

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.31/RP/2022**

**in**

**Petition No. 241/GT/2020**

**Coram:**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri Pravas Kumar Singh, Member**

**Date of Order: 25<sup>th</sup> September, 2023**

**IN THE MATTER OF**

Review of Commission's order dated 7.5.2022 in Petition No. 241/GT/2020 with regard to the approval of tariff of Vindhyachal Super Thermal Power Station Stage-II (1000 MW) for the period 2014-19.

**AND**

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

**.... Petitioner**

**Vs**

1. Madhya Pradesh Power Management Company Limited,  
Shakti Bhawan, Vidyut Nagar,  
Jabalpur – 482008

2. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, Bandra (East),  
Mumbai – 400051

3. Gujarat Urja Vikas Nigam Limited,  
Vidyut Bhawan, Race Course,  
Vadodara – 390007

4. Chhattisgarh State Power Distribution Company Limited,  
Sundar Nagar, Danganiya,  
Raipur – 492013

5. Electricity Department,  
Government of Goa, Vidyut Bhawan, Panji, Goa



6. DNH Power Distribution Corporation Limited,  
UT of Dadra Nagar Haveli,  
Silvassa – 396230

7. Electricity Department,  
Administration of Daman & Diu,  
Daman – 396210

.... Respondents

**Parties Present:**

Shri. Anand Sagar Pandey, NTPC  
Shri Harsh V. Kabra, NTPC  
Shri Sameer Aggarwal, NTPC

**ORDER**

Petition No. 241/GT/2020 was filed by the Review Petitioner, NTPC Limited for determination of tariff of Vindhyachal Super Thermal Power Station Stage-II (1000 MW) (in short 'the generating station') for the period 2014-19, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short 'the 2014 Tariff Regulations') and the Commission by its order dated 7.5.2022 (in short 'the impugned order') had determined the tariff of the generating station as under:

*(Rs in lakh)*

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Depreciation	5635.60	5744.47	5802.67	5863.57	5852.64
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	14924.00	15073.60	15109.14	15085.00	15080.30
Interest on Working Capital	5440.84	5500.43	5539.69	5697.72	5778.21
O&M Expenses	18291.69	19056.10	19751.75	20795.70	22096.69
Compensation Allowance	200.00	200.00	500.00	500.00	500.00
Special Allowance	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>44492.12</b>	<b>45574.60</b>	<b>46703.25</b>	<b>47942.00</b>	<b>49307.84</b>

2. Aggrieved by the impugned order, the Review Petitioner has filed this Review Petition limited to the aspect of 'Discharge of liabilities allowed in the impugned order dated 7.5.2022.



### **Hearing dated 24.1.2023**

2. The Review Petition was heard through virtual conferencing on 24.1.2023. During the hearing, the learned counsel for the Review Petitioner made detailed oral submissions in the matter. Considering the submissions of the Review Petitioner, the Review Petition was 'admitted' vide order dated 9.2.2023 on the issue raised in paragraph 1 above and notice were served to the Respondents, with directions to complete pleadings, in the matter.

3. The Respondent MPPMCL has filed its reply on 2.3.2023 and the Petitioner has filed its rejoinder to the said reply on 15.3.2023.

### **Hearing dated 31.5.2023**

4. The matter was heard on 31.5.2023. During the hearing, the learned counsel for the Review Petitioner made detailed oral submissions and prayed that error apparent on the face of the order dated 7.5.2022 on the said issue, may be reviewed. None appears on behalf of the Respondents. The Commission, after hearing the learned counsel for the Review Petitioner, reserved the order in the matter.

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

#### **A. Error in consideration of liabilities discharged.**

##### ***Submissions of the Review Petitioner***

6. The Review Petitioner has submitted that the balance un-discharged liabilities in the impugned order dated 7.5.2022 corresponding to the allowed capital cost considered by the Commission as on 1.4.2014 is Rs 478.11 lakh (Rs.277.56 lakh



pertaining to un-discharged liabilities deducted as on 1.4.2009 and Rs.200.55 lakh pertaining to other liabilities) which is at variance with those submitted in the original petition. It has also submitted that the Commission had considered the un-discharged liabilities amounting to Rs 277.56 lakh for the admitted works prior to the period 2009, but the Review Petitioner in Form-18 of the petition had shown the liability flow, under which total amount of undischarged liabilities, for the admitted works prior to 2009, is Rs 1733.00 lakh. The liability flow statement for the period 2014-19 as submitted with the Petition 241/GT/2020 is enclosed. The Review Petitioner has further submitted that Commission in its order dated 6.12.2016 in Petition No. 296/GT/2014, had already considered the un-discharged liabilities of Rs 7820.25 lakh, deducted as on 1.4.2009. Thus, the Review Petitioner has stated that the Commission had already acknowledged the undischarged liabilities amounting to Rs 7820.25 lakh for the works prior to the period 2004, and had also taken the discharged amount of Rs 8.86 lakh in 2009-10, Rs 4.61 lakh in 2010-11, Rs 1.15 lakh in 2011-12 and Rs 4064.44 lakh in 2013-14 (pertains to assets/works capitalized during the period prior to 1.4.2004) and reversal amounts of Rs 2872.71 lakh in 2009-10, Rs 69.95 lakh in 2010-11 and Rs 520.97 lakh in 2013-14 in its computation. The Review Petitioner has also submitted that after deducting the discharged amount and reversal amount from the balanced undischarged amount of Rs 7820.25 lakh as on 1.4.2009, the net amount works out as Rs 277.56 lakh. It has pointed out that in Petition No. 133/GT/2013, the liabilities for Rs 489.16 lakh, (-) Rs 69.95 lakh, Rs 598.01 lakh were also created during the years 2009-10, 2010-11, 2011-12, respectively, on which the Commission remained silent in its Order dated 14.11.2013. It has further submitted that in the years 2012-13 and 2013-14, the liabilities of Rs 297.69 lakh and Rs 348.74 lakh were created, which



the Commission had acknowledged in para 30 of its order dated 6.12.2016 in Petition No. 296/GT/2014.

7. The Review Petitioner has stated that however, in order dated 7.5.2022 in Petition No. 241/GT/2020, it appears that the Commission has somehow inadvertently missed the liabilities, which got created in the respective years i.e. during 2009-10, 2011-12, 2012-13 and 2013-14. Upon reconciliation of the total addition of liabilities, the total liabilities discharged amount and total reversal amount, with the opening undischarged liabilities of Rs 7820.25 lakh, for the admitted works prior to the period 2004, the opening undischarged liabilities for the said works i.e. the admitted works prior to the period 2004 works out to Rs.1733.00 lakh, as shown in Form-18 of the original petition. The Review Petitioner has added that the explanation given in the impugned order dated 7.5.2022 that the discharges claimed by the Review Petitioner towards undischarged liabilities deducted as on 1.4.2009, exceeds the corresponding balance liability of Rs.277.56 lakh, as on 1.4.2014, appear to be incorrect, as the Commission has inadvertently missed the addition of liabilities amounting to Rs 1455.43 lakh created during the period 2009-14, in the admitted works prior to the period 2004.

8. The Review Petitioner has further submitted that during the year 2016-17, the Commission has allowed the discharge of liability amounting to Rs 49.26 lakh against the claim for Rs 108.62 lakh. It has stated that during the year 2016-17, the discharge of Rs 13.97 lakh (in Sl. no. 26 of Annexure-I) pertains to the work towards Upgradation & Retrofitting of Pro-Control P-13 Diagnostic station, SG/TG, BOP MMI for Unit-7 & 9 which was disallowed by the Commission in the impugned order. It has also pointed out that even after adjusting Rs 13.97 lakh from Rs 108.62 lakh, the discharge of



liability for the admitted works out to Rs 94.65 lakh. The Review Petitioner has submitted that the Commission has inadvertently not considered the discharge of liability towards the work supply and erection of Condensate Polishing Plant Package (in Sl. no. 2 of Annexure-I).

9. In the above background, the Review Petitioner has submitted that there is error apparent on the facts of the present case, and therefore, the computation as adopted by the Commission for calculating the undischarged liability as on 1.4.2014 may be reviewed by the Commission.

### **Submissions of the Respondent, MPPMCL**

10. The Respondent MPPMCL vide its reply affidavit dated 2.3.2023, has submitted that after detailed scrutiny of the claim of the Review Petitioner and studying the flow of undischarged liabilities corresponding to the allowed assets/works the Commission had allowed the discharge of liabilities amounting to Rs. 504.34 lakh. It has stated that the Commission has always considered the claim of the Review Petitioner regarding the discharge of undischarged liabilities pertaining to previous control periods subject to prudence check, and therefore, there is neither any infirmity nor any error apparent on the face of the record in the impugned order of this Commission and the Review petition is grossly misconceived, and without any legal basis and may be disallowed in totality in the interest of justice.

### **Analysis and Decision**

11. We have examined the matter. The Petitioner had claimed discharge of liabilities as under:



	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Out of liabilities deducted as on 1.4.2009	1108.29	0.00	45.39	0.32	0.00
Other liabilities	103.02	54.99	63.23	36.37	32.46
<b>Total discharges claimed</b>	<b>1211.32</b>	<b>54.99</b>	<b>108.62</b>	<b>36.69</b>	<b>32.46</b>

12. The Commission, in para 43 of the impugned order dated 7.5.2022 had observed as under:

“44. On scrutiny of Form-18 of the petition, it is observed that un-discharged liabilities corresponding to the allowed capital cost as on 1.4.2014, is Rs.1971.34 lakh (Rs.1733.00 lakh pertaining to un-discharged liabilities deducted as on 1.4.2009 and Rs.238.34 lakh pertaining to other liabilities). However, the balance un-discharged liabilities as on 1.4.2014, corresponding to the allowed capital cost is only Rs.478.11 lakh (Rs.277.56 lakh pertaining to un-discharged liabilities deducted as on 1.4.2009 and Rs.200.55 lakh pertaining to other liabilities). Hence, the same has been considered for the purpose of tariff. Since, the discharges claimed by the Petitioner towards un-discharged liabilities deducted as on 1.4.2009 exceeds the corresponding balance liability of Rs.277.56 lakh as on 1.4.2014, the discharges allowed has been restricted to Rs.277.56 lakh during the year 2014-15. Further, the discharges of other liabilities include discharges of Rs.37.79 lakh, Rs.13.97 lakh and Rs.11.54 lakh during the years 2014-15, 2016-17 and 2017-18 respectively and reversal of Rs.3.55 lakh in 2016-17, towards assets/works disallowed for the purpose of tariff is not considered for the purpose of tariff. Accordingly, the discharges of un-discharged liabilities considered for the purpose of tariff is as under:

(Rs. in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
342.80	54.99	49.26	24.83	32.46

45. Out of total liabilities deducted as on 1.4.2009, amounting to Rs.7820.25 lakh (with corresponding adjustment to cumulative repayment and cumulative depreciation amounting to Rs.4031.09 lakh and Rs.3256.58 lakh) the balance liabilities as on 1.4.2014 works out to Rs.277.56 lakh (with corresponding balance adjustment to cumulative repayment and cumulative depreciation amounting to Rs.863.66 lakh and Rs.138.03 lakh). Considering the fact that entire balance liability of Rs.277.56 lakh has been considered as discharged in 2014-15, the balance adjustments corresponding to cumulative repayment and cumulative depreciation of Rs.863.66 lakh and Rs.138.03 lakh, respectively has been considered in 2014-15. Further, the flow of un-discharged liability, corresponding to allowed assets/works, is as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>(A) Out of liabilities deducted as on 1.4.2009</b>					
Opening liability (a)	277.56	0.00	0.00	0.00	0.00
Addition during the year (b)	0.00	0.00	0.00	0.00	0.00
Discharges during the year (c)	277.56	0.00	0.00	0.00	0.00
Reversal during the year (d)	0.00	0.00	0.00	0.00	0.00
Closing liability (e) = (a+b-c-d)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(B) Other liabilities</b>					
Opening liability (f)	200.55	219.95	257.48	209.79	184.83



Addition during the year (g)	84.64	92.52	27.71	(-) 0.12	4.89
Discharges during the year (h)	65.24	54.99	49.26	24.83	32.46
Reversal during the year (i)	0.00	0.00	26.15	0.00	7.01
Closing liability (j) = (f+g-h-i)	<b>219.95</b>	<b>257.48</b>	<b>209.79</b>	<b>184.83</b>	<b>150.25</b>
<b>Total Closing liabilities (e+j)</b>	<b>219.95</b>	<b>257.48</b>	<b>209.79</b>	<b>184.83</b>	<b>150.25</b>

13. It is observed that the Petitioner, in Petition No. 241/GT/2020, had claimed un-discharged liabilities corresponding to the admitted capital cost as on 31.3.2014, for Rs.1971.34 lakh (Rs.1733.00 lakh liability created prior to 1.4.2004 and Rs.238.34 lakh created on or after 1.4.2009). However, on perusal of the details of liabilities, as considered in Order dated 14.11.2013 in Petition No. 133/GT/2013 (pertaining to tariff approved for the period 2009-14, based on the actual expenditure for the period 2009-12), and Order dated 6.12.2016 in Petition No. 296/GT/2014 (pertaining to tariff approved for the period 2009-14, after truing up), the total liability corresponding to the admissible capital cost as on 31.3.2014, was worked out as Rs.478.11 lakh only (Rs.277.56 lakh pertaining to liabilities deducted as on 1.4.2009 and Rs.200.55 lakh pertaining to other liabilities). Accordingly, the un-discharged liabilities of Rs.478.11 lakh corresponding to the capital cost allowed as on 31.3.2014 was considered as on 1.4.2014.

14. The Petitioner has pointed out that a gap of Rs.1455.45 lakh, as on 1.4.2014, in the un-discharged liabilities corresponding to assets admitted prior to 1.4.2009, is due to non-consideration of the liability addition of Rs.432.95 lakh in 2009-10, Rs.533.65 lakh in 2011-12, Rs.287.56 lakh in 2012-13 and Rs.201.29 lakh in 2013-14. In this regard, it is pointed out that these liabilities, were created after 1.4.2009, and hence do not form part of the liabilities deducted as on 1.4.2009. As such, there is no apparent error in the impugned order, but the same had occurred on account of the error in indicating the year of liability creation by the Review Petitioner. However, on a close scrutiny of the liabilities added during the period 2009-14 as stated aforesaid,





we observe that the liabilities for Rs.287.56 lakh in 2012-13 and Rs.201.29 lakh in 2013-14 only correspond to the assets allowed for the purpose of tariff, during the period 2009-14, which were not considered as corresponding to the allowed capital cost in our Order dated 7.5.2022 in Petition No. 241/GT/2020, due to the error on the part of the Review Petitioner, as stated before. Considering the fact that these liabilities (Rs.287.56 lakh in 2012-13 and Rs.201.29 lakh in 2013-14) correspond to the assets/works which were allowed for the purpose of tariff for the period 2009-14, and had been discharged and claimed by the Petitioner, as on 1.4.2014, there is sufficient reason to review the impugned order dated 7.5.2022, in the interest of justice. Accordingly, the discharge of these liabilities is considered and allowed for the purpose of tariff.

15. Based on the above discussions, the liabilities position, as on 1.4.2014, as claimed in Petition No. 241/GT/2020 vis-à-vis those allowed in the impugned order dated 7.5.2022 and those considered in this order is as under:

<i>(Rs. in lakh)</i>				
Claimed as	Year of creation of liability in GB	Claimed as on 1.4.2014 in Petition No. 241/GT/2020	Considered in order dated 7.5.2022 in Petition No. 241/GT/2020	Actual status as on 1.4.2014 considered in this order
Admitted liability as on 31.3.2014	Prior to 1.4.2004	1733.00	277.56	277.56
	2009-10	56.20	56.20	56.20
	2010-11	0.00	0.00	0.00
	2011-12	38.57	38.57	38.57
	2012-13	0.00	0.00	287.56
	2013-14	143.56	105.78	307.07
	<b>Sub-total</b>		<b>1971.34</b>	<b>478.11</b>
Not admitted liability as on 31.3.2014	Prior to 1.4.2004	0.00	1455.44	0.00
	2009-10	0.00	0.00	432.95
	2010-11	0.00	0.00	0.00
	2011-12	0.00	0.00	533.65
	2012-13	0.00	0.00	0.00
	2013-14	33.36	71.15	71.15
	<b>Sub-total</b>		<b>33.36</b>	<b>1526.59</b>
<b>Total</b>		<b>2004.70</b>	<b>2004.70</b>	<b>2004.70</b>



16. Accordingly, the flow of un-discharged liabilities, corresponding to the allowed assets/works, as shown in the table under para 45 of the impugned order dated 7.5.2022 is revised as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>(A) Out of liabilities deducted as on 1.4.2009</b>					
Opening liability (a)	277.56	0.00	0.00	0.00	0.00
Addition during the year (b)	0.00	0.00	0.00	0.00	0.00
Discharges during the year (c)	277.56	0.00	0.00	0.00	0.00
Reversal during the year (d)	0.00	0.00	0.00	0.00	0.00
Closing liability (e) = (a+b-c-d)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(B) Other liabilities</b>					
Opening liability (f)	689.40	708.80	539.64	446.55	421.28
Addition during the year (g)	84.64	92.52	27.71	(-) 0.12	4.89
Discharges during the year (h)	65.24	54.99	94.65	25.15	32.46
Reversal during the year (i)	0.00	206.69	26.15	0.00	7.01
Closing liability (j) = (f+g-h-i)	<b>708.80</b>	<b>539.64</b>	<b>446.55</b>	<b>421.28</b>	<b>386.70</b>
<b>(C) Total Closing liabilities (e+j)</b>	<b>708.80</b>	<b>539.64</b>	<b>446.55</b>	<b>421.28</b>	<b>386.70</b>

17. Accordingly, the capital cost allowed for the purpose of tariff for the period 2014-19, in the table under para 47 of the impugned order dated 7.5.2022 is revised as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital cost	252976.29	254383.84	255591.48	255631.93	254820.50
Add: Additional capital expenditure	1407.55	1207.64	40.45	(-) 811.43	(-) 716.07
<b>Closing Capital Cost</b>	<b>254383.84</b>	<b>255591.48</b>	<b>255631.93</b>	<b>254820.50</b>	<b>254104.44</b>
Average Capital Cost	253680.07	254987.66	255611.71	255226.22	254462.47

18. Accordingly, the debt equity ratio allowed for the period 2014-19, in the table under para 49 of the impugned order dated 7.5.2022 is revised as under:

	As on 31.3.2014		Additional Capitalization		De-capitalization		As on 31.3.2019	
	Amount	(in %)	Amount	(in %)	Amount	(in %)	Amount	(in %)
	(Rs. in lakh)		(Rs. in lakh)		(Rs. in lakh)		(Rs. in lakh)	
Debt	177083.41	70.00	2874.68	70.00	2084.97	69.18	177873.11	68.23
Equity	75892.89	30.00	1232.00	30.00	893.56	30.82	76231.33	31.77
<b>Total</b>	<b>252976.29</b>	<b>100.00</b>	<b>4106.68</b>	<b>100.00</b>	<b>2978.53</b>	<b>100.00</b>	<b>254104.44</b>	<b>100.00</b>



19. Accordingly, the Return on Equity allowed for the period 2014-19, in the table under para 52 of the impugned order dated 7.5.2022 is revised as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Notional Equity- Opening	75892.89	76315.15	76677.44	76689.58	76446.15
Addition of Equity due to additional capital expenditure	422.27	362.29	12.13	(-) 243.43	(-) 214.82
<b>Normative Equity – Closing</b>	<b>76315.15</b>	<b>76677.44</b>	<b>76689.58</b>	<b>76446.15</b>	<b>76231.33</b>
Average Normative Equity	76104.02	76496.30	76683.51	76567.86	76338.74
Return on Equity (Base Rate)	15.500%	15.500%	15.500%	15.500%	15.500%
Effective Tax Rate	20.961%	21.342%	21.342%	21.342%	21.549%
Rate of Return on Equity (Pre-tax)	19.610%	19.705%	19.705%	19.705%	19.758%
<b>Return on Equity (Pre-tax) - (annualized)</b>	<b>14924.00</b>	<b>15073.60</b>	<b>15110.49</b>	<b>15087.70</b>	<b>15083.01</b>

20. Accordingly, the Interest on loan allowed for the purpose of tariff for the period 2014-19, in the table under para 55 of the impugned order dated 7.5.2022 is revised as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross opening loan	177083.41	178068.69	178914.04	178942.35	178374.35
Cumulative repayment of loan upto previous year / period	177083.41	178068.69	178914.04	178942.35	178374.35
<b>Net Loan Opening</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Addition on account of additional capital expenditure	985.29	845.35	28.31	(-) 568.00	(-) 501.25
Repayment of loan during the year	212.42	849.72	902.62	17.61	22.72
Less: Repayment adjustment on account of de-capitalization	90.80	4.37	874.30	585.61	523.97
Add: Repayment adjustment on account of discharges/reversals corresponding to un-discharged liabilities deducted as on 1.4.2009 *	863.66	0.00	0.00	0.00	0.00
Net Repayment	985.29	845.35	28.31	(-) 568.00	(-) 501.25
<b>Net Loan Closing</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Average Loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan	2.3400%	2.3400%	2.3400%	2.3400%	2.3400%
<b>Interest on Loan</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* Balance adjustment to cumulative repayment corresponding to un-discharged liabilities deducted as on 1.4.2009 is "nil" as on 31.3.2019.



21. Accordingly, Depreciation allowed for the period 2014-19, in the table under para 57 of the impugned order dated 7.5.2022 is revised as under:

	<b>(Rs. in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Average capital cost (A)	253680.07	254987.66	255611.71	255226.22	254462.47
Value of freehold land included above (B)	2167.80	2167.80	2167.80	2167.80	2167.80
Depreciable Value (C) = [(A-B) x 90%]	226361.04	227537.88	228099.52	227752.58	227065.20
Remaining Depreciable value at the beginning of the year (D) = [C – 'J' of previous year]	64104.91	59598.92	54420.45	49146.26	43197.56
Balance useful life at the beginning of the year (E)	11.38	10.38	9.38	8.38	7.38
Depreciation during the year (F) = (D/E)	5635.60	5744.47	5804.85	5868.21	5857.30
Cumulative depreciation at the end of the year, before adjustment of de-capitalization adjustment (G) = (F + 'J' of previous year)	167891.73	173683.43	179483.91	184474.53	189724.94
Cumulative depreciation adjustment in respect of discharges/reversals pertaining to un-discharged liabilities deducted as on 1.4.2009 (H)	138.03	0.00	0.00	0.00	0.00
Cumulative depreciation adjustment on account of de-capitalization (I)	90.80	4.37	877.59	606.89	560.50
<b>Cumulative depreciation, at the end of the year (J) = (G+H-I)</b>	<b>167938.96</b>	<b>173679.06</b>	<b>178606.32</b>	<b>183867.64</b>	<b>189164.44</b>

\*Cumulative Depreciation as on 1.4.2014 is Rs. 162256.13 lakh

\* Balance adjustment to depreciation corresponding to un-discharged liabilities deducted as on 1.4.2009 is 'nil' as on 31.3.2019.

22. Accordingly, working capital in Receivables, equivalent to two months of capacity charges and energy charges allowed for the period 2014-19, in the table under para 122 of the impugned order dated 7.5.2022 is revised as under:

	<b>(Rs. in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Variable Charges - for two months of generation	15898.33	15941.89	15898.33	16281.42	16281.42
Fixed Charges - for two months of generation	7382.02	7562.43	7701.14	7908.25	8135.90
<b>Total</b>	<b>23280.35</b>	<b>23504.32</b>	<b>23599.47</b>	<b>24189.67</b>	<b>24417.32</b>



23. Accordingly, interest on working capital allowed for the period 2014-19, in the table under para 126 of the impugned order dated 7.5.2022 is revised as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Working Capital for Cost of Coal towards Stock (15 days)	3840.37	3840.37	3840.37	3932.91	3932.91
Working Capital for Cost of Coal towards Generation (30 days)	7680.75	7680.75	7680.75	7865.83	7865.83
Working Capital for Cost of Secondary fuel oil (2 months)	318.39	319.26	318.39	326.06	326.06
Working Capital for Maintenance Spares @ 20% of O&M expenses	3658.34	3811.22	3950.35	4159.14	4419.34
Working Capital for Receivables – 2 months	23280.35	23504.32	23599.47	24189.67	24417.32
Working Capital for O&M expenses – 1 month	1524.31	1588.01	1645.98	1732.98	1841.39
<b>Total Working Capital</b>	<b>40302.51</b>	<b>40743.93</b>	<b>41035.31</b>	<b>42206.59</b>	<b>42802.85</b>
Rate of Interest	13.5000%	13.5000%	13.5000%	13.5000%	13.5000%
<b>Interest on Working Capital</b>	<b>5440.84</b>	<b>5500.43</b>	<b>5539.77</b>	<b>5697.89</b>	<b>5778.38</b>

24. Based on the above, the annual fixed charges approved for the period 2014-19, in the table under para 130 of the impugned order dated 7.5.2022 stands revised as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	5635.60	5744.47	5804.85	5868.21	5857.30
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	14924.00	15073.60	15110.49	15087.70	15083.01
Interest on Working Capital	5440.84	5500.43	5539.77	5697.89	5778.38
O&M Expenses	18291.69	19056.10	19751.75	20795.70	22096.69
Compensation Allowance	200.00	200.00	500.00	500.00	500.00
Special Allowance	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>44492.12</b>	<b>45574.60</b>	<b>46706.85</b>	<b>47949.50</b>	<b>49315.38</b>

### **Summary**

25. Consequently, the annual fixed charges allowed vide impugned order dated 7.5.2022 and those allowed in this order, is summarized below:

	(Rs. in lakh)				
Annual Fixed Charges	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 7.5.2022	44492.12	45574.60	46703.25	47942.00	49307.84
Allowed in this order	<b>44492.12</b>	<b>45574.60</b>	<b>46706.85</b>	<b>47949.50</b>	<b>49315.38</b>



26. All other terms in the order dated 7.5.2022 remain unchanged.

27. Review Petition No. 31/RP/2022 is disposed of in terms of the above.

**Sd/-**  
**(Pravas Kumar Singh)**  
**Member**

**Sd/-**  
**(Arun Goyal)**  
**Member**

**Sd/-**  
**(I. S. Jha)**  
**Member**

