amount allowed |
|---------|-----------------------------------------------------------|------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 5       | Installation & commissioning of AMF panel for 500 KVA EDG | 25(2)d     | 1.77           | The 500 KVA Cummins make Diesel generator (Model No. VTA28G, Sl. No. 25228429) was installed and commissioned since the inception of the project, i.e. project commission year is 1998. At present, all the equipment, i.e. dynamic relay, alarm system, contractors, etc., of the existing Control and Protection panel/ Automatic mains failure panels (AMF panel) of the EDG have become obsolete, and no spare support is available for the panel. The auto-cut facility is also not available in the panel. | The claim is for the asset under the original scope, which has already outlived its useful life, but which is not commensurate with the useful life of the plant. Considering the nature of the asset, the claim is <b>allowed</b> under Regulation 25(2)(a).<br><br>However, the Petitioner has not submitted the decapitalization value of the replaced asset; accordingly, the assumed deletion has been considered. (refer to assumed deletion). | 1.77           |
|         | <b>Sub-total (B)</b>                                      |            | <b>41.99</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>35.16</b>   |
|         | <b>Total Claimed (A)+(B)</b>                              |            | <b>41.99</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |
|         | <b>Total Allowed (A)+(B)</b>                              |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>35.16</b>   |

23. The summary of additional capital expenditure items claimed and allowed is as follows:

| (Rs. in lakh)                               |                |                |
|---------------------------------------------|----------------|----------------|
| Regulation                                  | Claimed        | Allowed        |
| Regulation 25(1)(a)                         | 18.62          | 0              |
| Regulation 25(1)(f)                         | 31.19          | 31.19          |
| Regulation 25(2)(a)                         | 258.9          | 258.9          |
| Regulation 25(2)(c)                         | 66.49          | 54.31          |
| Regulation 25(2)(d)                         | 123.04         | 123.04         |
| Regulation 26(1)(a)                         | 6.93           | 6.93           |
| Regulation 26(1)(b)                         | 17.39          | 24.85          |
| Regulation 26(1)(d)                         | 131.65         | 279            |
| Regulation 76 & 77 with 25(2)(c)            | 51.45          | 0              |
| Regulation 76 & 77 with 25(2)(d)            | 370.39         | 370.39         |
| Regulation 76 & 77 with 25(2)(d) & 26(1)(d) | 11.46          | 0              |
| Regulation 76 & 77 with 26(1)(d)            | 121.73         | 0              |
| <b>Total</b>                                | <b>1209.24</b> | <b>1148.61</b> |

### **De-capitalization**

24. Regulation 26(2) of the 2019 Tariff Regulations states as follows:

*“In case of de-capitalization 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-capitalization 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-capitalization takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised..”*

25. The Petitioner has claimed de-capitalization of the total Rs. 1524.08 lakh for the period from 2019-24 in Form-I, which is as follows:

(Rs. in lakh)

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total          |
|---------|---------|---------|---------|---------|----------------|
| 631.25  | 0.00    | 0.00    | 496.82  | 396.02  | <b>1524.08</b> |

26. In justification of the same, the Petitioner has submitted that these assets were procured as the old assets became unserviceable, as the useful life of those assets was not commensurate with the useful life of the plant. Hence, those assets were replaced to ensure the smooth operation of the generating station. Accordingly, the de-capitalization of the assets is **allowed** as the assets were procured in replacement of assets under the original scope. Accordingly, the decapitalization allowed to the generating station is as under:

(Rs. in lakh)

|                | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total          |
|----------------|---------|---------|---------|---------|---------|----------------|
| <b>Allowed</b> | 631.25  | 0.00    | 0.00    | 496.82  | 396.02  | <b>1524.08</b> |

### **Assumed Deletion**

27. As per the consistent methodology adopted by the Commission in its orders, the expenditure on replacement of assets, if found justified, is allowed for the purpose of tariff, provided that the capitalization of the said asset is followed by de-capitalization of the gross value of the old asset. However, in certain cases, where the decapitalization is proposed to be effected during the future years to the year of capitalization of the new



asset, the decapitalization of the old asset for the purpose of tariff is shifted to the very same year in which the capitalization of the new asset is allowed. Such de-capitalization which is not a book entry in the year of capitalization is termed as “Assumed Deletion”. Further, in the absence of the gross value of the asset being de-capitalized, the same is calculated by de-escalating the gross value of the new asset at the rate of 5% per annum till the year of capitalization of the old asset.

28. The details of assets decapitalized for replacement of old assets under the original scope were not furnished by the Petitioner as per the format of Form-I of Part-I of Annexure-I of the 2019 Tariff Regulations in the original petition. The Petitioner was directed to submit the details of asset-wise decapitalization against the additional capital expenditure under replacement vide TV Letter dated 1.5.2025. However, the Petitioner furnished the same information in reply to the query.

29. The Petitioner in the additional capital expenditure has claimed several assets under replacement during 2019-24. However, the Petitioner has not indicated the gross value of some old assets being replaced. Therefore, the methodology of arriving at the fair value of the decapitalized asset, i.e. the escalation rate of 5% per annum from the COD, has been considered in order to arrive at the gross value of the old asset in comparison to the cost of the new asset. Accordingly, the assumed deletions considered and allowed for the purpose of tariff are detailed as under:

| <b>Head of Work /Equipment</b>                                                                                                                                                                                                                                                                                 | <b>Total Deletion Value Considered</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Upgradation from AVR to DVR of All Gas Turbine Generators                                                                                                                                                                                                                                                      | 30.79                                  |
| Procurement of 2 No. 145 kV SF6 Circuit Breakers for replacement against the old Circuit Breakers of GTG#1 & 2                                                                                                                                                                                                 | 7.42                                   |
| Procurement and Installation of 1 No. GT Cooler Radiator. Already installed in GT#2 on 31.08.2018. Due to a delay in execution, a time extension was required for releasing the final payment, for which capitalisation could not be done in 2018-19. Now, after the final time extension is accorded and 100% | 12.07                                  |



| Head of Work /Equipment                                                                                                      | Total Deletion Value Considered |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| payment released, the capitalisation of the new radiator and decapitalization of the old radiator in 2019-20 are in process. |                                 |
| Procurement of 6 No. of GT Cooling Water Pumps with Motors                                                                   | 9.53                            |
| Renovation and upgradation of the Firefighting System                                                                        | 10.16                           |
| Procurement of Skid Cable for Gas Turbine Control System for GTG#1 and GTG#2, and installation                               | 58.96                           |
| Construction and installation of HT and LT lines from the power house to the colony                                          | 18.02                           |
| Constr. Of the store building                                                                                                | 2.64                            |
| Installation & commissioning of AMF panel for 500 kVA EDG                                                                    | 0.53                            |
| <b>Total</b>                                                                                                                 | <b>150.12</b>                   |

30. Accordingly, the year-wise assumed deletion considered for the period 2019-24 is as follows:

|                  | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|------------------|---------|---------|---------|---------|---------|
| Assumed Deletion | 69.97   | 58.96   | 0.00    | 18.02   | 3.16    |

(Rs. in lakh)

31. Accordingly, the total decapitalization allowed for the period 2019-24 is as under:

|                                                           | 2019-20       | 2020-21      | 2021-22     | 2022-23       | 2023-24       | Total          |
|-----------------------------------------------------------|---------------|--------------|-------------|---------------|---------------|----------------|
| De-capitalization                                         | 631.25        | -            | -           | 496.82        | 396.02        | 1524.08        |
| Assumed Deletion                                          | 69.97         | 58.96        | 0.00        | 18.02         | 3.16          | 150.12         |
| <b>Total de-capitalization including assumed deletion</b> | <b>701.22</b> | <b>58.96</b> | <b>0.00</b> | <b>514.84</b> | <b>399.18</b> | <b>1674.20</b> |

(Rs. in lakh)

## **Exclusions**

32. The following exclusions have been claimed by the Petitioner in Form-I of the Petition:

|                               | 2019-20      | 2020-21      | 2021-22      | 2022-23       | 2023-24       |
|-------------------------------|--------------|--------------|--------------|---------------|---------------|
| Exclusions in additions       | 33.47        | 44.7         | 31.71        | 243.67        | 279.21        |
| Exclusions in deletions       | (0.82)       | (22.74)      | 0.00         | (67.99)       | (60.26)       |
| <b>Net Exclusions claimed</b> | <b>32.65</b> | <b>21.96</b> | <b>31.71</b> | <b>175.68</b> | <b>218.95</b> |

(Rs. in lakh)



### Positive entries in Exclusions

33. The Petitioner has submitted that the expenditure as stated above has been incurred towards the procurement/ replacement of minor assets, which were not allowed for the purpose of tariff, after the cut-off date of the generating station, in terms of the 2019 Tariff Regulations. The Petitioner has accordingly put these additions under the exclusion category by including the positive entries resulting from inter-head adjustments. As such, the positive entries in exclusions claimed by Petitioner have no impact on the tariff. The same is in order and is **allowed**.

### Negative entries in Exclusions

34. The Petitioner has de-capitalized the above amounts in the books of accounts pertaining to various items, which include office equipment, furniture and fixtures, bicycle, miscellaneous equipment, computers, hospital equipment, etc., as these are not in use on account of their becoming unserviceable/obsolete. In the prudence check, the decapitalization of claims with respect to assets that were not allowed was excluded. Therefore, the claim for negative entries in exclusions is allowed, and the same has not been considered as part of the capital cost. Accordingly, on the above, the exclusion in deletions allowed for the purpose of the tariff is as under:

*(Rs. in lakh)*

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------|---------|---------|---------|---------|
| -0.82   | -22.74  | 0.00    | -67.99  | -60.26  |

### Discharge and Recovery of Liquidated Damages

35. The Petitioner has claimed discharge of liabilities in Form S as under:

*(Rs. in lakh)*

|                          | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total        |
|--------------------------|---------|---------|---------|---------|---------|--------------|
| Discharge of liabilities | 6.74    | 11.09   | 20.02   | 14.63   | 0.00    | <b>52.48</b> |

36. The Petitioner has claimed the opening liability as on 31.3.2019 to be Rs. 465.70 lakh, as per their books of account, as submitted in the audited Form-S (Liability Flow Statement). However, the closing liability, as per the order dated 28.7.2023 in Petition No. 32/GT/2020, after truing-up the tariff for the generating station for the period 2014-19 was Rs. 385.65 lakh. The Petitioner was directed to justify the mismatch in the values of liability through the TV Letter dated 1.5.2025. The Petitioner has replied vide additional information dated 7.5.2025 that the liability as on 31.3.2019 is Rs. 465.70 lakh, which is as per their submission in the original petition.

37. We have analysed the matter. As there is a mismatch in the amount of closing liability as on 31.3.2019 between the submission made by the Petitioner and the order dated 28.7.2023 in Petition No. 32/GT/2020, the opening liability as on 1.4.2019 is considered as the closing liability as per the order in Petition No. 32/GT/2020. Accordingly, the discharges claimed by the Petitioner for each of the years have been allowed, considering the opening liability to be Rs. 385.65 lakh.

38. With respect to the recovery of liquidated damages, the Petitioner has claimed Rs. 1401.30 lakh in FY 2020-21, which has been recovered from M/s Thermax Ltd. on 30.12.2020, as there was a time overrun of 366 days of the project, out of which 312 days were attributable to M/s Thermax Ltd. The Petitioner has submitted that the LOI for the extension project was awarded to M/s Thermax on 31.7.2012 with a scheduled completion date of 31.8.2014. However, the work was completed on 31.8.2015. The Petitioner has further submitted that the time overrun resulted not only in generation loss but also in cost overrun on account of the escalation bill.

39. The generating station was converted to a Combined Cycle Power Plant with the addition of two Steam Turbine Generating units (STG) each with a capacity of 25.5 MW with effect from 29.7.2015 and 1.9.2015, respectively, after direction from MoP. The



Investment Approval for the cost of execution of the Project envisaged the conversion of the existing Open Cycle Plant to a Combined Cycle Power Plant, by the installation of two Steam Turbine generating units, which was conveyed by the MOP at an estimated cost of Rs. 29687 lakhs at June, 2011 Price Level. Subsequently, the Petitioner's company was conferred the status of "Mini Ratna Category-1 PSE" with effect from 8.4.2013. The Department of Public Enterprises, Government of India, grants Mini Ratna Category-1 PSEs the power to incur capital expenditure on new projects to the extent of Rs. 500.00 crore or equal to the net worth, whichever is less, without government approval. Accordingly, the order dated 28.7.2023 in Petition No. 32/GT/2020 has considered the RCE of Rs. 36525 lakhs (including IDC of Rs.1920 lakh) as approved by the Board of Directors of the Petitioner and approved the additional capital expenditure towards extension of the project as claimed by the Petitioner. Hence, the liquidated amount of Rs 1401.30 lakh recovered by the Petitioner needs to be adjusted in the capital cost. If the project is delayed by a contractor, the owner recovers liquidated damages from that contractor; those recovered amounts must be accounted for when working out the project's capital cost. Hence, as claimed by the Petitioner, since the LD amount is recovered during 2020-21, the same is deducted during 2020-21 from the capital cost of the generating station.

40. Accordingly, the discharge and reversal of liabilities corresponding to allowed works is summarised below:

|                                                                                                          | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Opening Un-discharged liabilities as per Order dated 28.7.2023 for Petition No. 32/GT/2020 (A)           | 385.65  | 378.91  | 367.82  | 347.80  | 333.17  |
| Additions during the 2019-24 tariff period (corresponding to allowed additional capital expenditure) (B) | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    |
| Discharges during the 2019-24 tariff period (corresponding to                                            | 6.74    | 11.09   | 20.02   | 14.63   | 0.00    |



|                                                                                                                                                 | 2019-20       | 2020-21       | 2021-22       | 2022-23       | 2023-24       |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| allowed additional capital expenditure) (C)                                                                                                     |               |               |               |               |               |
| Reversal of Liabilities out of liabilities added during the 2019-24 tariff period (corresponding to allowed additional capital expenditure) (D) | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Closing Un-discharged liabilities (E) = (A+B-C-D)                                                                                               | <b>378.91</b> | <b>367.82</b> | <b>347.80</b> | <b>333.17</b> | <b>333.17</b> |

### **Capital cost allowed for the 2019-24 tariff period**

41. Accordingly, the additional capital expenditure allowed for ROE at the normal rate and WAROI rate is as under:

#### ***Additional Capital Expenditure eligible for Normal ROE***

| Particulars                                                    | 2019-20        | 2020-21         | 2021-22      | 2022-23        | 2023-24        |
|----------------------------------------------------------------|----------------|-----------------|--------------|----------------|----------------|
| Additional capital expenditure allowed                         | 582.24         | 172.47          | 0.00         | 72.41          | 10.71          |
| Less: Decapitalization                                         | 701.22         | 58.96           | 0.00         | 514.84         | 399.18         |
| Add: Discharges of liabilities (against allowed assets/ works) | 6.74           | 11.09           | 20.02        | 14.63          | 0.00           |
| Less: LD Recovery                                              | 0.00           | 1401.30         | 0.00         | 0.00           | 0.00           |
| <b>Net Additional Capital Expenditure</b>                      | <b>-112.24</b> | <b>-1276.70</b> | <b>20.02</b> | <b>-427.80</b> | <b>-388.47</b> |

#### ***Additional Capital Expenditure eligible for WAROI***

| Particulars                                                    | 2019-20       | 2020-21       | 2021-22      | 2022-23      | 2023-24      |
|----------------------------------------------------------------|---------------|---------------|--------------|--------------|--------------|
| Additional capital expenditure allowed                         | 111.16        | 124.19        | 17.39        | 33.59        | 24.45        |
| Less: Decapitalization                                         | 0.00          | 0.00          | 0.00         | 0.00         | 0.00         |
| Add: Discharges of liabilities (against allowed assets/ works) | 0.00          | 0.00          | 0.00         | 0.00         | 0.00         |
| Less: LD Recovery                                              | 0.00          | 0.00          | 0.00         | 0.00         | 0.00         |
| <b>Net Additional Capital Expenditure</b>                      | <b>111.16</b> | <b>124.19</b> | <b>17.39</b> | <b>33.59</b> | <b>24.45</b> |

42. As stated earlier, the order dated 28.7.2023 in Petition No. 32/GT/2020 had allowed the closing capital cost of Rs. 65293.48 lakh, as on 31.3.2019. The same has been considered as the opening capital cost as on 1.4.2019. As such, capital cost allowed for the purpose of truing-up of tariff for the generating station for the 2019-24 tariff period is as under:

**(Rs. in lakh)**



| Particulars                                                    | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
|----------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening Capital Cost                                           | 65293.48        | 65292.40        | 64139.89        | 64177.30        | 63783.09        |
| Add: Admitted Additional capital expenditure                   | 693.40          | 296.66          | 17.39           | 106.00          | 35.16           |
| Less: Decapitalization                                         | 701.22          | 58.96           | 0.00            | 514.84          | 399.18          |
| Add: Discharges of liabilities (against allowed assets/ works) | 6.74            | 11.09           | 20.02           | 14.63           | 0.00            |
| Less: LD Recovery                                              | 0.00            | 1401.30         | 0.00            | 0.00            | 0.00            |
| <b>Net Additional Capital Expenditure</b>                      | <b>-1.08</b>    | <b>-1152.51</b> | <b>37.41</b>    | <b>-394.21</b>  | <b>-364.02</b>  |
| <b>Closing Capital Cost</b>                                    | <b>65292.40</b> | <b>64139.89</b> | <b>64177.30</b> | <b>63783.09</b> | <b>63419.08</b> |
| Average Capital Cost                                           | 65292.94        | 64716.15        | 64158.60        | 63980.20        | 63601.08        |

### **Debt-Equity Ratio**

43. 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.”*

44. The Commission vide Order dated 28.7.2023 in Petition No. 32/GT/2020 had considered the gross loan and equity of Rs. 39359.18 lakh and Rs. 25934.30 lakh respectively, as on 31.3.2019. The same has been considered as gross loan and equity, as on 1.4.2019. Further, the allowed additional capital expenditure approved as above, liquidated damages recovered have been considered to be funded in the debt: equity ratio of 70:30 and the de-capitalization has been considered in the debt: equity ratio of 50:50 (the original debt-equity ratio). The details of the debt: equity ratio considered are shown as under:

**(Rs. in lakh)**

|                              | Capital cost as on 1.4.2019 |                | Allowed additional capital expenditure, discharge of liabilities and Liquidated Damages recovered |                | De-capitalization allowed |                | Capital cost as on 31.3.2024 |                |
|------------------------------|-----------------------------|----------------|---------------------------------------------------------------------------------------------------|----------------|---------------------------|----------------|------------------------------|----------------|
|                              | Amount                      | (%)            | Amount                                                                                            | (%)            | Amount                    | (%)            | Amount                       | (%)            |
| Debt (A)                     | 39359.18                    | 60.28%         | -140.14                                                                                           | 70.00%         | 837.10                    | 50.00%         | 38381.94                     | 60.52%         |
| Equity (B)                   | 25934.30                    | 39.72%         | -60.06                                                                                            | 30.00%         | 837.10                    | 50.00%         | 25037.14                     | 39.48%         |
| <b>Total (C) = (A) + (B)</b> | <b>65293.48</b>             | <b>100.00%</b> | <b>-200.21</b>                                                                                    | <b>100.00%</b> | <b>1674.20</b>            | <b>100.00%</b> | <b>63419.08</b>              | <b>100.00%</b> |

## **Return on Equity**

45. 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:*

- i. 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;*
- ii. 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;*
- iii. in case of a thermal generating station, with effect from 1.4.2020:*
  - a. rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;*
  - b. 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.*

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

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

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-**

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

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

(i) 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 =  $15.50 / (1-0.24) = 20.395\%$ .

(3) 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 truing up, shall be recovered or refunded to beneficiaries or the long-term customers, as the case may be, on year to year basis.”

46. Return on Equity (ROE) for the existing asset base and the additional capital expenditure allowed in this order for the asset/works within the original scope of work has been calculated by grossing up the base rate of ROE at the MAT rate of 17.472% as submitted by the Petitioner. Further, the additional capitalization items which are beyond the original scope, excluding the additional capitalization due to a change in law, ROE has been calculated considering the weighted average rate of interest on actual loans

claimed by the Petitioner, grossed up at the MAT rate of 17.472%. Accordingly, ROE has been worked out and allowed as under:

**Return on Equity at Normal Rate:**

(Rs. in lakh)

|                                                         | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Normative Equity – Opening (A)                          | 25934.30       | 25760.38       | 25365.58       | 25371.59       | 25140.28       |
| Addition of equity due to Additional Capitalisation (B) | -173.92        | -394.80        | 6.01           | -231.31        | -196.38        |
| Normative Equity- Closing (C)= (A)+(B)                  | 25760.38       | 25365.58       | 25371.59       | 25140.28       | 24943.90       |
| Average Normative Equity (D)= (A+C)/2                   | 25847.34       | 25562.98       | 25368.58       | 25255.93       | 25042.09       |
| Return on Equity (Base Rate) (E)                        | 15.500%        | 15.500%        | 15.500%        | 15.500%        | 15.500%        |
| Effective Tax rate for the year (F)                     | 17.472%        | 17.472%        | 17.472%        | 17.472%        | 17.472%        |
| Rate of Return on Equity (Pre-tax) (G)= (E)/(1-F)       | 18.782%        | 18.782%        | 18.782%        | 18.782%        | 18.782%        |
| <b>Return on Equity (Pre-tax) (H)= (D)*(G)</b>          | <b>4854.65</b> | <b>4801.24</b> | <b>4764.73</b> | <b>4743.57</b> | <b>4703.41</b> |

**Return on Equity at WAROI:**

(Rs. in lakh)

|                                                         | 2019-20       | 2020-21       | 2021-22       | 2022-23       | 2023-24       |
|---------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Normative Equity – Opening (A)                          | 0.00          | 33.348        | 70.605        | 75.822        | 85.899        |
| Addition of equity due to Additional Capitalisation (B) | 33.348        | 37.257        | 5.217         | 10.077        | 7.335         |
| Normative Equity- Closing (C)= (A)+(B)                  | <b>33.348</b> | <b>70.605</b> | <b>75.822</b> | <b>85.899</b> | <b>93.234</b> |
| Average Normative Equity (D)= (A+C)/2                   | 16.674        | 51.977        | 73.214        | 80.861        | 89.567        |
| Return on Equity (Base Rate) (E)                        | 5.26%         | 3.43%         | 3.14%         | 6.70%         | 6.70%         |
| Effective Tax rate for the year (F)                     | 17.472%       | 17.472%       | 17.472%       | 17.472%       | 17.472%       |
| Rate of Return on Equity (Pre-tax) (G)= (E)/(1-F)       | 6.368%        | 4.154%        | 3.804%        | 8.118%        | 8.118%        |
| <b>Return on Equity (Pre-tax) (H)= (D)*(G)</b>          | <b>1.06</b>   | <b>2.16</b>   | <b>2.79</b>   | <b>6.56</b>   | <b>7.27</b>   |

**Interest on Loan**

47. 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 decapitalization 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 up to 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.”*

48. Interest on loan has been computed as under:

- (a) The gross normative loan amounting to Rs. 39359.18 lakh has been considered as on 1.4.2019;
- (b) Cumulative repayment amounting to Rs. 24773.90 lakh as on 31.3.2019, as considered in Order dated 28.7.2023 in Petition No. 32/GT/2020, has been considered as on 1.4.2019;
- (c) Accordingly, the net normative opening loan as on 1.4.2019 works out to be Rs. 14585.28 lakh;
- (d) Addition to the normative loan on account of additional capital expenditure approved above has been considered;
- (e) Depreciation allowed has been considered as repayment of normative loan during the respective year of the 2019-24 tariff period;
- (f) The Petitioner has claimed interest on loan considering the weighted average rate of interest (WAROI) of 5.26% in 2019-20, 3.43% in 2020-21, 3.14% in 2021-22, 6.70% in 2022-23 and 6.70% in 2023-24. In line with the provisions of the regulations stated above, the WAROI has been calculated by applying the actual loan portfolio existing as on

1.4.2019, along with subsequent additions during the period 2019-24, if any, for the generating station.

(Rs. in lakh)

|                                                              | 2019-20       | 2020-21       | 2021-22       | 2022-23       | 2023-24       |
|--------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Gross Notional Loan- Opening (A)                             | 39359.18      | 39498.67      | 38703.70      | 38729.89      | 38556.91      |
| Cumulative Repayment of Loan up to previous year/ period (B) | 24773.90      | 26645.34      | 28762.37      | 30661.46      | 32135.49      |
| Net Opening Loan (C)= (A)-(B)                                | 14585.28      | 12853.32      | 9941.34       | 8068.44       | 6421.42       |
| Addition due to Additional Capitalisation (D)                | 139.49        | -794.97       | 26.19         | -172.98       | -174.98       |
| Repayment of Loan during the period (E)                      | 2222.05       | 2146.50       | 1899.09       | 1731.46       | 1703.67       |
| Less: Repayment adjustment on a/c of decapitalization (F)    | 350.61        | 29.48         | 0.00          | 257.42        | 199.59        |
| Net Repayment of Loan during the year/ period (G)= (E)-(F)   | 1871.44       | 2117.02       | 1899.09       | 1474.04       | 1504.08       |
| Net Closing Loan (H)= (C)+(D)-(G)                            | 12853.32      | 9941.34       | 8068.44       | 6421.42       | 4742.36       |
| Average Loan (I)= ((C)+(H))/2                                | 13719.30      | 11397.33      | 9004.89       | 7244.93       | 5581.89       |
| Weighted Average Rate of Interest on Loan (J)                | 5.26%         | 3.43%         | 3.14%         | 6.70%         | 6.70%         |
| <b>Interest on Loan (K)= (I)*(J)</b>                         | <b>720.97</b> | <b>390.71</b> | <b>282.72</b> | <b>485.40</b> | <b>373.99</b> |

## **Depreciation**

49. 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 up to 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.”*

50. The COD of the open cycle generating station is 1.8.1998. As such, the generating station has already completed 12 years of operation as on 1.8.2010, and the Open Cycle generating station shall complete its useful life on 31.3.2024. Further, depreciation has been computed considering the average capital cost with due adjustments of additional

capitalization, decapitalization, liability discharge and LD recovery corresponding to the relevant portion of the capital cost. Therefore, depreciation has been calculated in three stages. In the first stage, the remaining depreciation of the generating station has been spread over its balance useful life, as per the provisions of the 2019 Tariff Regulations, as below:

**(A) Depreciation allowed for Open Cycle AgGBPS completing useful life in 2023-24:**

|                                                                                                                         | <b>(Rs. in lakh)</b> |                 |                 |                 |                 |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                                                         | <b>2019-20</b>       | <b>2020-21</b>  | <b>2021-22</b>  | <b>2022-23</b>  | <b>2023-24</b>  |
| Avg. Capital Cost (A)                                                                                                   | 34578.67             | 33497.93        | 32767.80        | 32510.38        | 32053.37        |
| Value of Freehold Land included above (B)                                                                               | 275.32               | 275.32          | 275.32          | 275.32          | 275.32          |
| Value of IT equipment and software included above (C)                                                                   | 0.00                 | 0.00            | 0.00            | 0.00            | 0.00            |
| Rate of Depreciation (D)                                                                                                | 1.92%                | 1.68%           | 0.93%           | 0.40%           | 0.30%           |
| Depreciable value including amortisation of lease land in 25 yrs. (E)=(A-B-C) x 90%+(C)                                 | 30873.01             | 29900.35        | 29243.23        | 29011.55        | 28600.24        |
| Balance Useful life of the asset at the beginning of the year (F)                                                       | 4.33                 | 3.33            | 2.33            | 1.33            | 0.33            |
| Remaining Depreciable Value (G)= (E)-(Cumulative depreciation at the end of the previous year*)                         | 2879.26              | 1872.73         | 706.29          | 171.48          | 94.60           |
| <b>Depreciation (H)= (G)/(F)</b>                                                                                        | <b>664.96</b>        | <b>562.38</b>   | <b>303.13</b>   | <b>128.94</b>   | <b>94.60</b>    |
| Cumulative Depreciation (at the end of the period) (I)= (H)+ (Cumulative depreciation at the end of the previous year*) | 28658.71             | 28590.00        | 28840.07        | 28969.00        | 28600.24        |
| Less: Cumulative Depreciation reduction due to decapitalization (J)                                                     | 631.09               | 53.06           | 0.00            | 463.36          | 359.26          |
| <b>Cumulative Depreciation after adjustment due to decapitalization (at the end of the period) (K)= (I)-(J)</b>         | <b>28027.61</b>      | <b>28536.94</b> | <b>28840.07</b> | <b>28505.65</b> | <b>28240.98</b> |

\*Cumulative Depreciation as on 31.03.2019 is Rs. 27993.75

51. At the second stage, in line with the order dated 26.10.2023 in Petition No. 246/GT/2020, depreciation allowed on the additional capitalization, during the fag end period of the Open Cycle AgGBPS generating station has been calculated as per the

weighted average rate of depreciation submitted by the Petitioner and allowed for the period as under:

**(B) Depreciation allowed for additional capital expenditure during the period**

**2019-24 for Open Cycle:**

|                                                                                                               | <b>(Rs. in lakh)</b> |                |                |                |                |
|---------------------------------------------------------------------------------------------------------------|----------------------|----------------|----------------|----------------|----------------|
|                                                                                                               | <b>2019-20</b>       | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> |
| Avg. Capital Cost (A)                                                                                         | 350.07               | 854.01         | 1026.60        | 1105.62        | 1183.51        |
| Value of Freehold Land included above (B)                                                                     | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00           |
| Value of IT equipment and software included above (C)                                                         | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00           |
| Rate of Depreciation (D)                                                                                      | 5.07%                | 5.07%          | 5.08%          | 5.09%          | 5.10%          |
| Depreciable value including amortisation of lease land in 25 yrs. (E)=(A-B-C) x 90%+(C)                       | 315.06               | 768.61         | 923.94         | 995.06         | 1065.16        |
| Cumulative depreciation at the beginning (F)                                                                  | 0.00                 | 17.75          | 61.08          | 113.28         | 169.58         |
| Less: Depreciation adjustment due to decapitalization (G)                                                     | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00           |
| Net Cumulative Depreciation after adjustment for decapitalization (H) = (F)-(G)                               | 0.00                 | 17.75          | 61.08          | 113.28         | 169.58         |
| Remaining depreciable value (I) (E)-(H)                                                                       | 315.06               | 750.87         | 862.85         | 881.78         | 895.58         |
| <b>Depreciation (for the year/ period) (J)= (A) x (D)</b>                                                     | <b>17.75</b>         | <b>43.34</b>   | <b>52.19</b>   | <b>56.30</b>   | <b>60.36</b>   |
| Net Cumulative Depreciation after adjustment due to decapitalization (at the end of the period) (K) = (H)+(J) | 17.75                | 61.08          | 113.28         | 169.58         | 229.94         |

52. At the third stage, with the Commissioning of the STGs, in line with the order dated 26.10.2023 in Petition No. 246/GT/2020, depreciation allowed for the generating station has been calculated based on the weighted average rate of depreciation claimed by the Petitioner for the period 2019-24 as under:

**(C) Depreciation allowed for Combined Cycle:**

**(Rs. in lakh)**

|                                                                                                               | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Avg. Capital Cost (A)                                                                                         | 30364.20       | 30364.20       | 30364.20       | 30364.20       | 30364.20       |
| Value of Freehold Land included above (B)                                                                     | 275.32         | 275.32         | 275.32         | 275.32         | 275.32         |
| Value of IT equipment and software included above (C)                                                         | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Rate of Depreciation (D)                                                                                      | 5.07%          | 5.07%          | 5.08%          | 5.09%          | 5.10%          |
| Depreciable value including amortisation of lease land in 25 yrs. (E)=(A-B-C) x 90%+(C)                       | 27079.99       | 27079.99       | 27079.99       | 27079.99       | 27079.99       |
| Cumulative depreciation at the beginning (F)                                                                  | 5386.38        | 6925.72        | 8466.51        | 10010.27       | 11556.49       |
| Less: Depreciation adjustment due to decapitalization (G)                                                     | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Net Cumulative Depreciation after adjustment for decapitalization (H) = (F)-(G)                               | 5386.38        | 6925.72        | 8466.51        | 10010.27       | 11556.49       |
| Remaining depreciable value (I) (E)-(H)                                                                       | 21693.62       | 20154.27       | 18613.49       | 17069.72       | 15523.50       |
| <b>Depreciation (for the year/ period) (J)= (A) x (D)</b>                                                     | <b>1539.35</b> | <b>1540.78</b> | <b>1543.77</b> | <b>1546.22</b> | <b>1548.71</b> |
| Net Cumulative Depreciation after adjustment due to decapitalization (at the end of the period) (K) = (H)+(J) | 6925.72        | 8466.51        | 10010.27       | 11556.49       | 13105.20       |

### **Operation & Maintenance Expenses**

53. Regulation 35(1)(3) of the 2019 Tariff Regulations provides for the normative O&M expense norms for AgGBPS as follows:

| <i>(In Rs. lakh/MW)</i> |         |         |         |         |
|-------------------------|---------|---------|---------|---------|
| 2019-20                 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 42.85                   | 44.35   | 45.91   | 47.52   | 49.19   |

54. The Petitioner has claimed the normative O&M expenses in terms of the Regulation 35(1)(3) of the 2019 Tariff Regulations, as stated above.

55. Accordingly, the normative O&M expenses allowed to the generating station for the period 2019-24 are as under:

| <i>(Rs. in lakh)</i> |         |         |         |         |
|----------------------|---------|---------|---------|---------|
| 2019-20              | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 5784.75              | 5987.25 | 6197.85 | 6415.20 | 6640.65 |

## **Water Charges**

56. Regulation 35(1)(6) of the 2019 Tariff Regulations provide 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 [and considering the norms of specific water consumption notified by the Ministry of Environment, Forest and Climate Change. The details regarding the same shall be furnished along with the petition;*

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

57. In terms of the above regulations, water charges are to be allowed based on water consumption, depending upon the type of plant, type of cooling water system, etc., subject to a prudence check. Since the Petitioner has not claimed any water charges, we have not included any water charges for the true-up of the tariff of the generating station for the period 2019-24.

## **Security Charges**

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

*“35(1)(6) The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:  
...Provided further that the generating station shall submit the assessment of the security requirement and estimated expenses”*

59. The Petitioner has claimed total security expenses for Rs. 770.08 lakh for the 2019-24 tariff period (i.e., Rs. 229.70 lakh in 2019-20, Rs. 122.31 lakh in 2020-21, Rs. 122.50 lakh in 2021-22, Rs. 142.17 lakh in 2022-23 and Rs 153.40 lakh in 2023-24) in terms of Regulation 35(1)(6) of the 2019 Tariff Regulations.

60. The Petitioner has submitted that the above expenses have been claimed on an actual basis for the period 2019-24. Further, in reply to the TV Letter dated 1.5.2025, related to security expenses, the Petitioner has certified that the expenditure for the

security arrangement for the period 2019-24 has been booked under payroll and security expenditure. Moreover, in reply to the queries related to security expense through RoP dated 6.6.2025, the Petitioner has submitted that deployment of such security personnel has been done from the plant gate to the power house area, and the entire amount pertains to the plant area, and no expense has been claimed on the township and other parts.

61. The Petitioner has further submitted the detailed justification for claimed expenditure for the security of the plant as per Regulation 35(1)(6) of the 2019 Tariff Regulations, duly audited by the Cost accountant of Rs 770.08 lakh. Hence, the claim of security expense is allowed on an actual basis for the period 2019-24.

62. Accordingly, the security expense allowed for the period is as follows:

| <i>(Rs. in lakh)</i> |                |                |                |                |
|----------------------|----------------|----------------|----------------|----------------|
| <b>2019-20</b>       | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> |
| 229.70               | 122.31         | 122.50         | 142.17         | 153.40         |

### **Capital Spares**

63. With Regard to capital spares, the proviso under Regulation 35(1)(6) of the 2019, Tariff Regulations is as under:

*Provided also that the generating station shall submit the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalization or consumption of stores and spares and renovation and modernization.*

64. In terms of the above proviso under Regulation 35(1)(6) of the 2019 Tariff Regulations, capital spares consumed are admissible separately, at the time of the truing up of the tariff, based on the details furnished by the Petitioner. The details of capital spares claimed by the Petitioner are as follows:

***(Rs. in lakh)***

|                                   | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Capital Spares                    | 1617.25        | 1750.78        | 3106.73        | 267.62         | 3496.89        |
| Salvage Value                     | 161.73         | 175.08         | 310.67         | 26.76          | 349.69         |
| <b>Net Capital Spares claimed</b> | <b>1455.53</b> | <b>1575.70</b> | <b>2796.06</b> | <b>240.86</b>  | <b>3147.20</b> |

65. Further, the Petitioner vide affidavit dated 23.6.2025, has submitted that the combined cycle operation of the generating station commenced in 2015, whereas the open cycle operation was commissioned in 1998. The Commission has extended the life of the generating station up to 2040. Since the Gas Turbines are old, and in order to be commensurate with the extended life of the plant, capital spares were procured and consumed. In support thereof, the Petitioner has furnished the relevant documentary evidence, including tax invoices, utilization certificates, material issue dates, as well as the Auditor's certificates certifying the consumption of the said capital spares. Whereas the expenditure on capital spares was not funded through any special allowance, compensatory expenses or additional capitalization.

66. In reply to the query related to the detailed break-up of capital spares, which form part of capital cost and not part of capital cost vide TV Letter dated 1.5.2025, the Petitioner has submitted that all capital spares claimed are part of capital cost.

67. Subsequently, vide affidavit dated 15.9.2025, the Petitioner has submitted that the capital spares consumed during the period 2019-24 are not part of the capital cost and all the spares are purchased in recent times.

68. Further, in reply to the query related to capital spares, vide TV Letter dated 1.5.2025, the Petitioner has submitted that the claim of capital spares on a consumption basis is done considering the salvage value of 10% the assets procured.

69. We have examined the list of spares furnished by the Petitioner. It is pertinent to mention that the Petitioner has claimed various capital spares such as bearing for the load gearbox of gas turbine, 98.1ton capacity low height hydraulic jack, diesel operated



forklift truck, load coupler shaft, bearings, capacity measurement kit, portable online PD detection camera, SF6 leak detector, DCRM kit, etc.

70. Further, it is observed that the Petitioner has submitted an amount of Rs. 7633.86 lakh (Rs. 3496.89 lakh + Rs. 4136.97 lakh) for the year 2023-24 in Form-17 as capital spares. Out of which only Rs. 3496.89 lakh was claimed by the Petitioner as capital spares for tariff in Form-1. On scrutiny, it is noted that out of Rs. 7633.86 lakh, Rs. 3496.89 lakh pertain to assets that have not been put to use and are kept in stores for future use and Rs. 4136.97 lakh pertain to assets, which were actually consumed during 2023-24. Accordingly, the said amount of Rs 3496.89 lakh has not been considered as capital spares for the year 2023-24, as capital spares are allowed only on a consumption basis. Therefore, the amount of Rs. 4136.97 lakh, after deducting salvage value, has been considered as capital spares on a consumption basis for the said year.

71. Furthermore, the term capital spares, as per the 2019 Tariff Regulations, is a piece of equipment, or a spare part, of high cost that is maintained in inventory for use in the event that a similar piece of critical equipment fails or must be rebuilt. Keeping in view the principle of materiality and ensuring standardised practices in respect of earmarking and treatment of capital spares, the value of capital spares exceeding Rs. 1.00 lakh, on a prudence check of the details furnished by the Petitioner in the Petition, has been considered for the purpose of tariff.

72. Further, we are of the view that spares do have a salvage value. The Petitioner has submitted the detailed calculation considering the salvage value of the capital spares in the claim. Accordingly, in line with the practice of considering salvage value, presumed to be recovered by the Petitioner on sale of capital assets, on becoming unserviceable, the deduction of salvage value of 10% has been considered for the 2019-24 tariff period.

Accordingly, all items consumed and costing individually above Rs. 1 lakh have been considered for the period 2019-24. Therefore, on prudence check of the information furnished by the Petitioner and on applying the said limit along with devalue of the salvage value @10%, the net capital spares allowed as additional O&M expenses are as under:

|                                                                         | <i>(Rs. in lakh)</i> |                |                |               |                |
|-------------------------------------------------------------------------|----------------------|----------------|----------------|---------------|----------------|
|                                                                         | 2019-20              | 2020-21        | 2021-22        | 2022-23       | 2023-24        |
| Total capital spares consumed claimed before deduction of salvage value | 1617.25              | 1750.78        | 3106.73        | 267.62        | 3496.89        |
| Total capital spares considered by the Commission (A)                   | 1617.25              | 1750.78        | 3106.73        | 267.62        | 4136.97        |
| Salvage Value (B)                                                       | 161.73               | 175.08         | 310.67         | 26.76         | 413.70         |
| <b>Net capital spares allowed (A)-(B)</b>                               | <b>1455.53</b>       | <b>1575.70</b> | <b>2796.06</b> | <b>240.86</b> | <b>3723.27</b> |

73. The summary of the allowed O&M expenses as per provisions under Regulation 35 of the 2019 Tariff Regulations is as follows:

|                                                           |         | <i>(Rs. in lakh)</i> |                |                |                |                 |
|-----------------------------------------------------------|---------|----------------------|----------------|----------------|----------------|-----------------|
|                                                           |         | 2019-20              | 2020-21        | 2021-22        | 2022-23        | 2023-24         |
| Installed Capacity (MW) (A)                               |         | 135.00               | 135.00         | 135.00         | 135.00         | 135.00          |
| O&M expenses under Regulation 35(1)(3) in Rs. lakh/MW (B) | Claimed | 42.85                | 44.35          | 45.91          | 47.52          | 49.19           |
|                                                           | Allowed | 42.85                | 44.35          | 45.91          | 47.52          | 49.19           |
| Total O&M expenses (C) = (A)*(B)                          | Claimed | 5784.75              | 5987.25        | 6197.85        | 6415.20        | 6640.65         |
|                                                           | Allowed | 5784.75              | 5987.25        | 6197.85        | 6415.20        | 6640.65         |
| Water Charges (in Rs lakh) (D)                            | Claimed | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00            |
|                                                           | Allowed | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00            |
| Security Expenses (E)                                     | Claimed | 229.70               | 122.31         | 122.50         | 142.17         | 153.40          |
|                                                           | Allowed | 229.70               | 122.31         | 122.50         | 142.17         | 153.40          |
| Capital Spares (F)                                        | Claimed | 1455.53              | 1575.70        | 2796.06        | 240.86         | 3147.20         |
|                                                           | Allowed | 1455.53              | 1575.70        | 2796.06        | 240.86         | 3723.27         |
| <b>Total O&amp;M Expenses allowed (G) = (C+D+E+F)</b>     | Claimed | 7469.98              | 7685.26        | 9116.41        | 6798.23        | 9941.25         |
|                                                           | Allowed | <b>7469.98</b>       | <b>7685.26</b> | <b>9116.41</b> | <b>6798.23</b> | <b>10517.32</b> |

### **Operational Norms**

74. The operational norms claimed by the Petitioner in Form-3 of the Tariff Petition for the purpose of tariff are as follows:

|                                                        |    |
|--------------------------------------------------------|----|
| Normative Annual Plant Availability Factor (NAPAF) (%) | 85 |
|--------------------------------------------------------|----|



|                                                       |      |
|-------------------------------------------------------|------|
| Gross Station Heat Rate (kcal/kwh) for Combined Cycle | 2600 |
| Gross Station Heat Rate (kcal/kwh) for Open Cycle     | 3578 |
| Auxiliary Power Consumption (%)                       | 3.1  |

### **Normative Annual Plant Availability Factor**

75. 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%.*

76. The NAPAF of 85% considered by the Petitioner is in line with the order dated 26.10.2023 in Petition No. 246/GT/2020 and is in terms of Regulation 49(A)(a) of the 2019 Tariff Regulations; accordingly, the same is **allowed**.

### **Gross Station Heat Rate**

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

| <b><i>Name of generating station</i></b> | <b><i>Combined Cycle (kCal/kWh)</i></b> | <b><i>Open Cycle (kCal/kWh)</i></b> |
|------------------------------------------|-----------------------------------------|-------------------------------------|
| <i>Agartala GPS</i>                      | <i>2600</i>                             | <i>3578</i>                         |

78. The Gross Station Heat Rate of 2600 kCal/ kWh for Combined Cycle, as claimed by the Petitioner, is as per Regulation 49(C)(a)(vi) of the 2019 Tariff Regulations and as allowed in the order dated 26.10.2023 for Petition No. 246/GT/2020. Accordingly, the same has been considered and **allowed** for the purpose of truing up the tariff.

### **Auxiliary Power Consumption**

79. Regulation 49(E)(c)(i) of the 2019 Tariff Regulations provides Auxiliary Power Consumption (APC) as follows:

*“(E) Auxiliary Energy Consumption*

*(c) For Gas Turbine /Combined Cycle generating stations:*

*(i) Combined Cycle: 2.75%*

*(ii) Open Cycle: 1.00%*

*Provided that where the gas based generating station is using electric motor driven Gas Booster Compressor, the Auxiliary Energy Consumption in case of Combine Cycle mode shall be 3.30% (including impact of air-cooled condensers for Steam Turbine Generators):*



*Provided further that an additional Auxiliary Energy Consumption of 0.35% shall be allowed for Combine Cycle Generating Stations having direct cooling air cooled condensers with mechanical draft fans.”*

80. Regulation 49(E)(c)(i) of the 2019 Tariff Regulations provides for 2.75% of auxiliary power consumption for the combined cycle gas turbines. Further, considering 0.35% additional auxiliary power consumption for direct cooling air cooled condensers, as per the second proviso of Regulation 49(E)(c)(i) of the 2019 Tariff Regulations, the Auxiliary Power consumption of 3.1% as claimed by the Petitioner is **allowed** to the generating station for truing up of tariff for the 2019-24 tariff period.

### **Interest on Working Capital**

81. Regulation 34(1)(b) of the 2019 Tariff Regulations provides as follows:

- “34. Interest on Working Capital: (1) The working capital shall cover: (a) xxx  
(b) For Open-cycle Gas Turbine/Combined Cycle thermal generating stations:  
(i) Fuel cost for 30 days corresponding to the normative annual plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel;  
  
(ii) Liquid fuel stock for 15 days corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel duly taking into account mode of operation of the generating stations of gas fuel and liquid fuel;  
  
(iii) Maintenance spares @ 30% of operation and maintenance expenses including water charges and security expenses;  
  
(iv) Receivables equivalent to 45 days of capacity charge and energy charge for sale of electricity calculated on normative plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel; and  
  
(v) Operation and maintenance expenses, including water charges and security expenses, for one month.*

82. Clauses (3) and (4) of Regulation 34 of the 2019 Tariff Regulations provides as under:

- “(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.”

### **Fuel Cost and Energy Charges in Working Capital**

83. Regulation 34(b)(i) of the 2019 Tariff Regulations provides for Fuel cost for 30 days corresponding to the Normative Annual Plant Availability Factor. The fuel cost for 30 days for computation of interest on working capital, as considered by the Petitioner, is as under:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2019-20       | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 2012.04       | 1964.33 | 1392.08 | 1939.98 | 4658.94 |

84. The Energy Charge Rate (ECR) claimed by the Petitioner for the period 2019-24 is as under:

| (Rs./ kWh) |         |         |         |         |
|------------|---------|---------|---------|---------|
| 2019-20    | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 2.472      | 2.420   | 1.715   | 2.390   | 5.724   |

85. The Petitioner has claimed the cost for the fuel component in working capital and ECR based on:

- a) Operational norms as per the 2019 Tariff Regulations;
- b) Price and “as received” GCV of gas for the three months of October, November and December for each of the years from 2018-19 to 2022-23;

86. On perusal of the data furnished by the Petitioner, it is observed that the Petitioner, while computing ECR, has considered the weighted average price and GCV of gas, as per Regulation 43(2)(b) of the 2019 Tariff Regulations. On scrutiny, it was noted that there was a

significant variation in gas prices during the period 2019-24. In reply to the queries vide TV Letter dated 1.5.2025 related to the significant variation in gas prices, especially the sudden fall during Oct'20 to Dec'20 and the sudden rise in Oct'22 to Dec'22, the Petitioner has submitted relevant gas bills to corroborate the claims. On perusal of the documentary evidence, it was found that the gas prices had varied significantly during the said period. Accordingly, the weighted average landed cost and weighted average GCV of gas for working out the fuel component in working capital for the above-said three months in each financial year have been computed and considered for the 2019-24 tariff period are as follows:

|                                                      | Oct'18 to Dec'18 | Oct'19 to Dec'19 | Oct'20 to Dec'20 | Oct'21 to Dec'21 | Oct'22 to Dec'22 |
|------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Weighted average Price of Gas (Rs./ MT)              | 8480.63          | 8313.96          | 5882.63          | 8202.47          | 19676.46         |
| Weighted average GCV of Gas (as received) (kCal/ kg) | 9206.37          | 9217.35          | 9203.81          | 9209.70          | 9223.12          |

87. Accordingly, the fuel cost for 30 days corresponding to the normative annual plant availability factor for the computation of interest on working capital is allowed as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2019-20       | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1978.78       | 1937.58 | 1372.97 | 1913.19 | 4582.77 |

### **Energy Charge Rate (ECR)**

88. Regulation 43(2)(b) of the 2019 Tariff Regulations provides for the computation and payment of the Energy Charge for thermal generating stations as follows:

*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 formula: (b) For gas and liquid fuel-based stations*

$$ECR = GHR \times LPPF \times 100 / \{CVPF \times (100 - AUX)\}$$

*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*

*(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.*

*GHR =Gross station heat rate, in kCal per kWh.*

*LC = Normative limestone consumption in kg per kWh.*

*LPL = Weighted average landed price of limestone in Rupees per kg.*

*LPPF =Weighted average landed price 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 price 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 Price of Secondary Fuel in Rs./ml during the month  
Provided that energy charge rate for a gas/liquid fuel based station shall be adjusted for open cycle operation based on certification of Member Secretary of respective Regional Power Committee for the open cycle operation during the month.*

89. Accordingly, the detailed calculation of ECR is as follows:

|                                                     | 2019-20      | 2020-21      | 2021-22      | 2022-23      | 2023-24      |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Capacity (MW)                                       | 135          | 135          | 135          | 135          | 135          |
| Gross Station Heat Rate (kCal/ kWh)                 | 2600         | 2600         | 2600         | 2600         | 2600         |
| Auxiliary Energy Consumption (%)                    | 3.10%        | 3.10%        | 3.10%        | 3.10%        | 3.10%        |
| Weighted average price of fuel (Rs/MT)              | 8480.63      | 8313.96      | 5882.63      | 8202.47      | 19676.46     |
| Weighted average GCV of fuel as received (kcal/ kg) | 9206.37      | 9217.35      | 9203.81      | 9209.70      | 9223.12      |
| <b>Energy Charge Rate (ECR) ex-bus (Rs. /kWh)</b>   | <b>2.472</b> | <b>2.420</b> | <b>1.715</b> | <b>2.390</b> | <b>5.724</b> |

### **Working Capital for O&M Expenses**

90. The O&M expenses for one month, as 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 |
|---------|---------|---------|---------|---------|
| 501.20  | 509.13  | 526.70  | 546.45  | 566.17  |

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

*(Rs. in lakh)*

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------|---------|---------|---------|---------|
| 501.20  | 509.13  | 526.70  | 546.45  | 566.17  |

### **Working Capital for Maintenance Spares**

Regulation 34(1)(b)(iii) of the 2019 Tariff Regulations provides for Maintenance spares @ 30% of the O&M expenses, including water charges and security expenses. Accordingly, maintenance spares have been considered and allowed as under:

*(Rs. in lakh)*

|         | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------|---------|---------|---------|---------|---------|
| Claimed | 1804.34 | 1832.87 | 1896.11 | 1967.21 | 2038.22 |
| Allowed | 1804.34 | 1832.87 | 1896.11 | 1967.21 | 2038.22 |

### **Working Capital for Receivables**

92. Regulation 34(1)(b)(iv) of the 2019 Tariff Regulations provides for receivables for 45 days. Accordingly, after considering the mode of operation of the generating station, the receivable component of working capital is allowed as follows:

*(Rs. in lakh)*

|                                                    | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
|----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Variable Charge for 45 days corresponding to NAPAF | 2968.58        | 2906.13        | 2059.51        | 2870.11        | 6873.85        |
| Fixed Charge for 45 days corresponding to NAPAF    | 2014.60        | 1979.63        | 2083.48        | 1815.04        | 2370.17        |
| <b>Total</b>                                       | <b>4983.18</b> | <b>4885.76</b> | <b>4142.99</b> | <b>4685.15</b> | <b>9244.02</b> |

93. In line with Regulation 34(3) of the 2019 Tariff Regulations, the rate of interest on working capital has been considered as 12.05% [1 year SBI MCLR of 8.55% (as on 1.4.2019) + 350 bps] for the year 2019-20, 11.25% [1 year SBI MCLR of 7.75% (as on 1.4.2020) + 350 bps] for the year 2020-21, 10.50% [1 year SBI MCLR of 7.00% (as on 1.4.2021 and 1.4.2022)



+ 350 bps] for the period 2021-22 and 2022-23, and 12.00% [1 year SBI MCLR of 8.50% (as on 1.4.2023) + 350 bps] for the period 2023-24. Accordingly, interest on working capital is worked out and allowed as under:

|                                          | (Rs. in lakh)  |                |                |                |                 |
|------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
|                                          | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24         |
| Cost of fuel- 30 Days                    | 1978.78        | 1937.58        | 1372.97        | 1913.19        | 4582.77         |
| Maintenance Spares - 30% of O&M          | 1804.34        | 1832.87        | 1896.11        | 1967.21        | 2038.22         |
| Receivables - 45 Days                    | 4983.18        | 4885.76        | 4142.99        | 4685.15        | 9244.02         |
| O&M expenses - 1 month                   | 501.20         | 509.13         | 526.70         | 546.45         | 566.17          |
| <b>Total Working Capital</b>             | <b>9267.51</b> | <b>9165.34</b> | <b>7938.76</b> | <b>9111.99</b> | <b>16431.17</b> |
| Rate of Interest                         | 12.05%         | 11.25%         | 10.50%         | 10.50%         | 12.00%          |
| <b>Total Interest on Working capital</b> | <b>1116.73</b> | <b>1031.10</b> | <b>833.57</b>  | <b>956.76</b>  | <b>1971.74</b>  |

### **Annual Fixed Charges (AFC)**

94. Accordingly, the annual fixed charges allowed for the generating station for the 2019-24 tariff period are summarised as under:

|                                   | (Rs. in lakh)   |                 |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                   | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
| Depreciation (A)                  | 2222.05         | 2146.50         | 1899.09         | 1731.46         | 1703.67         |
| Interest on Loan (B)              | 720.97          | 390.71          | 282.72          | 485.40          | 373.99          |
| Return on Equity (C)              | 4855.71         | 4803.40         | 4767.51         | 4750.13         | 4710.68         |
| Interest on Working Capital (D)   | 1116.73         | 1031.10         | 833.57          | 956.76          | 1971.74         |
| O&M Expenses (E)                  | 7469.98         | 7685.26         | 9116.41         | 6798.23         | 10517.32        |
| <b>Total AFC (F)= (A+B+C+D+E)</b> | <b>16385.44</b> | <b>16056.97</b> | <b>16899.30</b> | <b>14721.98</b> | <b>19277.40</b> |

*Note: All figures are on an annualised basis. All figures under each head have been rounded. The figure in the total column in each year is also rounded. As such, the sum of individual items may not be equal to the arithmetic total of the column.*

### **Summary**

95. The summary of the annual fixed charges allowed in the order dated 26.10.2023 in Petition No. 246/GT/2020, annual fixed charges claimed by the Petitioner and the annual fixed charges allowed in this order after truing up exercise for the period 2019-24 for the generating station is summarised below:

(Rs. in lakh)

|                                                                                        | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
|----------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Annual Fixed Charges allowed in the order dated 26.10.2023 in Petition No. 246/GT/2020 | 15553.78        | 14299.14        | 14396.40        | 15836.12        | 15190.95        |
| Annual fixed charges claimed                                                           | 17559.61        | 17405.78        | 18525.58        | 16721.21        | 20683.78        |
| <b>Annual fixed charges allowed</b>                                                    | <b>16385.44</b> | <b>16056.97</b> | <b>16899.30</b> | <b>14721.98</b> | <b>19277.40</b> |

96. The difference between the annual fixed charges recovered by the Petitioner in terms of the order dated 26.10.2023 in Petition No. 246/GT/2020 and the annual fixed charges determined by this order shall be adjusted in terms of the provisions of Regulation 13 (4) of the 2019 Tariff Regulations.

#### **DETERMINATION OF TARIFF FOR THE PERIOD 2024-29**

97. The Petitioner, in this Petition, along with truing up for the period 2019-24 has also sought the determination of the tariff of the generating station for the period 2024- 29, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as “the 2024 Tariff Regulations”).

98. The Commission above has approved the tariff for the generating station for the period 2019-24, after the truing-up exercise and allowed the capital cost and annual fixed cost as follows:

#### **Capital Cost as allowed**

(Rs. in lakh)

| Particulars                                                    | 2019-20      | 2020-21         | 2021-22      | 2022-23        | 2023-24        |
|----------------------------------------------------------------|--------------|-----------------|--------------|----------------|----------------|
| Opening Capital Cost                                           | 65293.48     | 65292.40        | 64139.89     | 64177.30       | 63783.09       |
| Add: Admitted Additional capital expenditure                   | 693.40       | 296.66          | 17.39        | 106.00         | 35.16          |
| Less: Decapitalization                                         | 701.22       | 58.96           | 0.00         | 514.84         | 399.18         |
| Add: Discharges of liabilities (against allowed assets/ works) | 6.74         | 11.09           | 20.02        | 14.63          | 0.00           |
| Less: LD Recovery                                              | 0.00         | 1401.30         | 0.00         | 0.00           | 0.00           |
| <b>Net Additional Capital Expenditure</b>                      | <b>-1.08</b> | <b>-1152.51</b> | <b>37.41</b> | <b>-394.21</b> | <b>-364.02</b> |



| Particulars                 | 2019-20         | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Closing Capital Cost</b> | <b>65292.40</b> | <b>64139.89</b> | <b>64177.30</b> | <b>63783.09</b> | <b>63419.08</b> |
| Average Capital Cost        | 65292.94        | 64716.15        | 64158.60        | 63980.20        | 63601.08        |

### Annual Fixed Charges (AFC) as allowed

|                                       | 2019-20              | 2020-21         | 2021-22         | 2022-23         | 2023-24         |
|---------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
|                                       | <i>(Rs. in lakh)</i> |                 |                 |                 |                 |
| Depreciation (A)                      | 2222.05              | 2146.50         | 1899.09         | 1731.46         | 1703.67         |
| Interest on Loan (B)                  | 720.97               | 390.71          | 282.72          | 485.40          | 373.99          |
| Return on Equity (C)                  | 4855.71              | 4803.40         | 4767.51         | 4750.13         | 4710.68         |
| Interest on Working Capital (D)       | 1116.73              | 1031.10         | 833.57          | 956.76          | 1971.74         |
| O&M Expenses (E)                      | 7469.98              | 7685.26         | 9116.41         | 6798.23         | 10517.32        |
| <b>Total AFC (F)=<br/>(A+B+C+D+E)</b> | <b>16385.44</b>      | <b>16056.97</b> | <b>16899.30</b> | <b>14721.98</b> | <b>19277.40</b> |

99. The capital cost and the annual fixed charges claimed by the Petitioner in the revised submission for the period 2024-29 are as follows:

### Capital Cost as Claimed

|                                                                | 2024-25              | 2025-26         | 2026-27         | 2027-28         | 2028-29         |
|----------------------------------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                | <i>(Rs. in lakh)</i> |                 |                 |                 |                 |
| Opening Capital Cost                                           | 65005.40             | 65595.16        | 65595.16        | 65595.16        | 65595.16        |
| Add: Admitted Additional capital expenditure                   | 589.76               | 0.00            | 0.00            | 0.00            | 0.00            |
| Less: Decapitalization                                         | 0.00                 | 0.00            | 0.00            | 0.00            | 0.00            |
| Add: Discharges of liabilities (against allowed assets/ works) | 0.00                 | 0.00            | 0.00            | 0.00            | 0.00            |
| Less: Reversal during the year/period/ LD Recovery             | 0.00                 | 0.00            | 0.00            | 0.00            | 0.00            |
| <b>Closing Capital Cost</b>                                    | <b>65595.16</b>      | <b>65595.16</b> | <b>65595.16</b> | <b>65595.16</b> | <b>65595.16</b> |
| Average Capital Cost                                           | 65300.28             | 65595.16        | 65595.16        | 65595.16        | 65595.16        |

### Annual Fixed Charges (AFC) Claimed

|                                 | 2024-25              | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---------------------------------|----------------------|---------|---------|---------|---------|
|                                 | <i>(Rs. in lakh)</i> |         |         |         |         |
| Depreciation (A)                | 3322.39              | 3341.00 | 3341.83 | 189.82  | 0.00    |
| Interest on Loan (B)            | 0.00                 | 0.00    | 0.00    | 0.00    | 0.00    |
| Return on Equity (C)            | 5852.94              | 5869.56 | 5869.56 | 5869.56 | 5869.56 |
| Interest on Working Capital (D) | 1473.28              | 1498.58 | 1524.68 | 1506.82 | 1530.42 |



|                                                                                           | 2024-25         | 2025-26         | 2026-27         | 2027-28         | 2028-29         |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| O&M Expenses (including Water Charges, Security expenses and Capital Spares Consumed) (E) | 10046.23        | 10709.40        | 9222.45         | 10636.75        | 11241.85        |
| <b>Total AFC (F)= (A+B+C+D+E)</b>                                                         | <b>20694.84</b> | <b>21418.53</b> | <b>19958.52</b> | <b>18202.94</b> | <b>18641.83</b> |

### **Capital Cost**

100. Regulation 19 of the 2024 Tariff Regulations provides that the capital cost as determined by the Commission, after a prudence check, in accordance with this regulation, shall form the basis for the determination of the tariff for the existing and new projects. However, capital cost for an existing project is governed as per clause (3) of Regulation 19 of the 2024 Tariff Regulations, which is provided as follows:

*“19. **Capital Cost:** (I) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence checks in accordance with these regulations shall form the basis for the determination of tariff for existing and new projects.*

*(3) The Capital cost of an existing project shall include the following:*

- (a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;*
- (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;*
- (d) Capital expenditure on account of ash disposal and utilization, including handling and transportation facility;*
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under the Perform, Achieve and Trade (PAT) scheme of the Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries;*
- (g) Expenditure required to enable flexible operation of the generating station at lower loads;*
- (h) Capital expenditure on account of biomass handling equipment and facilities, for co-firing; and*



- (i) *Expenditure on account of change in law and force majeure events;*
- (4) *The capital cost in case of existing or new hydro generating stations shall also include:*
- (a) *cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and*
  - (b) *cost of the developer's 10% contribution towards the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.*
  - (c) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of the Capital cost, and in case the same work is covered under budgetary support provided by the Government of India, the funding of such works shall be adjusted on receipt of such funds.*

*Provided that such funds shall be allowed only if the funds are spent through Indian Governmental Instrumentality;”*

101. The opening capital cost claimed by the Petitioner as on 1.4.2024 is Rs. 65005.40 lakh. However, the closing capital cost of Rs. 63419.08 lakh as on 31.3.2024, as approved by the Commission, while truing up the tariff of the generating station for the period 2019-24, in this order, as above, has been considered as the opening capital cost as on 1.4.2024, for the purpose of determination of tariff for the period 2024-29, in accordance with the 2024 Tariff Regulations.

### **Additional Capital Expenditure**

102. Regulation 24 of the 2024 Tariff Regulations provides as follows:

*“24. Additional Capitalisation within the original scope and upto the cut-off date*

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

- (a) Payment made towards admitted liabilities for works executed up to the cut-off date;*
- (b) Works deferred for execution;*

- (c) *Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) *Payment against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;*
- (e) *Change in law or compliance with any existing law which is not provided for in the original scope of work;*
- (f) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds; Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and*
- (g) *Force Majeure events.*

*Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.*

*(2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.”*

103. Regulations 25 and 26 of the 2024 Tariff Regulations provide as follows:

***“25. Additional Capitalization 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) Payment made against award of arbitration or for compliance with the directions or order of any statutory authority, or order or decree of any court of law;*
  - (b) Change in law or compliance with any existing law which is not provided for in the original scope of work;*
  - (c) Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;*
  - (d) Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;*
  - (e) Force Majeure events;*
  - (f) Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and*
- (2) In case of replacement of assets deployed under the original scope of the existing project after the 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:*

- (c) Assets whose useful life 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;
- (d) The replacement of the asset or equipment is necessary on account of a change in law or Force Majeure conditions;
- (e) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
- (f) The replacement of such asset or equipment has otherwise been allowed by the Commission.
- (g) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

*Provided that any claim of additional capitalisation with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses.*

## **26. Additional Capitalization 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) Payment made against 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 or raising of ash dyke in addition 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 the sewage treatment plant in the thermal generating station.
- (g) Works required towards biomass handling system to enable biomass co-firing and towards enabling flexible operation of the generating station as may be required.
- (h) Works pertaining to Railway Infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station (excluding any transportation cost and any other appurtenant cost paid to railways) that are not covered under Regulation 24, 25 and 27, but shall result in better fuel management and can lead to a reduction in operation costs, or shall have other tangible benefits:

*Provided that the generating company shall have to mandatorily seek prior approval of the Commission before implementing such works based on a detailed cost- benefit analysis of such schemes;*

(i) Any additional capital expenditure which has become necessary for efficient operation of generating station or transmission system as the case may be, including the works required towards projects acquired through NCLT process. The claim shall be substantiated with the technical justification and cost benefit analysis.

(2) Any claim of additional capitalisation less than Rs. 20 lakh shall not be considered under Clause (1) of this regulation and shall be met through normative O&M expenses.

(3) 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.

Provided that in cases where an asset forming part of a scheme is de-capitalised and wherein the historical value of such asset is not available, the value of de-capitalisation shall be computed by de-escalating the value of the new asset by 5% per year until the year of capitalisation of the old asset subject to a minimum of 10% of the replacement cost of the asset.”

104. The projected additional capital expenditure claimed by the Petitioner for the period 2024-29 is as follows:

| (Rs. in lakh) |                                                              |            |         |         |         |         |         |               |
|---------------|--------------------------------------------------------------|------------|---------|---------|---------|---------|---------|---------------|
| Sl. No.       | Particulars                                                  | Regulation | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total         |
| 1.            | Revamp of the Air Pulsing System in the GT Air Intake System | 25(2)(c)   | 589.76  | -       | -       | -       | -       | 589.76        |
|               | <b>Total</b>                                                 |            |         |         |         |         |         | <b>589.76</b> |

105. Furthermore, the Petitioner, vide affidavit dated 1.9.2025, has submitted that the additional capitalization has been submitted on an estimated basis and will provide Form-J, duly certified by the Auditor, at the time of truing up the tariff for the period 2024-29.

106. The matter has been considered. Based on the submissions of the parties and the documents available on record, we examine the additional capital expenditure claimed by the

Petitioner for the period 2024-29, on a prudence check, as stated in the subsequent paragraphs.

***Revamp of the Air Pulsing System in the GT Air Intake System***

107. The Petitioner has claimed additional capital expenditure of Rs. 589.76 lakhs on a projection basis, under Regulation 25(2)(c) of the 2024 Tariff Regulations for the revamp of the air pulsing system in the GT air intake system.

108. The Petitioner has submitted that the air filtration system plays a critical role in ensuring the reliable and efficient operation of gas turbines, and that the existing pulsing mechanism, designed to periodically dislodge and remove accumulated dust particles, has become substantially non-functional due to obsolescence. It was further submitted that periodic air pulsing is essential for maintaining turbine performance and extending asset life, and that continued operation without a functional pulsing system poses risks to reliability and efficiency. In view of the above, the Petitioner has claimed the replacement of the obsolete system and has accordingly claimed the additional capital expenditure under Regulation 25(2)(c) of the 2024 Tariff Regulations.

109. We have examined the submissions. It is observed that the Petitioner has not furnished any documentary evidence from the Original Equipment Manufacturer (OEM) or any other competent authority to substantiate the claim of obsolescence of the pulsing system technology. In the absence of such documentation, the justification for the claimed replacement expenditure remains unverified. In view of the foregoing, the claim for the additional capital expenditure is **not allowed** at this stage. However, the Petitioner is directed to submit the requisite OEM certification or equivalent documentary evidence from any other competent authority, along with proof of actual cash outflow, during the truing-up exercise for the 2024-29 tariff period, for consideration of the claimed expenditure in accordance with the applicable regulatory provisions.



### **De-capitalization**

110. The Petitioner has not claimed any de-capitalization for the period. Also, as there is no additional capital expenditure on a replacement basis, de-capitalization has not been considered in the present order.

### **Discharge of Liabilities**

111. The Petitioner has not claimed any discharge of liabilities for the period 2024-29. Hence, the same has not been considered.

### **Capital Cost allowed for the period 2024-29**

112. Based on the above, the Additional Capital Expenditure allowed for the period 2024-29 is as follows:

|                                                  | (Rs. in lakh)   |                 |                 |                 |                 |
|--------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                  | 2024-25         | 2025-26         | 2026-27         | 2027-28         | 2028-29         |
| Opening Capital Cost (A)                         | 63419.08        | 63419.08        | 63419.08        | 63419.08        | 63419.08        |
| Add: Admitted Additional capital expenditure (B) | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| <b>Closing Gross Block (C) = (A)+(B)</b>         | <b>63419.08</b> | <b>63419.08</b> | <b>63419.08</b> | <b>63419.08</b> | <b>63419.08</b> |
| Average Gross Block (D) = ((A)+(C))/2            | 63419.08        | 63419.08        | 63419.08        | 63419.08        | 63419.08        |

### **Debt-Equity Ratio**

113. Regulation 18 of the 2024 Tariff Regulations states 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 the approval of the competent authority in other cases regarding the 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 the case of the generating station and the transmission system, including the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:*

*Provided that in the case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed 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 96 of these regulations.*

*(4) In the case of the generating station and the transmission system, including communication system declared under commercial operation prior to 1.4.2024, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2024, 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 1.4.2024 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.*

*(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation."*

114. The gross normative loan and equity, as considered in this order for the period 2019-24 above, are Rs. 38381.94 lakh and Rs. 25037.14 lakh, respectively, as on 31.3.2024, and the debt-equity ratio is 60.52:39.48.

115. In terms of the first proviso to Regulation 18(3) of the 2024 Tariff Regulations, the generating station which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, and if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation. Therefore, the excess equity for the open-cycle generating station, which completed its useful life in 2023-24, has not been considered. However, this adjustment in equity for the purpose



of ROE will be reviewed at the time of truing up the tariff. Accordingly, the debt-equity ratio for the period 2024-29 is as follows:

(Rs. in lakh)

|                              | Capital cost as on 31.3.2024 (from truing up of 2019-24) |                | Projected net additional capital expenditure as allowed |              | Capital cost as on 31.3.2029 |                |
|------------------------------|----------------------------------------------------------|----------------|---------------------------------------------------------|--------------|------------------------------|----------------|
|                              | Amount                                                   | (%)            | Amount                                                  | (%)          | Amount                       | (%)            |
| Debt (A)                     | 38381.94                                                 | 60.52%         | 0.00                                                    | -            | 38381.94                     | 60.52%         |
| Equity (B)**                 | 25037.14                                                 | 39.48%         | 0.00                                                    | -            | 25037.14                     | 39.48%         |
| <b>Total (C) = (A) + (B)</b> | <b>63419.08</b>                                          | <b>100.00%</b> | <b>0.00</b>                                             | <b>0.00%</b> | <b>63419.08</b>              | <b>100.00%</b> |

\*\* Equity to be serviced as on 1.4.2024 is Rs. 19025.72 lakhs (Rs. 25037.14 lakh – Rs. 6011.42 lakh i.e. Equity in excess of 30% for the open cycle generating station, which completed its useful life in 2023-24)

### **Return on Equity**

116. Regulation 30 of the 2024 Tariff Regulations provides as follows:

**“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 for existing project 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 storage type hydro generating stations, pumped storage hydro generating stations and run-of- river generating station with pondage;

(3) Return on equity for new project achieving COD on or after 01.04.2024 shall be computed at the base rate of 15.00% for the transmission system, including the communication system, at the base rate of 15.50% for Thermal generating station and run-of-river hydro generating station and at the base rate of 17.00% for storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage;

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

Provided further that:

- i. 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 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;
- ii. in case of an 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, the rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in the case of a thermal generating station:

a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate as specified under Regulation 45(9) of IEGC Regulations, 2023.

b) an additional rate of return on equity of 0.125% shall be allowed for every incremental ramp rate of 0.50% per minute achieved over and above the ramp rate specified by Central Electricity Authority, subject to the ceiling of additional rate of return on equity of 1.00%:

117. Regulation 31 of the 2019 Tariff Regulations provides as follows:

**“31. Tax on Return on Equity.** (1) The 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. The effective tax rate 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 concerned generating company or the transmission licensee by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon.

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a generating company or transmission licensee has opted for Section 115BAA, the effective tax rate shall be tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

(2) The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

(3) The generating company or the transmission licensee, as the case may be, shall true up the effective tax rate for 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 2024-29 on actual gross income of any financial year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid for the generating company or the transmission licensee, as the case may be.

Provided that in case a generating company or transmission licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, 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 with the applicable MAT rate including surcharge and cess.

Provided that in case a generating company or transmission licensee is paying tax under Section 115BAA, 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 with the tax rate including surcharge and cess as specified under Section 115BAA.

*Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on a year to year basis.”*

118. As observed above, the open cycle generating station has completed its useful life in 2023-24, and accordingly, equity from 2024-25 onwards has been restricted to 30% as per the first proviso to Regulation 18(3) of the 2024 Tariff Regulations. Return on Equity (ROE) for the asset/works within the original scope of work has been calculated by grossing up the base rate of ROE at the MAT rate of 17.472% as submitted by the Petitioner. The calculation on Return on Equity will be reviewed at the time of truing up the tariff for the period 2024-29. Accordingly, ROE has been worked out and allowed as under:

***Return on Equity at Normal Rate***

|                                                                         | <i>(Rs. in lakh)</i> |                |                |                |                |
|-------------------------------------------------------------------------|----------------------|----------------|----------------|----------------|----------------|
|                                                                         | <b>2024-25</b>       | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
| Normative Equity-Opening                                                | 24943.90             | 24943.90       | 24943.90       | 24943.90       | 24943.90       |
| Less: Adjustment to equity in terms of 1st proviso to Regulation 18 (3) | 6011.42              | 6011.42        | 6011.42        | 6011.42        | 6011.42        |
| Normative Equity- Opening (A)                                           | 18932.49             | 18932.49       | 18932.49       | 18932.49       | 18932.49       |
| Addition of Equity due to additional capital expenditure (B)            | 0.00                 | 0.00           | 0.00           | 0.00           | 0.00           |
| Normative Equity-Closing (C) = (A)+(B)                                  | 18932.49             | 18932.49       | 18932.49       | 18932.49       | 18932.49       |
| Average Normative Equity (D) = (A+C)/2                                  | 18932.49             | 18932.49       | 18932.49       | 18932.49       | 18932.49       |
| Return on Equity (Base Rate) (E)                                        | 15.50%               | 15.50%         | 15.50%         | 15.50%         | 15.50%         |
| Effective Tax Rate/ MAT Rate (F)                                        | 17.472%              | 17.472%        | 17.472%        | 17.472%        | 17.472%        |
| Rate of Return on Equity (Pre Tax) (G) = (E)/(1-F)                      | 18.782%              | 18.782%        | 18.782%        | 18.782%        | 18.782%        |
| <b>Return on Equity (Pre Tax) (H) = (D)x(G)</b>                         | <b>3555.90</b>       | <b>3555.90</b> | <b>3555.90</b> | <b>3555.90</b> | <b>3555.90</b> |

119. Return on Equity (ROE) for the asset/ works beyond the original scope of work has been calculated by grossing up the base rate of ROE at one-year marginal cost of lending rate (MCLR) of the State Bank of India, plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%. Accordingly, the base rate is considered 12.150% (8.65%+350 basis points)



for 2024-25 and 12.50% (9.0%+350 basis points) for the remaining years of the period.

Accordingly, ROE has been worked out and allowed as under:

**Return on Equity at Weighted Average Rate of Interest (WAROI)**

|                                                              | (Rs. in lakh) |              |              |              |              |
|--------------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|
|                                                              | 2024-25       | 2025-26      | 2026-27      | 2027-28      | 2028-29      |
| Normative Equity-Opening (A)                                 | 93.23         | 93.23        | 93.23        | 93.23        | 93.23        |
| Addition of Equity due to additional capital expenditure (B) | 0.00          | 0.00         | 0.00         | 0.00         | 0.00         |
| Normative Equity-Closing (C) = (A)+(B)                       | 93.23         | 93.23        | 93.23        | 93.23        | 93.23        |
| Average Normative Equity (D) = (A+C)/2                       | 93.23         | 93.23        | 93.23        | 93.23        | 93.23        |
| Return on Equity (Base Rate) (E)                             | 12.150%       | 12.500%      | 12.500%      | 12.500%      | 12.500%      |
| Effective Tax Rate/ MAT Rate (F)                             | 17.472%       | 17.472%      | 17.472%      | 17.472%      | 17.472%      |
| Rate of Return on Equity (Pre-tax) (G) = (E)/(1-F)           | 14.722%       | 15.146%      | 15.146%      | 15.146%      | 15.146%      |
| <b>Return on Equity(Pre-tax) (H) = (D)x(G)</b>               | <b>13.73</b>  | <b>14.12</b> | <b>14.12</b> | <b>14.12</b> | <b>14.12</b> |

**Interest on Loan**

120. Regulation 32 of the 2024 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 gross normative loans for the calculation of interest on loans.*

*(2) The normative loan outstanding as on 1.4.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2024 from the gross normative loan.*

*(3) The repayment for each of the years of the tariff period 2024-29 shall be deemed to be equal to the depreciation allowed for the corresponding year or 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 up to the date of de-capitalisation of such asset.*

*(4) Notwithstanding any moratorium period availed of by the generating company or the transmission licensee, as the case may be, the repayment of the 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.*

*(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio or allocated loan portfolio;*

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

*Provided further that if the generating station or the transmission system, as the case may be, does not have any actual loan, then the weighted average rate of interest of the loan*

*portfolio of the generating company or the transmission licensee as a whole shall be considered.*

*Provided that the rate of interest on the loan for the installation of the emission control system commissioned subsequent to date of commercial operation of the generating station or unit thereof, shall be the weighted average rate of interest of the actual loan portfolio of the emission control system, and in the absence of the actual loan portfolio, the weighted average rate of interest of the generating company as a whole shall be considered, subject to a ceiling of 14%;*

*Provided further that if the generating company or the transmission licensee, as the case may be, does not have any actual loan, then the rate of interest for a loan shall be considered as 1-year MCLR of the State Bank of India as applicable as on April 01, of the relevant financial year.*

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

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

121. The salient features of the computation of Interest on the Loan Capital are summarised as follows:

- (a) The Gross Normative Loan amounting to Rs. 38381.94 lakh has been considered as on 1.4.2024;
- (b) Cumulative repayment amounting to Rs. 33639.57 lakh as on 31.3.2024 is considered for the period 2019-24 in this order and has been considered to be the same as on 1.4.2024.
- (c) The repayment during the year has been considered equal to the depreciation allowed for that year.
- (d) Interest on the Loan Capital has been calculated on the normative average loan of the year by applying the weighted average rate of interest on the actual loan as claimed by the Petitioner. This is subject to true-up.

122. The Petitioner has claimed interest on the loan by applying the weighted average rate of 7.710 % for the period 2024-29, and the same has been considered. The Petitioner, however, is directed to submit documentary evidence of the rate of interest, as considered in Form-13 and of the repayment schedule of the loan at the time of truing-up of the tariff.

123. Accordingly, Interest on the Loan Capital has been worked out as follows:

**(Rs. in lakh)**



|                                                           | 2024-25       | 2025-26       | 2026-27      | 2027-28     | 2028-29     |
|-----------------------------------------------------------|---------------|---------------|--------------|-------------|-------------|
| Gross opening loan (A)                                    | 38381.94      | 38381.94      | 38381.94     | 38381.94    | 38381.94    |
| Cumulative repayment of loan up to the previous year (B)  | 33639.57      | 35245.57      | 36853.31     | 38381.94    | 38381.94    |
| Net Loan Opening (C) = (A) - (B)                          | 4742.36       | 3136.36       | 1528.63      | 0.00        | 0.00        |
| Addition due to additional capital expenditure (D)        | 0.00          | 0.00          | 0.00         | 0.00        | 0.00        |
| Repayment of Loan during the period (E)                   | 1606.00       | 1607.73       | 1528.63      | 0.00        | 0.00        |
| Less: Repayment adjustment on a/c of decapitalization (F) | 0.00          | 0.00          | 0.00         | 0.00        | 0.00        |
| Net Repayment of Loan during the period (G) = (E) - (F)   | 1606.00       | 1607.73       | 1528.63      | 0.00        | 0.00        |
| Net Loan Closing (H) =(C) +(D) -(G)                       | 3136.36       | 1528.63       | 0.00         | 0.00        | 0.00        |
| Average Loan (I) = (C+H)/2                                | 3939.36       | 2332.49       | 764.31       | 0.00        | 0.00        |
| Weighted Average Rate of Interest on loan (J)             | 7.710%        | 7.710%        | 7.710%       | 7.710%      | 7.710%      |
| <b>Interest on Loan (K) = (I)*(J)</b>                     | <b>303.72</b> | <b>179.84</b> | <b>58.93</b> | <b>0.00</b> | <b>0.00</b> |

## **Depreciation**

124. Regulation 33 of the 2024 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 the case of the tariff of all the units of a generating station or all elements of a transmission system including the 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 the 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 a single tariff needs to be determined.*

*(2) 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, the weighted average life for the generating station or the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In the case of commercial operation of the asset for a part of the year, depreciation shall be charged on a pro rata basis.*

*(3) The salvage value of the asset shall be considered as 10%, and depreciation shall be allowed up to the 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 the 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 the 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 the 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.*

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

*(5) Depreciation for Existing Projects shall be calculated annually based on the 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 generating station or transmission system, as the case may be, shall be spread over the balance useful life of the assets.*

*Provided further that in the case of an existing hydro generating station, the generating company, with the consent of the beneficiaries, may charge depreciation at a rate lower than that specified in Appendix I and Appendix II to these Regulations to reduce front loading of tariff.*

*(6) Depreciation for New Projects shall be calculated annually based on the Straight Line Method and at rates specified in Appendix-II 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 15 years from the effective date of commercial operation of the generating station or the transmission system, as the case may be, shall be spread over the balance useful life of the assets.*

*Provided further that in the case of a new hydro generating stations, the generating company, with the consent of the beneficiaries, may charge depreciation at a rate lower than that specified in Appendix II to these Regulations to reduce front loading of tariff.*

*(7) In the case of the existing projects, the balance depreciable value as on 1.4.2024 shall be worked out by deducting the cumulative depreciation as admitted to by the Commission up to 31.3.2024 from the gross depreciable value of the assets.*

*(8) The generating company or the transmission licensee, as the case may be, shall submit the details of capital expenditure proposed to be incurred during five years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen years, whichever is lower, and in case of the transmission system shall equally spread the depreciable value over the balance useful life of the Asset or 10 years whichever is higher.*

*(9) 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-capitalised asset during its useful service.*

*(10) Where the emission control system is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (9) of this Regulation.*

*(11) Depreciation of the emission control system of an existing generating station that is yet to complete its useful life or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on the straight line method at rates specified in Appendix- I to these regulations;*

*Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of operation of such emission control system shall be spread over the balance period of thirteen years or balance operational life of generating station, whichever is lower;*

*Provided also that in case the date of operation of the emission control system is after the 20th year of commercial operation of the generating station or unit thereof, but before the completion of the useful life of the generating station, the depreciation on emission control system (ECS) shall be computed annually from the date of operation of such ECS based on the straight line method, with a salvage value of 10% and the depreciable value shall be recovered till the operational life of the generating station.*

*(12) In case the date of operation of the emission control system is subsequent to the date of completion of the useful life of generating station commercial operation of the generating station or unit thereof, depreciation of ECS shall be computed annually from the date of operation of such emission control system based on the straight line method, with a salvage value of 10% and recovered over ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher.”*

125. The COD of the open cycle generating station is 1.8.1998. The Open Cycle generating station has completed its useful life on 31.3.2024 and accordingly has been fully depreciated. The depreciation for the additional capital expenditure allowed during the period 2019-24 (fag end) has been computed considering the weighted average rate of depreciation, as claimed by the Petitioner, subject to truing-up. The STGs were commissioned in the year 2015-16. Therefore, depreciation of the generating station has been calculated based on a weighted-average rate of depreciation over 12 years (2027-28), and thereafter it has been spread over the remaining useful life of the generating station. Necessary calculations in support of the depreciation are as follows:

***(A) Depreciation allowed for additional capital expenditure during the period***



**2019-24 (fag end) for Open Cycle:***(Rs. in lakh)*

|                                                                                                                    | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Avg. Capital Cost (A)                                                                                              | 1201.09        | 1201.09        | 1201.09        | 1201.09        | 1201.09        |
| Value of Freehold Land included above (B)                                                                          | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Value of IT equipment and software included above (C)                                                              | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Rate of Depreciation (D)                                                                                           | 5.09%          | 5.09%          | 5.09%          | 5.10%          | 5.10%          |
| Depreciable value including amortisation of lease land in 25 yrs. (E)=(A-B-C) x 90%+(C)                            | 1080.98        | 1080.98        | 1080.98        | 1080.98        | 1080.98        |
| Cumulative depreciation at the beginning (F)                                                                       | 229.94         | 291.05         | 352.23         | 413.42         | 474.65         |
| Less: Depreciation adjustment due to decapitalization (G)                                                          | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Net Cumulative Depreciation after adjustment for decapitalization (H) = (F) - (G)                                  | 229.94         | 291.05         | 352.23         | 413.42         | 474.65         |
| Remaining depreciable value (I)=(E)-(H)                                                                            | 851.04         | 789.93         | 728.76         | 667.56         | 606.33         |
| <b>Depreciation (J)= (A) x (D)</b>                                                                                 | <b>61.11</b>   | <b>61.18</b>   | <b>61.19</b>   | <b>61.23</b>   | <b>61.27</b>   |
| <b>Net Cumulative Depreciation after adjustment due to decapitalization (at the end of the period) (K)=(H)+(J)</b> | <b>291.05</b>  | <b>352.23</b>  | <b>413.42</b>  | <b>474.65</b>  | <b>535.92</b>  |

**(B) Depreciation allowed for Combined Cycle***(Rs. in lakh)*

|                                                                                       | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
|---------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Avg. Capital Cost (A)                                                                 | 30364.20       | 30364.20       | 30364.20       | 30364.20       | 30364.20       |
| Value of Freehold Land included in Avg. capital cost on cash basis (B)                | 275.32         | 275.32         | 275.32         | 275.32         | 275.32         |
| Value of IT equipment included in Avg. capital cost on cash basis (C)                 | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Rate of Depreciation (D)                                                              | 5.09%          | 5.09%          | 5.09%          | 5.10%          | Spread over    |
| Depreciable value including amortisation of lease land in 25 yrs. (E)=(A-B-C)x90%+(C) | 27079.99       | 27079.99       | 27079.99       | 27079.99       | 27079.99       |
| Balance Useful life of the asset (F)                                                  | 16.98          | 15.98          | 14.98          | 13.98          | 12.98          |
| Remaining Depreciable Value (G)                                                       | 13974.79       | 12429.90       | 10883.34       | 9336.40        | 7788.47        |
| <b>Depreciation (H)=(Ax D) or (G/F)</b>                                               | <b>1544.89</b> | <b>1546.56</b> | <b>1546.95</b> | <b>1547.93</b> | <b>600.04</b>  |
| Cumulative Depreciation (at the end of the period) (I)                                | 14650.09       | 16196.65       | 17743.60       | 19291.52       | 19891.56       |
| Less: Cumulative Depreciation reduction due to decapitalization (J)                   | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |



|                                                                                                                  | 2024-25         | 2025-26         | 2026-27         | 2027-28         | 2028-29         |
|------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Cumulative Depreciation after adjustment due to decapitalization (at the end of the period) (K) = (I)-(J)</b> | <b>14650.09</b> | <b>16196.65</b> | <b>17743.60</b> | <b>19291.52</b> | <b>19891.56</b> |

### **O&M Expenses**

126. Regulation 36(3) of the 2024 Tariff Regulations provides for O&M expenses for this generating station as follows:

*“(3) Open Cycle Gas Turbine/Combined Cycle generating stations:*

| <i>(Rs. in lakh/MW)</i> |                     |
|-------------------------|---------------------|
| <b>Year</b>             | <b>Agartala GPS</b> |
| <i>FY 2024-25</i>       | 56.48               |
| <i>FY 2025-26</i>       | 59.44               |
| <i>FY 2026-27</i>       | 62.57               |
| <i>FY 2027-28</i>       | 65.85               |
| <i>FY 2028-29</i>       | 69.31               |

127. The Petitioner has submitted the O&M expenses for the period 2024-29, in terms of the above-mentioned Regulations as follows:

| <i>(Rs. in lakh)</i> |                |                |                |                |
|----------------------|----------------|----------------|----------------|----------------|
| <b>2024-25</b>       | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
| 7624.80              | 8024.40        | 8446.95        | 8889.75        | 9356.85        |

128. Accordingly, the normative O&M Expenses are allowed as follows:

| <i>(Rs. in lakh)</i> |                |                |                |                |
|----------------------|----------------|----------------|----------------|----------------|
| <b>2024-25</b>       | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
| 7624.80              | 8024.40        | 8446.95        | 8889.75        | 9356.85        |

### **Additional O&M Expenses**

129. Regulation 36(1)(6) of the 2024 Tariff Regulations provides for O&M expenses for this generating station as follows:

*“(6) The Water Charges, Security Expenses, Ash Transportation 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 or water agreement*



*with state govt./utilities, and the norms specified by the Ministry of Environment, Forest and Climate Change subject to prudence check. The details regarding the same shall be furnished along with the petition;*

*Provided further that the generating station shall submit the assessment of the security requirement and estimated expenses along with the petition seeking the determination of tariff;*

*Provided also that the generating station shall submit the details of year-wise actual capital spares consumed individually costing above Rs. 10 Lakh at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.”*

### **Security Expenses**

130. The Petitioner has claimed total security expenses for Rs. 840 lakhs for the period 2024-29 (i.e., Rs. 160 lakhs in 2024-25, Rs. 165 lakhs in 2025-26, Rs. 168 lakhs in 2026-27, Rs. 172 lakhs in 2027-28 and Rs. 175 lakhs in 2028-29) in terms of Regulation 36(1)(6) of the 2024 Tariff Regulations. The Petitioner has submitted that the said expenses are claimed based on the estimated expenses for the period 2024-29, and shall be subject to retrospective adjustment, based on actual expenses, at the time of truing up of the tariff.

131. The matter has been considered. The Petitioner has claimed security expenses for the period 2024-29, on an estimated basis, but has not furnished the assessment of security requirement as required under the third proviso to Regulation 36(1)(6) of the 2024 Tariff Regulations. Further, the Petitioner has not submitted any details regarding the variation in the claim for the period 2024-29. In view of this, we are inclined to provisionally **allow** the security expenses for the period 2024-29, as claimed by the Petitioner. Accordingly, the Petitioner is directed to furnish the requisite details for carrying out the prudence check of security expenses at the time of truing up, including all details regarding the security expenses and the

reason for any variance. Further, the Petitioner shall, at the time of truing up, furnish the actual security expenses incurred along with proper justification and assessment in terms of Regulation 36(1)(6) of the 2024 Tariff Regulations.

132. Accordingly, the security expenses **allowed** for the period 2024-29 are as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| 160.00        | 165.00  | 168.00  | 172.00  | 175.00  |

### **Water Charges**

133. In accordance with Regulation 36(1)(6) of the 2024 Tariff Regulations, water charges shall be allowed separately based on water consumption, depending on the type of plant, type of cooling water system, and other relevant factors, subject to a prudence check.

134. The Petitioner, vide affidavit dated 7.5.2025, has submitted that the state government has levied no water charges to date.

135. Accordingly, the same is **not considered** in the present order.

### **Capital Spares**

136. The third proviso to Regulation 36(1)(6) of the 2024 Tariff Regulations provides as follows:

*“Provided also that the generating station shall submit the details of year-wise actual capital spares consumed individually costing above Rs. 10 Lakh at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.”*

137. The capital spares claimed by the Petitioner are as follows:

| (Rs. in lakh)                      |                |                |               |                |                |
|------------------------------------|----------------|----------------|---------------|----------------|----------------|
|                                    | 2024-25        | 2025-26        | 2026-27       | 2027-28        | 2028-29        |
| Capital Spares                     | 2512.70        | 2800.00        | 675.00        | 1750.00        | 1900.00        |
| Capital Spares Salvage value       | 251.27         | 280.00         | 67.50         | 175.00         | 190.00         |
| <b>Net claim of Capital Spares</b> | <b>2261.43</b> | <b>2520.00</b> | <b>607.50</b> | <b>1575.00</b> | <b>1710.00</b> |



138. The matter has been considered. The third proviso to Regulation 36(1)(6) of the 2024 Tariff Regulations provides that the Petitioner has to confirm that the capital spares claimed have not been funded through compensatory allowance as per Regulation 17 of the 2014 Tariff Regulations, or Special Allowance or claimed as a part of additional capitalization or consumption of stores and spares and renovation and modernisation. It is observed that the Petitioner has submitted that capital spares are being claimed as part of stores and spares. Furthermore, the Petitioner, vide affidavit dated 7.5.2025, has submitted that the capital Spares are proposed for new items, and not for the replacement of any items that had previously been replaced. Moreover, the Petitioner has not submitted the details of capital spares consumed individually costing above Rs. 10 lakhs nor has it submitted any justification for incurring the same.

139. Therefore, as the capital spares is allowed on actual consumption basis and as the Petitioner has not furnished appropriated details of the capital spares for the period 2024-29, the capital spares claimed are **not considered** for the determination of tariff for the period 2024-29 and the Petitioner is directed to furnish the details as per the third proviso to Regulation 36(1)(6) of the 2024 Tariff Regulations at the time of truing up with appropriate justification for incurring the same. Moreover, the Petitioner is directed to submit the details of items claimed under capital spares to confirm whether the items are part of stores and spares, as items which are part of stores and spares are not to be considered under capital spares.

140. The summary of the O&M expenses allowed under Regulation 35 of the 2024 Tariff Regulations is as follows:

|                                                  |                | (Rs. in lakh) |         |         |         |         |
|--------------------------------------------------|----------------|---------------|---------|---------|---------|---------|
|                                                  |                | 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| Installed Capacity (MW) (A)                      |                | 135           | 135     | 135     | 135     | 135     |
| O&M Expenses under Reg.36(3) in Rs lakh / MW (B) | Claimed        | 56.48         | 59.44   | 62.57   | 65.85   | 69.31   |
|                                                  | <b>Allowed</b> | 56.48         | 59.44   | 62.57   | 65.85   | 69.31   |



|                                                          |                | 2024-25        | 2025-26        | 2026-27        | 2027-28        | 2028-29        |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total O&M Expenses (in Rs lakh) (C) = (A)*(B)            | Claimed        | 7624.80        | 8024.40        | 8446.95        | 8889.75        | 9356.85        |
|                                                          | <b>Allowed</b> | 7624.80        | 8024.40        | 8446.95        | 8889.75        | 9356.85        |
| Water Charges (in Rs lakh) (D)                           | Claimed        | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
|                                                          | <b>Allowed</b> | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Security Expenses (in Rs lakh) (E)                       | Claimed        | 160.00         | 165.00         | 168.00         | 172.00         | 175.00         |
|                                                          | <b>Allowed</b> | 160.00         | 165.00         | 168.00         | 172.00         | 175.00         |
| Capital Spares (considering 10% salvage value) (F)       | Claimed        | 2261.43        | 2520.00        | 607.50         | 1575.00        | 1710.00        |
|                                                          | <b>Allowed</b> | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Total O&amp;M Expenses as allowed (G) = (C+D+E+F)</b> | Claimed        | 10046.23       | 10709.40       | 9222.45        | 10636.75       | 11241.85       |
|                                                          | <b>Allowed</b> | <b>7784.80</b> | <b>8189.40</b> | <b>8614.95</b> | <b>9061.75</b> | <b>9531.85</b> |

### **Operational Norms**

141. The Petitioner has considered the following norms of operation, for the purpose of tariff, for the period 2024-29, as follows:

|                                                        |      |
|--------------------------------------------------------|------|
| Normative Annual Plant Availability Factor (NAPAF) (%) | 85   |
| Gross Station Heat Rate (kCal/ kwh)                    | 2600 |
| Auxiliary Power Consumption (%)                        | 3.10 |

### ***Normative Annual Plant Availability Factor***

142. Sub-clause (c) of Regulation 70 (A) of the 2024 Tariff Regulations provides as follows:

|                     |            |
|---------------------|------------|
| <i>Agartala GPS</i> | <i>85%</i> |
|---------------------|------------|

143. The Normative Annual Plant Availability Factor (NAPAF) of 85%, as claimed by the Petitioner, has been considered in terms of the said Regulations.

### ***Gross Station Heat Rate***

144. Sub-clause (iv) to Note 4 of Regulation 70 (C)(a) of the 2024 Tariff Regulations provides as follows:

| <b><i>Name of generating station</i></b> | <b><i>Combined Cycle (kCal/ kWh)</i></b> | <b><i>Open Cycle (kCal/ kWh)</i></b> |
|------------------------------------------|------------------------------------------|--------------------------------------|
| <i>Agartala GPS</i>                      | <i>2600</i>                              | <i>3578</i>                          |

145. The Gross Station Heat Rate of 2600 kCal/kWh for Combined Cycle, as claimed by the Petitioner and considered by the Commission, vide its order dated 23.10.2023 in Petition No. 246/GT/2020, has been considered for the purpose of tariff.

### ***Auxiliary Energy Consumption***

146. Sub-clause (c) of Regulation 70 (E) of the 2024 Tariff Regulations provides as follows:

*“(c) For Gas Turbine /Combined Cycle generating stations:*

|       |                |   |       |
|-------|----------------|---|-------|
| (i).  | Combined Cycle | : | 2.75% |
| (ii). | Open Cycle     | : | 1.00% |

*Provided that where the gas based generating station is using electric motor driven Gas Booster Compressor, the Auxiliary Energy Consumption in case of Combined Cycle mode shall be 3.30% (including the impact of air-cooled condensers for Steam Turbine Generators):*

*Provided further that an additional Auxiliary Energy Consumption of 0.35% shall be allowed for Combined Cycle Generating Stations having direct cooling air cooled condensers with mechanical draft fans.”*

147. The first proviso of 70(E)(c)(i) of the 2024 Tariff Regulations provides for 3.30% of Auxiliary Energy Consumption (AEC) for the generating station using an electric motor-driven Gas Booster Compressor. Accordingly, the normative AEC for the generating station is considered and **allowed** as 3.30% for the Combined cycle mode.

### **Interest on Working Capital**

148. Sub-section (c) of clause (1) of Regulation 34 of the 2024 Tariff Regulations provides as follows:

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

*(a) .....xxx*

*(b) .....xxx*

*(c) For Open-cycle Gas Turbine/Combined Cycle thermal generating stations:*

*(i) Fuel cost for 15 days corresponding to the normative annual plant availability factor, duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel;*

*(ii) Liquid fuel stock for 15 days corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel duly taking into account mode of operation of the generating stations of gas fuel and liquid fuel;*

*Provided that the above shall only be allowed to generating stations that have facilities to store liquid fuel.*

*(iii) Maintenance spares @ 30% of operation and maintenance expenses, including water charges and security expenses;*

*(iv) Receivables equivalent to 45 days of capacity charge and energy charge for the sale of electricity calculated on the normative plant availability factor, duly taking*

into account the mode of operation of the generating station on gas fuel and liquid fuel;

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

(d) .....xxx”

149. Clauses (3) and (4) of Regulation 34 of the 2024 Tariff Regulations provide as follows:

*“(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024-29 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 Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.”*

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

### ***Fuel Components and Energy Charges in Working Capital***

150. The Petitioner has claimed the following fuel components for the computation of working capital in Form O, based on the price and GCV of gas for the three months of quarter 3 of FY 2023-2; i.e. October 2023, November 2023 and December 2023, as submitted in Form-15. Further, the Petitioner vide affidavit dated 7.5.2025, has filed the revised Tariff Forms, and the contemporary computation is as follows:

| <i>(Rs. in lakh)</i>         |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Fuel Cost for 15 days</b> | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
|                              | 1778.04        | 1778.04        | 1778.04        | 1782.92        | 1778.04        |

151. On perusal of the data furnished by the Petitioner, it is observed that the Petitioner, while computing ECR, has considered the weighted average price and GCV of gas for only the three months of quarter 3 of FY 2023-24 and not for the entire twelve months of the FY 2023-24, as required to be considered in the Form-15 in Annexure-I of Part-I of the 2024 Tariff Regulations. The Petitioner was directed to submit the necessary details as required in the

Form-15 in Annexure-I of Part-I of the 2024 Tariff Regulations vide TV Letter dated 1.5.2025 and ROP dated 6.6.2025 and 26.8.2025, respectively. The Petitioner, in reply to the ROP, had submitted the details of fuel as prescribed in Form-15 for the preceding FY. i.e., 2023-24 (twelve months of 2023-24). However, the Form-15 submitted by the Petitioner in reply to the said ROP is not duly certified by the statutory auditor, as required in the format of Form-15 in Annexure-I of Part-I of the 2024 Tariff Regulations. Further, the Petitioner did not submit the details in MS Excel format but only in PDF format. The submissions of the Petitioner have been considered for the calculation of fuel component for the period 2024-29. However, the Petitioner is directed to submit the details duly certified by the statutory auditor during the time of truing up, along with the certification that the claimed details are in line with the 2024 Tariff Regulations.

152. The weighted average price and weighted average GCV of gas as considered for the period 2024-29 are as follows:

|                                                      |          |
|------------------------------------------------------|----------|
| Weighted Average Price of Gas ((Rs./'000 SCM)        | 15132.26 |
| Weighted average GCV of Gas (as received) (Kcal/SCM) | 9211.41  |

153. The Petitioner has considered the fuel component for working capital for 15 days corresponding to the normative annual plant availability factor, and has considered the details of fuel for quarter 3 of FY 2023-24 only.

154. However, as per Regulation 34(1)(c)(i), fuel cost for 15 days corresponding to the normative annual plant availability factor and considering the details of fuel for the entire year of 2023-24 needs to be utilized for the computation of working capital.

155. Accordingly, the fuel cost for 15 days for the computation of working capital has been **allowed** as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |



|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| 1764.44 | 1764.44 | 1764.44 | 1764.44 | 1764.44 |
|---------|---------|---------|---------|---------|

### Energy Charge Rate

156. As stated, the Petitioner has claimed an Energy Charge Rate ('ECR') of 4.381 Rs/kWh for the period 2024-29, based on the weighted average price and GCV of gas procured and burnt, considering only the details of fuel for quarter 3 of 2023-24 only. However, the ECR, as worked out, based on the operational norms specified under the 2024 Tariff Regulations and on "as received" weighted average GCV and weighted average price of fuel for the twelve months of FY 2023-24, is as follows:

| Description                    | Unit           | 2024-29      |
|--------------------------------|----------------|--------------|
| Capacity                       | MW             | 135          |
| Gross Station Heat Rate        | Kcal/kWh       | 2600         |
| Aux. Energy Consumption        | %              | 3.10         |
| Weighted average price of fuel | Rs/'000SCM     | 15132.26     |
| Weighted average GCV of fuel   | Kcal/SCM       | 9211.41      |
| <b>Energy Charge Rate</b>      | <b>Rs./kWh</b> | <b>4.408</b> |

157. ECR in Rs./ kWh on ex-power plant on a month-to-month basis shall be calculated to three decimal places in accordance with the formulae given in Regulation 62 of the 2024 Tariff Regulations.

### Working Capital for O&M Expenses

158. The O&M expenses for one month, as claimed by the Petitioner for the purpose of working capital, are as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| 648.73        | 682.45  | 717.91  | 755.15  | 794.32  |

159. Regulation 34(1)(c)(v) of the 2024 Tariff Regulations provides for O&M expenses for one month, including water charges and security expenses. Accordingly, the O&M expenses for working capital are **allowed** as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |



|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 648.73 | 682.45 | 717.91 | 755.15 | 794.32 |
|--------|--------|--------|--------|--------|

### **Working Capital for Maintenance Spares**

160. The maintenance spares, as part of the working capital, as claimed by the Petitioner, are as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| 2335.44       | 2456.82 | 2584.49 | 2718.53 | 2859.56 |

161. Regulation 34(1)(c)(iii) of the 2024 Tariff Regulations provides for Maintenance spares @ 30% of the O&M expenses, including water charges and security expenses. Accordingly, maintenance spares have been considered and **allowed** as under:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| 2335.44       | 2456.82 | 2584.49 | 2718.53 | 2859.56 |

### **Working Capital for Receivables**

162. Receivables as part of working capital, as claimed by the Petitioner is as follows:

| (Rs. in lakh) |         |         |         |         |
|---------------|---------|---------|---------|---------|
| 2024-25       | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| 7618.31       | 7675.82 | 7732.01 | 7405.74 | 7428.74 |

163. Regulation 34(1)(c)(iv) of the 2024 Tariff Regulations provides for receivables for 45 days. Accordingly, after considering the mode of operation of the generating station on gas fuel and liquid fuel, calculated on normative plant availability factor, the receivable component of working capital is **allowed** as follows:

| (Rs. in lakh)             |                |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
|                           | 2024-25        | 2025-26        | 2026-27        | 2027-28        | 2028-29        |
| Energy Charge for 45 days | 5293.49        | 5293.49        | 5293.49        | 5293.49        | 5293.49        |
| Fixed Charge for 45 days  | 1809.18        | 1852.16        | 1892.84        | 1938.76        | 1887.11        |
| <b>Total</b>              | <b>7102.67</b> | <b>7145.64</b> | <b>7186.33</b> | <b>7232.24</b> | <b>7180.59</b> |

164. In terms of Regulation 34(3) of the 2024 Tariff Regulations, the rate of interest on working capital shall be considered as 11.90% (i.e. one-year SBI MCLR of 8.65% as on



1.4.2024 plus 325 bps) for the period 2024-29. Further, the aforesaid rate of interest is subject to truing up based on one-year SBI MCLR as on 1st April of the respective years of the period 2024-29. The tariff of the generating station is being determined for the year 2025-26, and one-year SBI MCLR as on 1.4.2024 (i.e. 8.65%) and 1.4.2025 (i.e. 9.00%) are available. Hence, in order to safeguard against additional interest burden due to excess/under recovery of tariff, we deem it prudent to consider the rate of interest on working capital for the year 2024-25 as 11.90% (i.e., One-year SBI MCLR of 8.65% as on 1.4.2024 plus 325 bps) and for the period 2025-29 as 12.25% (i.e., One-year SBI MCLR of 9.00% as on 1.4.2025 plus 325 bps), subject to truing up.

165. Accordingly, Interest on Working Capital is allowed as follows:

|                                                         | <b>(Rs. in lakh)</b> |                 |                 |                 |                 |
|---------------------------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
|                                                         | <b>2024-25</b>       | <b>2025-26</b>  | <b>2026-27</b>  | <b>2027-28</b>  | <b>2028-29</b>  |
| Working Capital for Fuel Cost- 15 days (A)              | 1764.44              | 1764.44         | 1764.44         | 1764.44         | 1764.44         |
| Working Capital for O & M expenses - 1 month (B)        | 2335.44              | 2456.82         | 2584.49         | 2718.53         | 2859.56         |
| Working Capital for Maintenance Spares - 30% of O&M (C) | 7102.67              | 7145.64         | 7186.33         | 7232.24         | 7180.59         |
| Working Capital for Receivables 45 Days (D)             | 648.73               | 682.45          | 717.91          | 755.15          | 794.32          |
| <b>Total Working Capital (E) = (A+B+C+D)</b>            | <b>11851.28</b>      | <b>12049.35</b> | <b>12253.16</b> | <b>12470.35</b> | <b>12598.91</b> |
| Rate of Interest (F)                                    | 11.90%               | 12.25%          | 12.25%          | 12.25%          | 12.25%          |
| <b>Interest on Working capital (G) = (E)x(F)</b>        | <b>1410.30</b>       | <b>1476.05</b>  | <b>1501.01</b>  | <b>1527.62</b>  | <b>1543.37</b>  |

### **Annual Fixed Charges**

166. Based on the above, the annual fixed charges approved for the period 2024-29 in respect of the generating station are summarised as follows:

|                             | <b>(Rs. in lakh)</b> |                |                |                |                |
|-----------------------------|----------------------|----------------|----------------|----------------|----------------|
|                             | <b>2024-25</b>       | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>2028-29</b> |
| Depreciation                | 1606.00              | 1607.73        | 1608.14        | 1609.16        | 661.31         |
| Interest on Loan            | 303.72               | 179.84         | 58.93          | 0.00           | 0.00           |
| Return on Equity            | 3569.63              | 3570.02        | 3570.02        | 3570.02        | 3570.02        |
| Interest on Working Capital | 1410.30              | 1476.05        | 1501.01        | 1527.62        | 1543.37        |



|              | <b>2024-25</b>  | <b>2025-26</b>  | <b>2026-27</b>  | <b>2027-28</b>  | <b>2028-29</b>  |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| O&M Expenses | 7784.80         | 8189.40         | 8614.95         | 9061.75         | 9531.85         |
| <b>Total</b> | <b>14674.45</b> | <b>15023.04</b> | <b>15353.05</b> | <b>15768.55</b> | <b>15306.54</b> |

*Note: All figures are on an annualized basis. All figures under each head have been rounded. The figure in the total column in each year is also rounded. As such, the sum of individual items may not be equal to the arithmetic total of the column.*

167. The annual fixed charges determined above are subject to true-up under Regulation 13 of the 2024 Tariff Regulations.

### **Summary**

168. The summary of the annual fixed charges claimed by the Petitioner and the Annual Fixed Charges allowed in this order (on a projection basis) for the period 2024-29 for the generating station are summarised below:

|                                     | <b>2024-25</b>       | <b>2025-26</b>  | <b>2026-27</b>  | <b>2027-28</b>  | <b>2028-29</b>  |
|-------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|
|                                     | <i>(Rs. in lakh)</i> |                 |                 |                 |                 |
| Annual fixed charges claimed        | 20694.84             | 21418.53        | 19958.52        | 18202.94        | 18641.83        |
| <b>Annual fixed charges allowed</b> | <b>14674.45</b>      | <b>15023.04</b> | <b>15353.05</b> | <b>15768.55</b> | <b>15306.54</b> |

### **Application Fee and Publication Expenses**

169. The Petitioner has sought reimbursement for tariff filing fees and the expenses incurred for the publication of notices related to the application of the tariff for the period 2024-29. The Petitioner has submitted that reimbursement towards filing fees and publication expenses is in accordance with Regulation 94(1) of the 2024 Tariff Regulations. In view of the above, the Petitioner shall be entitled to the reimbursement of the filing fees and publication expenses in connection with the present petition directly from the beneficiaries on a pro rata basis, in accordance with Regulation 94(1) of the 2024 Tariff Regulations.

170. Similarly, the RLDC Fees & Charges paid by the Petitioner in accordance with the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Dispatch Centre and other related matters) Regulations, 2024, shall be recovered from the



beneficiaries. In addition, the Petitioner is entitled to the recovery of statutory taxes, levies, duties, cess, etc., levied by the statutory authorities in accordance with the 2024 Tariff Regulations.

171. Petition No. 39/GT/2025 is disposed of in terms of the above.

|                                 |                        |                         |                       |
|---------------------------------|------------------------|-------------------------|-----------------------|
| <b>Sd/-</b>                     | <b>Sd/-</b>            | <b>Sd/-</b>             | <b>Sd/-</b>           |
| <b>(Ravinder Singh Dhillon)</b> | <b>(Harish Dudani)</b> | <b>(Ramesh Babu V.)</b> | <b>(Jishnu Barua)</b> |
| <b>Member</b>                   | <b>Member</b>          | <b>Member</b>           | <b>Chairperson</b>    |

