#### CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

#### Petition No. 16/RP/2023 in Petition No. 392/GT/2020

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

Date of Order: 24th March, 2025

#### In the matter of:

Petition for review of the Commission's order dated 29.3.2023 in Petition No. 392/GT/2020 in the matter of revision of tariff of Talcher Super Thermal Power Station, Stage-II (2000 MW) for the period 2014-19

#### AND

#### IN the matter of:

GRIDCO Limited Vidyut Bhawan, Janpath, Bhubaneswar- 751022

#### ... Review Petitioner

#### Vs

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

2. Andhra Pradesh Eastern Power Distribution Company Limited, Corporate Office, P&T Colony, Seethammadhara, Visakhapatnam - 530 013 - (AP)

3. Andhra Pradesh Southern Power Distribution Company Limited, Corporate Office, Back Side Srinivasa Kalyana Mandapam Tiruchhanur Road, Kesavayana Gunta, Tirupathi- 517 503 (AP)

4. Telangana State Northern Power Distribution Company Limited, H. No. 2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanamkonda Warangal - 506 001 (AP)

5. Telangana State Southern Power Distribution Company Limited, Mint Compound, Corporate Office, Hyderabad (AP) - 500 063

6. Tamil Nadu Generation & Distribution Corporation Limited, 144, Anna Salai, Chennai - 600002



7. Bangalore Electricity Supply Company Limited, Krishna Rajendra Circle, Bangalore – 560009

8. Mangalore Electricity Supply Company Limited, MESCOM Bhavana, Corporate Office, Bejai, Kavoor Cross Road, Mangaluru, Karnataka -575004.

9. Chamundeshwari Electricity Supply Corporation Limited, Corporate Office, No. 29, Vijayanagar, 2nd Stage, Hinkal, Mysore-570017

10. Gulbarga Electricity Supply Company Limited, Main Road, Gulbarga, Karnataka, Gulbarga-585 102

11. Hubli Electricity Supply Company Limited, Corporate office, P.B. Road, Navanagar Hubli - 580 025

12. Kerala State Electricity Board Limited, Vaidyuthi Bhavanam, Pattom Thiruvananthapuram - 695 004

13. Electricity Department, Puducherry 137, NSC Bose Salai, Puducherry- 605001

...Respondents

#### Parties Present:

Shri Raj Kumar Mehta, Advocate, GRIDCO Ms. Himanshi Andley, Advocate, GRIDCO Ms. Swapna Seshadri, Advocate, NTPC Ms. Ritu Apurva, Advocate, NTPC Shri Karthikeyan Murugan, Advocate, NTPC

# <u>ORDER</u>

Petition No. 392/GT/2020 was filed by the Respondent, NTPC Limited for truing up of tariff of Talcher Super Thermal Power Station, Stage-II (2000 MW) (in short 'the generating station') for the period 2014-19, in accordance with Regulation 8(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short, 'the 2014 Tariff Regulations') and the Commission vide order dated 29.3.2023 (in short, the impugned order') disposed of the same. Aggrieved thereby, the Review Petitioner, GRIDCO, has filed the Review Petition and has sought



the review of the impugned order on the ground that there is an error apparent on the face of the record on the following issues:

- A. Interest on Working capital;
- B. Impact of Wage Revision;
- C. Upgradation of ESP;
- D. Interlocking of Exchange Yard;
- E. 3.5 km MGR to Kaniha Mines;
- F. Purchase of Locos:

#### Hearing dated 5.7.2023

2. During the hearing of the Review Petitioner 'on admission', the learned counsel of the Review Petitioner made detailed oral submissions, stating that there are errors apparent on the face of the order dated 29.3.2023 and there is sufficient reason to review the said order. The learned counsel for the Respondent, NTPC, while pointing out that it has also filed a Review Petition (Petition No.24/RP/2023) before this Commission, seeking review of the impugned order against certain disallowances, submitted that it may be permitted to file its reply on 'maintainability' as well as on 'merits'. Accordingly, the parties were directed to complete their pleadings in the matter. However, reply has been filed by the Respondent NTPC along with annexures and rejoinder to the same has been filed by the Review Petitioner.

3. Thereafter, the matter was listed on different dates viz 29.11.2023, 4.4.2024, 23.10.2024, 28.11.2024, 14.1.2025 along with Petition No.24/RP/2023 (filed by Respondent NTPC), but was adjourned for various reasons, viz., request for adjournment and due to paucity of time etc.

#### Hearing dated 6.2.2025

A.

4. During the hearing of the Review Petition on 6.2.2025, the Commission, after hearing the submissions of the learned counsels for the Review Petitioner and the

Respondent NTPC, at length, reserved its order, in the Review Petition. However, at the request of the parties, the Commission permitted them to file their short note of arguments. In compliance thereof, the Review Petitioner and the Respondent NTPC have filed their note of arguments.

#### **Maintainability**

5. It is noticed that the Respondent NTPC has pointed out that the issue raised by the Review Petitioner qua the Interest on Working capital on the basis of 'as billed' GCV of coal for the period of January 2014 to March 2014 is pending consideration of the Appellate Tribunal for Electricity (APTEL) in Appeal No. 258/2022 filed by GRIDCO. Accordingly, it has submitted that since the said appeal is sub judice, the lower court must refrain itself from considering the same till the adjudication of the matter in its entirety by the superior court. Therefore, it has contended that the present Review Petition, is not maintainable. Per contra, the Review Petitioner has clarified that Appeal No.258/2022 filed by it pertains to a challenge made to the Commission's order dated 21.4.2022 in Petition No. 362/GT/2020 (truing-up of Kahalgaon STPS, Stage-II) for the period 2014-19, whereas, the present Review Petition has been filed seeking review of the Commission's order dated 29.3.2023 in Petition No.392/GT/2020 (truing-up of tariff of Talcher Stage-II) for the period 2014-19. Pointing out that there is no bar against the filing of Appeal and Review Petition against different orders in respect of the different generating stations, even if the issue involved is the same, the Review Petitioner has submitted that the Review Petition is maintainable on this count. We have examined the submissions and agree with the submissions of the Review Petitioner. The pendency of appeal on this issue before APTEL does not bar the filing and consideration of this issue in a review proceeding related to a Commission's order, in respect of a different generating station. Accordingly, the objections of the

Respondent NTPC on the maintainability of the Review Petition is misconceived. We,

therefore, proceed to examine the issues raised by the Review Petitioner, on merits,

as stated in the subsequent paragraphs.

### A. Interest on Working Capital

#### Submissions of the Review Petitioner

6. As regards the issue relating to the Gross Calorific Value (GCV) of coal, which is

one of the parameters required for the calculation of the Interest on Working Capital,

as per the 2014 Tariff Regulations, the Review Petitioner has submitted the following:

a) As per the 2014 Tariff Regulations, the cost of fuel is to be arrived based on the landed price of coal and GCV of the fuel as per actuals for three months preceding the first month for which the tariff is to be determined. The GCV of coal is on an 'as received' basis. Respondent NTPC had earlier stated in its affidavit dated 4.6.2015 that it lacked the infrastructure to measure the representative GCV on an 'as received' basis during this period. Despite this, the Commission accepted NTPC's purported 'as received' GCV data, leading to incorrect computation of Energy Charge Rate (ECR) and, consequently, Interest on Working Capital (IOWC). GRIDCO had raised the issue of the huge difference in GCV to the extent of 394kCal/kg between the billed GCV (Equilibrated basis) and GCV measured by NTPC at their end also on the equilibrated basis and submitted that NTPC appeared to have measured the GCV at their end in respect of inferior grade of coal that received by it from Mines end. It was also pointed out the lack of infrastructure facility at the Project towards the sampling of coal on an 'as received' basis. However, the above submissions have not been reflected in the impugned order nor were taken into consideration in the analysis and decision portion of the order

b) The data accepted by the Commission does not correspond to the actual coal sampling on an 'as received' basis. There are significant discrepancies between the NTPC's 'as billed' GCV and the 'as received' GCV accepted by the Commission, leading to an increase in ECR. The erroneous acceptance of the data has resulted in a higher working capital requirement and an inflated IOWC component.

c) The Commission in the impugned order has ignored its own direction in para 75 of the Order dated 16.2.2017 in Petition No.293/GT/2014 for computation of fuel components and Energy charges in working capital by provisionally taking the GCV of coal on 'billed basis' and allowing an adjustment for total Moisture as per the adjustment formula envisaged in the said order. NTPC has not determined the 'as received 'GCV of coal in accordance with the 3<sup>rd</sup> Amendment to the 2009 Tariff Regulations up to September 2016, and instead it has measured the GCV on an 'as fired' basis.

d) The fact that the Commission has accepted the 'as received' GCV values of coal towards the computation of IOWC, even though NTPC admittedly did not have the infrastructure for sampling of coal on 'as received' basis, is an error apparent on the face of the record.



e) In light of the above, the IOWC computation should be revisited, considering the correct methodology prescribed in the 2014 Tariff Regulations and as directed by the Commission in its earlier orders.

# Reply of the Respondent NTPC

- 7. The Respondent, in its reply affidavit, has mainly submitted the following:
  - (a) The Commission in the impugned order, while considering the measurement of GCV of coal on an 'as received' basis furnished by NTPC vide its additional submissions, is strictly in line with the 3<sup>rd</sup> Amendment to the 2009 Tariff Regulations read with Regulation 28 of the 2014 Tarif Regulations. Since NTPC was facing difficulties in implementing the directions contained in the orders dated 25.1.2016 (in Petition No.283/GT/2014) and 30.6.2016 (in Petition No. 11/RP/2016), it filed Petition No. 244/ MP/2016 for removal of difficulties in implementing Regulation 30(6) of the 2014 Tariff Regulations, which is pending consideration.
  - (b) In the original Petition (Petition No.392/GT/2020), NTPC sought to invoke the power to relax the Commission's regulations and also sought that the 'as received' data as collected by NTPC after the order dated 25.1.2016, till the end of the control period should be considered, inasmuch as the mechanism for measuring GCV had been specified by the Commission only on 25.1.2016. However, the Commission in several other tariff petitions of NTPC, had sought the data as per the 3<sup>rd</sup> Amendment to the 2009 Tariff Regulations for determination of IOWC under Regulation 28 of the 2014 Tariff Regulations.
  - (c) Considering the above, NTPC, vide additional submissions dated 4.6.2021, submitted (i) its case for relaxation of the Tariff Regulations (b) provided the data for January 2014 to March 2014 in accordance with the 3<sup>rd</sup> Amendment to the 2009 Tariff Regulations. Thus, keeping in view the consistent stand taken by the Commission in its previous orders, the impugned order was passed, computing the IOWC as per the data furnished in respect of the aforesaid three months in terms of Regulation 30(6) read with Regulation 28 of the 2014 Tariff Regulations.
  - (d) This Commission, by way of the 3rd Amendment to the 2009 Tariff Regulations, prescribed the obligation on the part of the generating companies to provide the details of the weighted average GCV of coal procured by the generating companies as well as to publish the same on monthly basis for a period of three months on their respective websites. Albeit the express obligation cast upon the generating companies to publish/host the data pertaining to the GCV of coal on an 'as received' basis in terms of second proviso to Regulation 21(6) of the 2009 Tariff Regulation, the same was silent on aspect of the methodology/suitable infrastructure required for measurement of GCV on 'as received' basis. Despite the same, NTPC commenced with the hosting of requisite data on its website based on manual sampling at the relevant point in time.
  - (e) Suffice it to state that to develop and/or build the necessary infrastructure for the measurement of GCV of coal on an "as received" basis came into existence only on 25.01.2016. Hence, NTPC, in its Form 15 filed along with its truing petition before this Commission, had stated that it did not have "infrastructure for measuring the representative figures of as received GCV" for the months of January 2014 to March 2014. NTPC had furnished the requisite details vide its additional submissions dated



04.06.2021 at the stage of adjudication of the truing petition. It was only on the basis of the said data this Commission passed the impugned order while computing the IOWC on the basis of the 'as received' GCV data of coal for the aforesaid months, i.e., January, 2014 to March 2014. Thus, as a logical sequitur, once this Commission has already computed the IOWC on the basis of the data furnished by NTPC, the question of not having adequate infrastructure does not arise in the present case. it is clear from the Commission's order dated 19.2.2016 in Petition No.33/MP/2014 that the present dispute does not require any intervention of this Commission as the view put forthwith by this Commission is clear and is applicable upon the Review Petitioner.

#### Rejoinder of the Review Petitioner

8. The Review Petitioner, in its rejoinder affidavit, has mainly argued as under:

#### Non-consideration of GRIDCO submission on GCV in the impugned order

(a) The Review Petitioner, in its submission dated 14.11.2022, highlighted a significant difference of 394 kCal/kg between the billed GCV (Equilibrated Basis) and the GCV measured by NTPC (Equilibrated Basis). Further, the Review Petitioner pointed out NTPC's lack of infrastructure in the project for sampling coal on an 'as received' basis. However, these submissions were not reflected in the impugned order.

#### Non-consideration of directions from the tariff order dated 16.2.2017

(b) The Commission, in para 75 of the tariff order dated 16.2.2017 in Petition No. 293/GT/2014, directed the provisional computation of ECR based on 'as billed' GCV, with adjustments for total moisture using the prescribed adjustment formula. instead of following this methodology, the Commission considered NTPC's assumed 'as received GCV' for IOWC computation, which is contrary to the Supreme Court's judgment in BYPL. v. DERC (Civil Appeal No. 4323 of 2015). The Supreme Court has held that retrospective changes in tariff determination methodology during 'truing-up' are impermissible.

# Non-furnishing of 'as received GCV' data by NTPC as per the 2009 Tariff Regulations

(c) The 2<sup>nd</sup> Proviso to the 3<sup>rd</sup> Amendment of the 2009 Tariff Regulations mandates that the weighted average 'as received GCV' be provided with monthly bills. NTPC failed to furnish this data to GRIDCO and instead stated that it had uploaded the data on its website despite being aware that the said data would not be available on their website after a gap of nearly 9 years.

#### Assumed, not actual, 'as received GCV' data for January 2014 to March 2014

(d) NTPC failed to provide the 'as received GCV' with monthly bills during the 2014– 19 tariff proceedings and in Form 15 with the truing-up petition. Further, NTPC submitted 'as received GCV' data only from October 2016 onwards, indicating that it did not measure 'as received GCV' from January 2014 to March 2014 but instead assumed values. The 'as received GCV' data of coal for the months of January 2014, February 2014, and March 2014 appears to be assumed for the reason that if NTPC had actually measured the 'as received GCV' of coal for the said months, it could have:

*i.Furnished the GCV with the Bills for the above Months as per 2<sup>nd</sup> Proviso to 3<sup>rd</sup> Amendment to CERC Tariff Regulations,2009.* 

- ii.Provided the said GCV Data during Tariff Proceeding for 2014-19. Instead, NTPC provided the GCV Data on 'As fired basis' during the Tariff Proceeding.
- iii.Submitted the GCV Data in Form 15 with the Truing-up Petition. Instead, in the Truingup Petition NTPC submitted the 'As received GCV' Values from October 2016 to March



2019 with the prayer that average of the said GCV Values less 100 kCal/kg may be considered towards Computation of Interest on Working Capital. iv.Provided the said GCV data in Form-15 submitted with the Truing-up Petition

(e)From the above, it is evident that NTPC had not determined the 'as received GCV' of coal in accordance with the 3rd Amendment to the 2009 Tariff Regulations, 2009 up to September 2016, but instead measured the GCV on an 'as fired' basis.

#### No Infrastructure for measurement of 'As received GCV' of Coal:

(f) The Commission, in para 72 of the order dated 16.2.2017, acknowledged NTPC's lack of infrastructure for 'as received GCV' sampling. NTPC appears to be trying to get over/cover up its failure to set up the Infrastructure (whether manually or through Hydraulic Augur) for sampling of coal on an 'as received basis' to justify the assumed 'as received GCV' data of coal for the months of January 2014, February 2014 and March 2014 submitted by it subsequently. As per IS:436 (Part 1/Section 1) 1964, coal sampling must be done from loaded wagons at generating stations.

#### Analysis and decision

9. We have considered the submissions of the parties. As regards the issue of acceptance by the Commission in the impugned order, the "as received" GCV data submitted by the Respondent NTPC for the period January 2014 to March 2014, is to bring out that the Respondent did submit that it lacked infrastructure for measuring the "as received" GCV during January to March, 2014 which met the requirement stipulated by the Commission, vide its order dated 25.1.2016 in Petition No. 283/GT/2014, that the sample should be picked up from the loaded wagon manually or by using hydraulic augur before the coal is unloaded. As such, initially, the Respondent prayed that the average of "as received" GCV measured by it for the period from October 2016 to March 2019 (30 months), after the creation of the necessary infrastructure in October 2016, may be considered for the purpose of arriving at the IOWC for the period 2014-19. However, the Commission, in its impugned order, rejected this prayer for the consideration of the 30-month average, as it did not meet the requirement of the 2014 Tariff Regulations that "as received" GCV of coal at the generating station from January to March 2014 is to be used for the purpose of calculating the IOWC for the period 2014-19. Another reason cited for the rejection of the consideration of 30 months of GCV data, as extracted from impugned order, is as under:

"174. Regulation 28(2) of the 2014 Tariff Regulations provides that the computation of cost of fuel as a part of IWC is to be based on the landed price and gross calorific value of the fuel, as per actuals, for the three months preceding the first month for which the tariff is to be determined. Thus, calculation of IWC for 2014-19 period is to be based on such values for months of January 2014, February 2014 and March 2014. In the instant truing up petition, the Petitioner has proposed that instead of GCV for January 2014, February 2014 and March 2014, the Commission should consider the average values for months of October 2016 to March 2019 since the measurement of 'as received' GCV has been done in accordance with directions of the Commission vide order dated 25.1.2016 in Petition No. 283/GT/2014. In our view, the proposal of the Petitioner to consider the retrospective application of 30 months' (October 2016 to March 2019) average of 'as received' GCV data in place of 'as received' GCV of the preceding three months (January 2014 to March 2014) is not acceptable, keeping in view that the average GCV for 30 months may not be commensurate to the landed cost of coal for the preceding three months to be considered for calculating IWC in terms of Regulation 28(2) of the 2014 Tariff Regulations and that due to efflux of time (gap of 30 month), the quality of coal extracted from the linked mines would have undergone considerable changes. Also, the consideration of loss of GCV of 100 kCal/kg cannot be considered, as the same is not as per provisions of the 2014 Tariff Regulations.

10. Thus, in order to tackle the peculiar situation, i.e. the absence of "as received" GCV for the period January 2014 to March 2014, the Commission, through its Record of Proceedings of the hearing in respect of various other tariff petitions covering the projects of the Respondent, directed it to submit the details of the GCV on 'as received' basis for the months of January 2014 to March 2014, which was uploaded on its website and shared with the beneficiaries in terms of the third amendment to 2009 Tariff Regulations, notified on 31.12.2012. Accordingly, the Commission accepted the "as received" GCV data submitted by the Respondent (which was uploaded and shared with the beneficiary discoms including the Review Petitioner) for the purpose of the IOWC calculation. Thus, the Commission, by a conscious decision, considered the data submitted by the Respondent NTPC in the impugned order. We, therefore, find no reason to entertain the submission of the Review Petitioner that "as received" GCV submitted by the Respondent is not the actual GCV, and the same represents imaginary data assumed by the Respondent. Accordingly, the submissions of the Review Petitioner, on this count, are rejected, and review on this count is, therefore, not maintainable.

A

### B. Impact of Wage Revision

#### Submissions of the Review Petitioner

- 11. The Review Petitioner, in the Review Petition, has submitted as under:
  - a) The Commission in the impugned order, allowed an amount of Rs.10,081.32 lakh to NTPC as the impact of wage revision, even though para 145 of the impugned order, it was stated that there is an excess recovery to the tune of Rs.14,124.15 lakh. Moreover, in para 142 of the order, the Commission has noticed that the total O&M expenses incurred for the generating station are less than the normative O&M expenses recovered during each year of the period 2014-19.
  - b) It is evident that the normalization of the actual O&M expenses has not been carried out correctly. There is an abnormal difference of Rs.15653.82 lakh between the normalized actual O&M expenses for 2015-16 and for 2016-17, and the difference is in decreasing order from 2015-16 to 2016-17. It is also abnormal that there is a spike in the normalized O&M expenses for the years 2015-16 and then decreased to a value that is less than the normative O&M expenses for 2016-17. The normalized O&M expenses suffer from an error apparent and require re-computation from the actual O&M expenses for each year of the period 2014-19.

# Reply of the Respondent NTPC

12. The Respondent, NTPC, vide its reply affidavit, has mainly submitted as under:

(a) In all the truing up orders of this Commission for the period 2014-19, a common formulation has been worked out to consider the impact of wage revision. After noting the actual claim of NTPC, this Commission extracted the wage revision impact for each year, excluding the ex-gratia and PRP, made a comparison of the normative O&M expenses with the actual O&M expenses, and then decided how to pass on the impact of wage revision in truing up. The term actual O&M expenses (normalized) is nothing but the O&M expenses actually incurred in the generating station, excluding the ex-gratia and the PRP impact. This figure has been compared to the normative O&M expenses to assess the impact of wage revision, which, in fact, is beneficial to the Review Petitioner. The actual O&M expenses (normalized) are not a 'normative' figure as have been contended by the Review Petitioner.

(b) This Commission, after considering the under-recovery, allowed Rs.10,081.32 lakhs (excluding ex-gratia and PRP) out of Rs.14124.15 lakhs, as claimed by NTPC. Further, this Commission held that the said amount must be paid by the beneficiaries in twelve (12) equal monthly instalments without interest. NTPC has filed an Appeal (Appeal No. 555/2023) before the APTEL challenging the disallowance of interest. However, in so far as the claim is allowed on account of the impact of wage revision, there is no error in the same.

#### Rejoinder of the Review Petitioner

13. The Review Petitioner, in its rejoinder affidavit, has mainly argued as under:

a) In terms of SoR to the 2014 Tariff Regulations, the components of O&M expenses like productivity linked incentive, water charges, filing fees, ex-gratia, loss of provisions, prior



period expenses, community development store expenses, ash utilization expenses, RLDC fee & charges and others (without breakup/details) are to be excluded from the Yearly Actual O&M Expenses. Therefore, it is submitted that NTPC's claim that only Ex-Gratia and PRP are to be excluded to arrive at the Actual O&M Expenses (normalized) is incorrect.

b) Further, it is evident from the additional submissions of NTPC dated 4.6.2021, read in line with para 144 of the order, that miscellaneous expenditure of Rs. 26,332.30 lakhs for 2015-16, Rs. 3073.79 lakhs for 2016-17, Rs. 51.87 lakhs for 2017-18 and Rs.78.12 lakhs for 2018-19 has not been excluded from the actual O&M expenses for the above years in line with the SoR to the 2014 Tariff Regulations, according to which 'other charges (without breakup/details)' should be excluded from the yearly O&M expenses. Further, it can be seen that if the aforementioned miscellaneous expenses are reduced from the actual O&M expenses, there will be an over-recovery of Rs.1,468.18 lakhs instead of under-recovery of Rs.14124.15 lakhs per year as per the impugned order.

#### Analysis and decision

14. The submissions of the parties have been examined. The Review Petitioner has submitted that the Commission has allowed NTPC an amount of Rs.10,081.32 lakh towards the impact of wage revision, despite noting in para 145 of the impugned order that it had already recovered an excess amount of Rs.14,124.15 lakh. Further, the Review Petitioner has submitted that the normalization of the actual O&M expenses has not been carried out correctly, resulting in an abnormal variation of Rs15,653.82 lakh between the normalized actual O&M expenses for 2015-16 and 2016-17. In this regard, para 144 and para 145 of the impugned order are extracted below:

"144. As a first step, the expenditure against sub-heads of O&M expenses as indicated in paragraph above have been excluded from the actual O&M expenses incurred to arrive at the actual O&M expenses (normalized) for the combined stages of the generating station. Accordingly, the comparison of the normative O&M expenses versus the actual O&M expenses (normalized) along with the wage revision impact claimed by the Petitioner for the generating station for the period 2015-19 is as follows:

	2015-16	2016-17	2017-18	2018-19	Total
Actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I to II for 3000 MW) – (a)	72380.48	48899.75	60643.12	63482.88	245406.23
Actual O&M expenses (normalized) for the generating station i.e., Talcher TPS, Stage-II (1000 MW) pro-rated based on capacity – (b)	48253.65	32599.83	40428.75	42321.92	163604.15



Normative O&M expenses for Talcher TPS, Stage-II as per Regulation 29(1) of the 2014 Tariff Regulations – (c)	34020	36160	38440	40860	149480.00
Under/(Excess) recovery for the generating station (f)=(b)- (c)		(-)3560.17	1988.75	1461.92	14124.15
Wage revision impact claimed (excluding PRP/ex-gratia)	38.31	2859.95	3476.94	3706.12	10081.32

145. It is observed that for the wage revision impact during the period 2015-19, the normative O&M expenses is lesser than that of the actual O&M expenses (normalized) and the excess recovery is to the tune of Rs. 14124.15 lakh. As such, in terms of methodology described above, the wage revision impact (excluding PRP/ex-gratia) of Rs. 10081.32 lakh for the generating station is allowable.

15. Before proceeding, we note that an inadvertent error in the second row first column of the table in para 144 of the impugned order, to the extent that the installed capacity of the generating station has been mentioned as 1000 MW, as against the actual installed capacity of 2000 MW. Further, as pointed out by the Review Petitioner, it is noticed that the actual O&M expenditure (normalized) for the Stage-II is Rs. 48253.65 lakh for 2015-16, whereas, the same is Rs. 32599.83 lakh for the subsequent year, i.e., 2016-17, which shows a gap of Rs. 15,653.82 lakh. To understand this gap, we have referred to the actual O&M data as submitted by the Respondent in the original Petition, which was normalized to first arrive at the "actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I to II for 3000 MW)(row one of table at para 144)", and the same was apportioned in the ratio of 2:3 to arrive at the actual O&M expenses (normalized) for the Stage-II (2000 MW). The breakup of the Miscellaneous Expenses, which were part of the actual O&M expenses, was provided by NTPC; however, within the "Miscellaneous expenditure", another subhead with the same description, i.e., "Miscellaneous expenditure," was again included. As a consistent practice of normalization, such "Miscellaneous expenditure" within the breakup of "Miscellaneous expenditure" is to be excluded from the actual O&M expenditure, and generally, the same is minor in nature, as compared to the actual annual O&M expenses. In the present case, while the normalization process of the actual O&M expense data for the period 2015-19 was carried out for the purpose of allowing wage revision impact, the entries pertaining to "Miscellaneous expenditure" within the breakup of "Miscellaneous expenditure" could not be excluded inadvertently, thereby resulting in an increased actual O&M expenses (normalized) for the period 2015-19, especially for the year 2015-16 for which this expenditure, i.e., "Miscellaneous expenditure" within the breakup of "Miscellaneous expenditure," break up of which was not provided by the Respondent and was to be excluded, is to the tune of Rs.26332.30 lakh. It is noticed that while passing the order dated 19.5.2024 in Petition No.387/GT/2020 [pertaining to Talcher-I (1000 MW)], these entries with no breakup were rightly excluded and, as such, yielded the correct value of the "Actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I to II for 3000 MW). As such, after removing this inadvertent error in the impugned order, the "Actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I to II for 3000 MW), matches with the value arrived in para 109 of the order dated 19.5.2024 in Petition No.387/GT/2020. Accordingly, para 144 and para 145 of the impugned order are corrected and shall be read as under:

144. As a first step, the expenditure against sub-heads of O&M expenses as indicated in the paragraph above, have been excluded from the actual O&M expenses incurred to arrive at the actual O&M expenses (normalized) for the combined stages of the generating station. Accordingly, the comparison of the normative O&M expenses versus the actual O&M expenses (normalized) along with the wage revision impact claimed by the Petitioner for the generating station for the period 2015-19 is as follows:

	2015-16	2016-17	2017-18	2018-19	Total
Actual O&M expenses	46,010.98	51,953.038	60298.11	63121.97	221,383.09
(normalized) for the combined					
stages of the generating station					
(Stage-I to II for 3000 MW) – (a)					
Actual O&M expenses	30673.99	34635.36	40198.74	42081.31	147589.40
(normalized) for the generating					
station i.e., Talcher TPS,					
Stage-II (2000 MW) pro-rated					
based on capacity – (b)					
Normative O&M expenses for	34020	36160	38440	40860	149480.00
Talcher TPS, Stage-II as per					

Order in Petition No16/RP/2023 in Petition No.392/GT/2020

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Regulation 29(1) of the 2014 Tariff Regulations – (c)					
Under/(Excess) recovery for the generating station (f)=(b)- (c)	(-)3346.01	(-)1524.64	1758.74	1221.31	-1890.60
Wage revision impact claimed (excluding PRP/ex-gratia)	38.31	2859.95	3476.94	3706.12	10081.32

145. It is observed that for the wage revision impact during the period 2015-19, the normative O&M expenses are more than that the actual O&M expenses (normalized) and the excess recovery is to the tune of Rs. 1890.60 lakh. As such, in terms of methodology described above, the wage revision impact (excluding PRP/ex-gratia) of Rs. 10081.32 lakh for the generating station is **not**-allowable.

16. In view of the above, para 146 of the impugned order directing the payment on

account of the wage revision impact by the beneficiaries in twelve equal monthly

installments stands deleted. A review on this count is disposed of accordingly.

#### C. Upgradation of Electrostatic Precipitator (ESP)

#### Submissions of the Review Petitioner

- 17. The Review Petitioner, in the Review Petition, mainly submitted the following:
  - (a) Though NTPC, in terms of the order dated 16.2.2017 in Petition No.293/GT/2014, submitted the emission levels during 2021 and January 2022, it has not furnished the actual emission level of ESP during the last five years for each pass of the generating station, thereby violating the directions of the Commission in the said order. In spite of the failure of NTPC to furnish the above data and even though the Commission notice the same, the cost towards the upgradation of ESP has been allowed which amounts to an error apparent on the face of the order.
  - (b) In the absence of the required data, it is not known whether the emission levels of particulate matter (PM) prior to the upgradation were within the limits of the prescribed norms of MOEF&CC, and there was no requirement for the upgradation of ESP.
  - (c) Further, as per Regulation 9(2)(b) of the CERC Tariff Regulations, 2014, IDC is only admissible for 'new projects' and not for 'existing projects.' Despite this, the Commission erroneously allowed IDC of Rs.114.40 lakh for ESP upgradation.
  - (d) As on the COD of the first Unit (1.8.2003), the limit of particulate matter (PM) of 100 mg/Nm<sup>3</sup> was applicable before 31.12.2003 as per MOEF&CC notification dated 7.12.2015. As the PM emission level for Unit-I was within the limit of 100 mg/Nm<sup>3</sup>, there was no necessity of incurring the expenditure towards the ESP upgradation for Unit-I.
  - (e) In view of the above error apparent on the face of the order, the claim for ESP upgradation cost of Rs 5,301.23 lakh, including IDC, may be disallowed.

# Reply of the Respondent NTPC

18. The Respondent, in its reply affidavit, mainly submitted the following:



- a) NTPC had categorically submitted that pass-wise emission levels are not monitored at the generating station, but the unit-wise emission levels had been furnished for the last 5 years. Even in the tariff order dated 16.2.2017, this Commission had referred to both pass-wise and unit-wise emissions. In any event, the decision to allow an additional capitalization is dependent upon whether the same falls within the provisions of Regulation 14 of the 2014 Tariff Regulations or not.
- b) Further, the exact submission made by GRIDCO in the review Petition was made by TANGEDCO and recorded in para 68 of the impugned order by this Commission. At paras 70 and 71 of the impugned order, after considering these submissions and examining the matter, the Commission found the unit-wise emission details to be sufficient compliance with the order dated 16.02.2017. Obviously, if any additional Capitalization is allowed, the IDC pertaining to the same would also need to be allowed.

#### Rejoinder of the Review Petitioner

19. The Review Petitioner, in its rejoinder affidavit, has mainly reiterated its submissions made in the Review Petition, and the same is not mentioned herein for the sake of brevity.

#### Analysis and decision

20. We have considered the rival submissions. It is pertinent to mention that the issues raised by the Review Petitioner herein have been dealt with by the Commission in paras 68 to 72 of the impugned order, wherein the Commission, after taking note of the similar submission made by the Respondent TANGEDCO that pass-wise ESP data is not monitored, had taken a conscious decision of allowing the additional capital expenditure of Rs. Rs.5301.23 lakh, including IDC of Rs.114.40 Lakh towards Up-gradation of ESP based on the unit-wise data submitted by the Respondent NTPC. With regard to submission of the Review Petitioner that NTPC's claim for IDC of Rs. 114.40 lakh is not allowable in terms of Regulation 9(2)(b) of the 2014 Tariff Regulations, which envisages IDC for the new project only, it is pertinent to mention that the additional capital expenditure is considered in the D: E ratio of 70:30. As such, any time-consuming works/asset like Upgradation of ESP, requires raising of loan and payout towards interest on loan before the asset is put to use. As such, the Commission, as a prudent practice, has been allowing IDC on time consuming assets

during their construction period. Accordingly, we find no reason to entertain the submissions of the Review Petitioner on this count. The Review Petitioner cannot be permitted to re-argue the cease on merits in review. Accordingly, the review on this count is not allowed.

# D. Interlocking of Exchange Yard

# Submissions of the Review Petitioner

21. The Review Petitioner, in the Review Petition, mainly submitted the following:

a) that interlocking of the exchange yard is a common facility for both Stage-I and Stage-II of the generating station, as evident from Form-15 submitted in the truing-up Petition. The cost towards the same should, therefore, be apportioned between Stage-I and Stage-II.

b) In the impugned order, the Commission observed that NTPC had not furnished the details for the increase in the cost, the amount recovered due to delay, and the LD encashed from ECR due to delay, including communications, if any, made in this regard. Failure of NTPC to furnish the above information should have resulted in disallowing the claim of Rs.379.39 lakh towards the interlocking of the exchange yard.

# Reply of the Respondent NTPC

22. The Respondent, in its reply affidavit, mainly submitted that the grounds raised by GRIDCO on apportioning the cost of the interlocking of the exchange yard between Stage I and Stage II would be detrimental to GRIDCO itself. It has also been submitted that apart from the above not being a ground for review, GRIDCO has a present allocation of around 33% (approx. 330 MW) in Stage I while 10% (200 MW) in Stage II, and if the apportionment is done as being sought in the review petition, GRIDCO will have to pay even higher tariff in Stage-I. The Respondent has pointed out that such issues being raised in a review show absolute non-application of mind on the part of the GRIDCO while preferring review.

# Rejoinder of the Review Petitioner

23. The Review Petitioner, in its rejoinder affidavit, has mainly reiterated its submissions made in the Review Petition, and the same is not mentioned herein for the sake of brevity.

#### Analysis and decision

24. We have considered the rival submissions. It is noticed from record that the projected additional capital expenditure of Rs.379 lakh was allowed in the year 2011-12 for this asset, viz., "Interlocking of Exchange Yard" in Petition No.269/2009. However, as the same got delayed, the Respondent, NTPC, again claimed the said asset in Petition no.293/GT/2014 during 2014-15 on a projected basis, and the same was allowed for Rs. 379.00 lakh in 2014-15, on the background fact that the said expenditure was linked to the MGR system and was required for the safety of Railway rakes, reduction of time to increase coal receipt without the need of banking of locos. Subsequently, at the time of truing up of the tariff for the generating station, the Respondent, after completing the works, claimed an amount of Rs.379.29 lakh in 2014-15 along with discharge of liability of Rs. 50.70 lakh in 2018-19. As such, it was noticed that though the execution of the work got delayed, the completed cost of Rs.429.99 lakh (379.29+50.70) was not in much variation from the initially allowed expenditure of Rs.379 lakh in 2011-12 in Petition No.269/2009. As such, the Commission, in consideration of all facts, observed in the impugned order as under:

"42. The Respondent GRIDCO, has submitted that the Petitioner's claim for undischarged liability towards Interlocking at exchange yard is on account of failure of the Petitioner and its contractor M/s ECR to execute the work within the scheduled time. In response, the Petitioner has clarified that though the said work was allowed by order dated 28.5.2013 in Petition No. 269 of 2009, however, the said work could not be capitalized during the period 2009-14, since the delay had occurred due to local disturbances and R&R issues.

43. The matter has been examined. It is observed that the additional capitalization of the said work was allowed by order dated 28.5.2013 in Petition No. 269/2009. Further, the said work was allowed vide order dated 16.2.2017 Petition No. 293/ GT/ 2014, for Rs. 379.00 lakh in 2014-15, after acknowledging that the delay was on account of ECR. Though the Petitioner has claimed additional capital expenditure for Rs. 379.39 lakh, in this petition, it has not furnished the details for increase in the cost, the amount recovered due to delay, the LD encashed from ECR due to its delay including communications, if any, made in this regard. However, considering the fact that the said item/asset is associated with MGR, the safety of the rakes, including the reduction in time for increased coal receipts without the need for banking locos, the additional capital expenditure of Rs.379.39 lakh claimed, on cash basis, is allowed. However, the discharge of liability for Rs. 50.70 lakh in 2018-19 is not allowed as no justification has been provided."

25. It is therefore evident from the above that the Commission, in consideration of the submissions of the Review Petitioner in para 42 and after taking note of all relevant facts in para 43 of the impugned order, allowed the expenditure of only Rs.379.29 lakh, which was not in much at variance with the amount allowed earlier on a projected basis. Also, an amount of Rs.50.70 lakh claimed in 2018-19 was disallowed, stating that no justification has been provided by the Respondent NTPC to claim the same, being over and above the amount allowed on a projection basis. In this background, we find no reason to entertain the prayer of the Review Petitioner to review the impugned order on this count. Accordingly, the review on this count is not allowed.

As regards the issue raised by the Review Petitioner that the interlocking of the exchange yard is a common facility for both Stage-I and Stage-II of the generating station, as evident from Form-15 submitted in the truing-up Petition and that the Commission failed to apportion the cost appropriately between the two stages, it is to be mentioned that the additional capital expenditure on "interlocking of the exchange yard' was claimed by the Petitioner right from beginning at Talcher-II generating station. However, this issue was not raised by any of the beneficiaries during the earlier proceedings in Petition No.269/2009, Petition No. 283/GT/2014, and Petition No. 392/GT/2020 and, thus, was not a matter for consideration by the Commission. Further, the associated amount is meagre, in comparison to the capital cost of the generating station. In this backdrop, we find no reason to entertain the review on this count. Accordingly, the Review on this count is rejected.

# E. 3.5 km Merry-Go-Round (MGR) to Kaniha Mines

# Submissions of the Review Petitioner

27. The Review Petitioner, in the Review Petition, submitted that the Commission in the impugned order, allowed Rs.112.61 lakh for the 3.5km MGR railway line to Kaniha



Mines for the period 2014-19, in spite of the fact that the said work could not be completed during the said period and was scheduled to be completed during the period 2019-24. Further, allowing the cost of an incomplete project burdens beneficiaries and consumers with unwarranted expenses. Accordingly, it has been submitted that since the MGR has not been put to use, the claim for the same may be rejected.

### Reply of the Respondent NTPC

28. The Respondent, in its reply affidavit, mainly submitted that the contention of the Review Petitioner that 3.5 Km of Kaniha Mines has not been put to use is completely incorrect. It has clarified that the expenditure of Rs 112.61 lacs claimed towards 3.5 Km MGR to the Kaniha Mines is towards the part cost, since the entire project will be completed during the period 2019-24. However, it has been clarified that this does not mean that the cost incurred would not be permitted to be capitalised for the purpose of tariff. The Respondent has submitted that the Commission has given a considered finding on this aspect from paras 49 to 53 of the impugned order which does not suffer from any error, much less an error apparent on the face of the record.

#### Rejoinder of the Review Petitioner

29. The Review Petitioner, in its rejoinder affidavit, has reiterated its submissions made in the Review Petition, and the same is not mentioned herein, for the sake of brevity.

# Analysis and decision

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30. We have considered the matter. We note that an expenditure of Rs. 434.00 lakh was allowed in an order dated 16.2.2017 in Petition No. 293/GT/2014 towards "Signaling and Communication" on a projected basis. Subsequently, while truing up the tariff of the generating station based on the actual expenditure incurred by the Respondent, the Commission in paras 49 to 53 of the impugned order, after taking into

account the submissions of beneficiaries, including the Review Petitioner and after deliberating the issue at length and in consideration of the fact that expenditure is related to "Signaling and Communication" associated with MGR and as such was covered in the original scope of works, allowed the said additional capital expenditure towards the 3.5 km Merry-Go-Round (MGR) Railway Line to Kaniha Mines. The relevant paras (49-53) of the impugned order is extracted below:

"49. The Petitioner has claimed additional capital expenditure of Rs. 112.61 lakh in 2014-15. In justification for the same, the Petitioner has submitted that the Commission vide common order dated 26.8.2015 in Petition No 320/GT/2013 and Petition No. 208/GT/2014, had approved the additional capital expenditure of Rs. 2733.00 lakh for this work during the period 2009-14.

50. The Respondent GRIDCO has submitted that the claim for 3.5 km MGR to Kaniha Mines is untenable since the Petitioner, is yet to complete the entire work during the period 2014-19 and that the balance work is stated to be executed during the period 2019-24. In response, the Petitioner has submitted that it has not claimed any expenditure under this head would claim the same as and when the work starts.

51. The matter has been examined. It is observed that the Commission vide the said common order dated 26.8.2015 had approved the actual additional capitalization of Rs. 2733 lakh for the said work during the period 2009-14 period as under.

22. We have carefully examined the matter. The Commission in order dated 28.5.2013 while allowing the claim of the petitioner for 3.5 Km MGR-Kaniha Mines had observed as under:

"31......Kaniha mines are the linked mines for the generating station. The said work is within the scope of work and the development of linked mine was delayed by CIL thereby affecting the progress of the work. Also due to problems in land acquisition for MGR system and the R&R plan yet to be approved by the State Government, the petitioner has taken all efforts to arrange coal from other sources like the IB valley through Rail network and import of coal. Considering the above facts in totality, we are of the view that the claim of the petitioner for capitalization of expenditure is justified. Hence the same is allowed in terms of Regulation 9(2)(vii) of the 2009 Tariff Regulations."

23. It is observed that the MGR package was awarded in 2004 at a value of Rs. 767.00 lakh and there was substantial delay in the development of Kaniha mines. Accordingly, the work could be started only in the year 2011 matching with the schedule for development of Kaniha mines. Further, due to MORTH specification for re-grading of road subsequent to the declaration of captive road of NTPC as National Highway by NHAI, there has been additional work like re-grading of road up to a distance of 1 Km, widening of road, construction of culvert in the captive road declared as National Highway. Thus, due to the high inflationary period and as the development of National Highway as per the MORTH specification did not emerge at the time of original projection, there is difference between the projected and the actual expenditure. Therefore, the claim of the petitioner is justified. In view of this, the actual expenditure of Rs. 2355.00 lakh in 2012-13 and Rs. 378.00 lakh in 2013-14 is in order and is allowed under Regulation 9(2) (vii) of the 2009 Tariff Regulation.

52. It is further noticed that additional capitalization of Rs. 434.00 lakh was allowed in order dated 16.2.2017 in Petition No. 293/GT/2014, towards signalling and telecommunication at 3.5 km MGR to Kaniha mines, as under: "44. It is noticed that the work for MGR lines to Kaniha Mines has got delayed due to delay in the

development of Kaniha mines and accordingly the signalling and telecommunication activities could not be started by the petitioner. It is observed that the work of signalling and telecommunication is within the original scope of work of the project and forms an integral part of MGR system. Accordingly, we are inclined to allow the additional capital expenditure of Rs. 434.00 lakh in 2016-17 for the said work."

53. The Petitioner has claimed total additional capital expenditure for Rs. 112.61 lakh during the period 2014-19 and Rs. 460.00 lakh during the period 2019-24. Considering the fact that the item/asset is associated with the Signalling and Telecommunication, which is within the original scope of work, and forms an integral part of 3.5 km MGR to Kaniha mines, the additional capital expenditure of Rs. 112.61 lakh claimed during the period 2014-19 is allowed."

31. Thus, the Commission had allowed the additional capital expenditure of Rs

112.61 lakh after a prudence check and after considering the issues raised by the

beneficiaries, including the Review Petitioner. In this background, we find no reason

to review the impugned order as prayed for by the Review Petitioner. Accordingly, the

review on this count is not allowed.

# F. Purchase of Locomotives (Locos)

# Submissions of the Review Petitioner

32. The Review Petitioner, in the Review Petition, mainly submitted as under:

a) The Commission allowed Rs 4467.85 lakh towards the procurement of locomotives but has not clarified the number of locomotives for which the said claim has been allowed. NTPC had claimed the above amount for 8 nos of locomotives (shortage quantity of 4 Nos and additional 4 Nos for transportation of coal from linked mines Kaniha) whereas, the Commission, in the impugned order, allowed 2 Nos. locos, but allowed the claim of Rs 4467.85 lakh.

b) Without prejudice, 4 nos Locos were not required for linked Kaniha Mines during the period from 2014-19 since the MGR to Kaniha Mines was not put to use during the said period, and the Locomotives for Kaniha Mines were unnecessary during 2014-19 period since the MGR railway line to Kaniha Mines was not operational during that period.

c) On the statement of the Respondent NTPC for the requirement of 4 Locos, it has been clearly stated in para 41 of the impugned order that the expenditure forms part of the ongoing works and is required for the safety of Rakes and shall reduce the requirement of banking of Locos. In para 41 of the order, the Commission has also acknowledged that the Interlocking of the Exchange Yard will enhance the safety of Rakes, including a reduction in time for increased coal receipts without the need for banking of Locos.

d) NTPC stated that in addition to MGR Rakes, the generating station also receives imported cola and coal from other sources through Exchange Yard for which 2 Nos of Locos are required for hauling these Rakes from Exchange Yard to unloading points. NTPC did not clarify as to why it had procured 2 Nos of Locos instead of Indian Railways providing



for the same. It appears unrealistic that 2/3<sup>rd</sup> (nearly 12 Nos) out of the total 17 Nos of Locos would be under scheduled maintenance at station workshops as stated in the impugned order. Moreover, since the locos are meant for the whole station, the expenditure needs to be apportioned between the two stages.

#### Reply of the Respondent NTPC

33. The Respondent, in its reply affidavit, mainly submitted the following:

(a) Once again, the issue of apportionment between Stage I and Stage II has been raised, which would be detrimental to GRIDCO itself. On the factual aspect, during the tariff proceedings, a direction was issued by this Hon'ble Commission to NTPC to clarify its claim on the purchase of locos. The submissions made by the Respondent to the ROP issued are noted in the impugned order as under -

"90. In response to the directions vide ROP, the Petitioner has submitted that Talcher Kaniha is receiving coal from linked mines of Lingraj and Kaniha and other sources, to haul the coal from linked mines. It has stated that total 13 locomotives are required, of which Lingraj circuit has very high gradient of 1 in 100 and in order to haul each rake of coal from Lingraj mines, there is a requirement of three locomotives (two leading and one banking for rakes in Lingraj circuit) due to high gradient in the circuit and unavailability of engine escape line at loading point. The Petitioner has also submitted that two locomotives are required for transferring each rake in Kaniha circuit for push-pull purpose, due to unavailability of engine escape line at loading point. The Petitioner has sources, the generating station also receives Imported Coal and Coal from other sources, through Exchange yard. It has submitted that 2 no. locomotives are required for hauling these rakes from exchange yard to unloading points— wagon tipplers and track hoppers. The Petitioner has added that 2/3rd locomotives are under scheduled maintenance at station workshops, out of the total 17 no of locomotives required for coal transportation."

(b) Based on the above, this Commission concluded that the need for locos is justified. There is a specific finding to this effect in para 92 of the impugned order, which reads as under-

"92. As per the submissions of the Petitioner, it is noted that this additional capital expenditure is different from that claimed by the Petitioner vide order dated 28.5.2013. Further, the need of locos is justified considering that 2 no. locomotives are required for hauling of the MGR rakes from exchange yard to unloading points. In case some of the locomotives remain under scheduled maintenance, it is imperative that extra locos would be required for coal transportation. Accordingly, the claim of the Petitioner, is allowed. However, the petitioner may carry out exercise for decapitalizing locos which are not being put to use or beyond repair. The result of the exercise shall be placed before the Commission at the time of truing up of tariff for the period 2019-24."

(c) Obviously, if the Review Petitioner has any grievance, it cannot re-agitate the points raised in its original reply. These issues on which this Commission has, after considering the submissions, passed a specific order, cannot be raised in a Review Petition and, if permitted, would amount to an appeal in disguise.



#### **Rejoinder of the Review Petitioner**

34. The Review Petitioner, in its rejoinder affidavit, has reiterated its submissions made in the Review Petition, and the same is not mentioned herein for the sake of brevity.

#### Analysis and decision

35. We have examined the submissions of the parties. It is pertinent to mention that the additional capital expenditure of Rs.4467.85 lakh represents the cost of 4 locos, i.e., difference between 17 nos. (overall requirement as stated by Respondent, NTPC) and 13 Nos. available at the generating station after the transfer of one loco back to Barh (another generating station of NTPC) from where it was transferred, as noted in para 88 of the impugned order. The Commission, after considering the requirement of Locos at the generating station for hauling coal and taking note of the fact that 2 no. locos are required for the hauling of the MGR rakes from the exchange yard to unloading points and that some of the locomotives would always remain under scheduled maintenance, allowed the expenditure of four Locos in the impugned order. Though not explicitly mentioned in the impugned order, the Commission, in consideration of the assumption that 2/3rd. of the available Locos remain under maintenance, directed the Respondent NTPC to carry out the exercise for decapitalizing the locos, which are not being put to use or are beyond repair and to place the same before the Commission at the time of truing up of tariff for the period 2019-24. Against this background, we find no reason to entertain the prayer of the Review Petitioner for a review of the impugned order. Accordingly, a review of this count is not allowed.

36. Issues (A) to (F) under para 1 above are disposed of accordingly.

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37. Review Petition No. 16/RP/2023 in Petition No. 392/GT/2020 is disposed of in terms of the above.

<sub>Sd/</sub> (Harish Dudani) Member Sd/ (Ramesh Babu V.) Member Sd/ (Jishnu Barua) Chairperson

