S. No.	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Power Purchase	239.05	257.49	257.48
2	Own Generation	139.28	90.47	98.92
4	**Total Energy Availability**	**378.33**	**347.96**	**356.40**
C	**Total shortfall/(Surplus)**	**0.00**	**0.00**	**(76.57)**

In the ARR of FY 2021-22, the Commission has estimated a (surplus) of 76.57 MU considering all the demand net of renewable generation shall be met by the Diesel generation.

5.6. Power Purchase Quantum & Cost

Petitioner's submission

The energy requirement is met mainly from own generation apart from procurement of power from the IPPs and other generators. However, there is no availability of power from Central Generating Stations (CGS) or from other sources/ open market/ power exchanges, etc. Accordingly, the Petitioner has claimed the fuel cost of INR 172.49 crore as against the approved cost of INR 252.97 crore and the power purchase cost of INR 442.77 crore as against the approved cost of INR 349.27 crore in the MYT Order dated May 20, 2019. The Petitioner has submitted the IPP and HPPs wise power generation, fuel consumption and power purchase cost including own generation for FY 2021-22 as presented in the following tables:

Table 54: Power Purchase Quantum and Cost from IPPs and Fuel Cost for Own Generation for FY 2021-22

S. No.	Particulars	Units generated (MU)	Cost of HSD (INR Cr)	Cost of Lube (INR Cr)	Fixed Charges (INR Cr)	Total Cost (INR Cr)
1	Own Generation (HSD)	88.87	169.99	2.50	0.00	172.49
2	KHEP (Kalpong Hydro)	0.00	0.00	0.00	0.00	0.00
3	Solar(Own)	10.05	0.00	0.00	0.00	0.00
4	HPP -1 (5 MW)	40.96	67.73	0.00	4.41	72.14
5	HPP-2 (10MW)	63.38	103.52	0.00	7.41	110.93
6	NTPC - SPV	5.47	0.00	0.00	5.11	5.11
7	Other HPPs	0.32	0.66	0.00	0.38	1.04
8	NTPC DG 5MW	47.14	76.19	0.00	6.69	82.88
9	NTPC DG 10MW	74.17	127.09	0.00	9.97	137.06
10	DG P/Plant Niel 0.96MW	2.89	5.30	0.00	0.27	5.57
11	DG P/Plant Havelock 3 MW	0.23	0.40	0.00	0.03	0.43
12	SECI Solar	0.97	0.00	0.00	0.46	0.46
13	M/s. MUNDRA	2.77	0.00	0.00	0.61	0.61
14	NLC	9.29	0.00	0.00	6.37	6.37
15	Mona Generator	9.89	18.95	0.00	1.23	20.18
16	**Total**	**356.40**	**569.84**	**2.50**	**42.93**	**615.26**

Commission's Analysis

As per Regulation 12.1 of the MYT Regulations, 2018, power purchase and fuel cost are uncontrollable parameters. Thus, the power purchase and fuel cost must be revisited every year by the Commission based on the audited accounts. The Commission has considered that the power requirement shall be met mainly from own generation apart from procurement of power from the IPPs and other generators. The Petitioner has considered the power purchase quantum and own generation units as proposed in energy balance. Accordingly, the Commission approves the power purchase quantum and own generation units as determined in the energy balance.

Based on scrutiny of the data submitted by the Petitioner, the Commission sought whether the Petitioner has taken a prior approval of the Commission while signing the new PPAs. In response, the Petitioner submitted that the new PPAs were signed to bridge the additional energy demand and an application for the approval shall be filed shortly. The Commission has decided to allow the power purchase cost in the ARR on provisional basis and directs the Petitioner to get the PPAs approved on the priority basis failing which the Power Purchase Cost in respect to new PPAs signed shall be disallowed in the true-up of FY 2021-22. The Commission further directs the Petitioner to get PPA approved by the Commission before procuring power from any generating station.

Further, the Commission has noted that while claiming the power purchase cost for fully owned renewable generation has been submitted as Nil considering the same are being considered in the Gross Block in lieu of the power purchase fixed costs. The Petitioner is directed to file a separate tariff determination petition for fully owned renewable generation to get the charges notified in order to bring transparency in the power procurement plan and accordingly, the same may be deducted from the gross block of the Assets.

The Commission has observed that the Petitioner has considered different SFC of HSD and Lube oil for various IPPs and HPPs vis-à-vis the values approved by the Commission in the MYT Order dated May 20, 2019. Further, the Commission has determined the plant wise per unit cost for HSD, lube oil and fixed charges as per the fuel bills submitted by the Petitioner. The Commission has assumed an escalation of 10% in the HSD cost and 5% in Lube Oil as the hike due to inflation and past years volatility to bring them at the FY 2021-22 levels. Accordingly, the Commission has computed the fuel requirement for various IPPs, HPPs and own generation considering the approved values of specific fuel consumption as shown in table below:

Table 55: Fuel Requirement for various IPPs, HPPs & Own generations as approved by the Commission

Particulars	Units generated	SFC of HSD (ml/kWh)	Per Litre cost of HSD (INR)	Total Consumption of HSD (Litre)	SFC of Lube (ml/kWh)	Per Litre cost of Lube (INR)	Total Lube Consumption (Litre)
Own Generation (HSD)	73.88	304.00	66.33	22459310.85	0.98	207.88	72401.73
HPP -1 (5 MW)	40.96	273.51	66.33	11202769.64	0.00	0.00	0.00
HPP-2 (10MW)	63.38	258.46	66.61	16381420.05	0.00	0.00	0.00
Other HPPs	0.32	269.00	67.79	86080.00	0.00	0.00	0.00
NTPC DG 5MW	47.14	270.25	65.59	12739583.96	0.00	0.00	0.00
NTPC DG 10MW	74.17	270.25	66.70	20044440.86	0.00	0.00	0.00
DG P/Plant Niel 0.96MW	2.89	270.25	66.70	781022.44	0.00	0.00	0.00
DG P/Plant Havelock 3 MW	0.23	269.00	66.70	61870.00	0.00	0.00	0.00
Mona Generator	9.89	269.00	74.81	2660410.00	0.00	0.00	0.00
Total	**356.40**			**86416907.79**			**72401.73**

The Commission has considered the fixed cost for various power plants as submitted by the Petitioner. Accordingly, the Commission has computed the power purchase cost for various sources as shown in following table:

Table 56: Power Purchase Cost approved by the Commission for FY 2021-22

S. No.	Particulars	Units generated (MU)	Cost of HSD (INR Cr)	Cost of Lube (INR Cr)	Fixed Charges (INR Cr)	Total Cost (INR Cr)
1	Own Generation (HSD)	73.88	148.97	1.51	0.00	150.48
2	KHEP (Kalpong Hydro)	10.56	0.00	0.00	0.00	0.00

S. No.	Particulars	Units generated (MU)	Cost of HSD (INR Cr)	Cost of Lube (INR Cr)	Fixed Charges (INR Cr)	Total Cost (INR Cr)
3	Solar(Own)	14.49	0.00	0.00	0.00	0.00
4	HPP -1 (5 MW)	40.96	74.31	0.00	4.41	78.72
5	HPP-2 (10MW)	63.38	109.11	0.00	7.41	116.52
6	NTPC - SPV	5.47	0.00	0.00	5.11	5.11
7	Other HPPs	0.32	0.58	0.00	0.38	0.96
8	NTPC DG (5MW)	47.14	83.56	0.00	6.69	90.25
9	NTPC DG (10MW)	74.17	133.70	0.00	9.97	143.67
10	DG P/Plant Niel (0.96MW)	2.89	5.21	0.00	0.27	5.48
11	DG P/Plant Havelock (3 MW)	0.23	0.41	0.00	0.03	0.44
12	SECI Solar	0.97	0.00	0.00	0.46	0.46
13	M/s. MUNDRA	2.77	0.00	0.00	0.61	0.61
14	NLC	9.29	0.00	0.00	6.37	6.37
15	Mona Generator	9.89	19.90	0.00	1.23	21.13
16	**Total**	**356.40**	**575.77**	**1.51**	**42.94**	**620.21**

The approved cost towards diesel-based generation consists of cost incurred towards consumption of HSD oil and Lube oil only as the fixed cost incurred against own generation (i.e. O&M expenses, interest and finance charges, depreciation, interest on working capital etc.) has been considered and revised for the department as a whole in subsequent sections. Accordingly, no separate cost has been approved for own renewable based generation also.

Further, as per the energy balance approved by the Commission, there is an energy surplus of 76.57 MU. The Commission has deducted the power purchase cost pertaining to the energy surplus at Average Power Purchase Cost computed as below:

Table 57: Average Power Purchase Cost and the total Power Purchase cost approved for FY 2021-22

S. No.	Particulars	Value
1	Energy Availability (MU)	356.40
2	Net Energy Excluding Renewable & Hydro generation (MU)	322.15
3	Total Power Purchase Cost as computed by the Commission (INR Crore)	620.21
4	Net Power Purchase Cost Excluding Renewable & Hydro generation (INR Crore)	614.03
5	**Average Power Purchase Cost (Rs/Unit) (4/2*10)**	19.06
6	**Excess Energy (MU) (As per Energy Balance) ***	**76.57**
7	Total cost to be deducted from the approved Power Purchase Cost (INR Crore) (5*6/10)	-145.94
8	**Net Power Purchase Cost approved by the Commission for FY 2020-21 (INR Crore) (3-7)**	**474.27**

**The excess energy has been computed considering the approved sales and T&D loss, further, T&D loss has considered as per MYT Order which is less than the T&D loss claimed by the Petitioner.*

The table below provides the power purchase cost and fuel cost approved in the Tariff Order, claimed by the Petitioner and now approved by the Commission:

Table 58: Power Purchase & Fuel Cost approved for FY 2022-22 (INR crore)

S. No	Particulars	Approved in Tariff Order	Petitioner's Submission	Now Approved by Commission
1	Fuel Cost	252.97	172.49	474.27
2	Power Purchase Cost	349.27	442.77	
3	**Total Cost**	602.24	615.26	**474.27**

The Commission approves power purchase quantum of 279.83 MU and cost of INR 474.27 Crore in the ARR of FY 2021-22.

5.7. Renewable Purchase Obligation (RPO)

As per Regulation 1, Sub-regulation (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010

"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

The Commission notified the JERC (Procurement of Renewable Energy), (Third Amendment) Regulations, 2016 on 22nd August 2016 and revised the RPO targets, according to which the Petitioner had to purchase 17.00% of its total consumption (including 8.00% from Solar) from renewable sources for the FY 2021-22.

For the FY 2021-22, the Commission approves the RPO target of 39.43 MU comprising of 18.56 MU Solar and 20.88 MU Non-Solar. Out of which, the Petitioner has claimed to purchase the solar energy of around 23.70 MU and non-solar energy of 10.56 MU, thereby resulting in a shortfall in RPO compliance. Accordingly, the table below provides the cumulative shortfall in RPO compliance till FY 2021-22:

Table 59: Cumulative RPO compliance till FY 2021-22

Particulars	FY 18	FY 19	FY 20	FY21	FY22
Solar Target	2.50%	3.60%	4.70%	6.10%	8.00%
Non-Solar Target	4.20%	5.40%	6.80%	8.00%	9.00%
Total Target	**6.70%**	**9.00%**	**11.50%**	**14.10%**	**17.00%**
Sales Within UT	233.50	237.82	262.75	220.17	231.95
RPO Target					
Solar	5.84	8.56	12.35	13.43	18.56
Non-Solar	9.81	12.84	17.87	17.61	20.88
Total RPO Target	**15.64**	**21.40**	**30.22**	**31.04**	**39.43**
RPO Compliance (Actual Purchase)					
Solar	7.00	8.11	10.13	23.30	23.70
Non-Solar	12.82	16.56	5.75	10.08	10.56
Total RPO Compliance (Actual Purchase)	**19.81**	**24.68**	**15.89**	**33.37**	**34.25**
RPO Compliance (REC Certificate Purchase)					
Solar	0.00	0.00	0.00	0.00	0.00
Non-Solar	0.00	0.00	0.00	0.00	0.00
Total RPO Compliance (REC Certificate)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Particulars	FY 18	FY 19	FY 20	FY21	FY22
RPO Compliance (REC+ Actual)					
Solar	7.00	8.11	10.13	23.30	23.70
Non-Solar	12.82	16.56	5.75	10.08	10.56
Total RPO Compliance	**19.81**	**24.68**	**15.89**	**33.37**	**34.25**
Net Shortfall/(Surplus) for this year	-4.17	-3.27	14.33	-2.33	5.18
Cumulative Shortfall in RPO Compliance till current year	**0.00**	**0.00**	**14.33**	**12.00**	**17.18**

The Commission notes that there is a net shortfall of 5.18 MU in RPO compliance for FY 2021-22 and cumulative shortfall of 17.18 MU till FY 2021-22. The Commission directs the Petitioner to complete the RPO obligation on priority.

5.8. Operation & Maintenance Expenses

The Operation & Maintenance Expenses comprise of the Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M). Regulation 51 of the MYT Regulation, 2018 states the following:

"51.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

51.2 Operation and Maintenance (O&M) expenses shall comprise of the following:

a) Employee expenses - salaries, wages, pension contribution and other employee costs;

b) Administrative and General expenses including insurance charges if any; and

c) Repairs and Maintenance expenses.

51.3 The Distribution Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the transmission Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

51.4 O&M expenses for the nthYear of the Control Period shall be approved based on the formula given below:

O&Mn = (R&Mn + EMPn + A&Gn) x (1 - Xn) + Terminal Liabilities

Where,

R&Mn = K x GFAn-1 x (WPIinflation)

EMPn = (EMPn-1) x (1+Gn) x (CPIinflation)

A&Gn = (A&Gn-1) x (CPIinflation)

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPIinflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPIinflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMPn – Employee expenses of the Distribution Licensee for the nth Year;

A&Gn – Administrative and General expenses of the Distribution Licensee for the nth Year;

R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the transmission Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

Gn is a growth factor for the nthYear. Value of Gn shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that in case the Distribution Licensee has been in operation for less than three (3) Years as on the date of effectiveness of these Regulations, O&M Expenses shall be determined on case to case basis.

51.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

51.6 For the purpose of estimation, the same value of factors – CPIinflation and WPIinflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPIinflation and WPIinflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation."

In accordance with above Regulations, the Commission has approved the Employee Expenses, A&G Expenses and R&M Expenses as elaborated below.

5.8.1. Employee Expenses

Petitioner's submission

The Petitioner has determined the revised estimates of the employee cost for the FY 2021-22 based on the actual expenses for the FY 2019-20 & estimated expenses of the FY 2020-21. Accordingly, the Petitioner has claimed the employee expenses of INR 145.07 crore as against the approved employee expenses of INR 121.11 crore.

Commission's analysis

In accordance with the MYT Regulations, 2018, the Commission has determined the Employee expenses for each year of the MYT Control Period. The Regulation 6 of the MYT Regulations, 2018 stipulates the following:

"6. Values for Base Year

6.1 The values for the Base Year of the Control Period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and other factors considered relevant by the Commission:

Provided that, in absence of availability of audited accounts or provisional accounts of last three (3) Years, the Commission may benchmark the parameters with other similar utilities to establish the values for Base Year:

Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts."

In accordance with MYT Regulations, the Employee expenses shall be revised to the extent of change in inflation and growth rate during the control period. Accordingly, the Commission has considered the approved value of employee expenses for FY 2020-21 for computation of revised employee expenses of FY 2021-22. The approved employee expenses for FY 2021-22 has been escalated with the average CPI of previous three years and employee growth rate to arrive at the employee expenses for FY 2021-22.

The CPI Inflation has been computed as follows:

Table 60: Computation of CPI Inflation (%)

FY	Increase in CPI Index	Average increase in CPI Index over 3 years
2017-18	3.08%	**5.35%**
2018-19	5.45%	
2019-20	7.53%	

Table 61: Employee Expenses approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	EMPn-1 (INR Crore)	111.85	**145.07**	112.80
2	Gn (%)	3.78%		3.78%
3	CPIinflation (%)	4.34%		5.35%
4	**Employee Expenses = (EMPn-1) x (1+Gn) x (CPIinflation)**	**121.11**		**123.33**

The Commission approves Employee Expenses of INR 123.33 Cr for FY 2021-22.

5.8.2. Administrative and General (A&G) Expenses

Petitioner's submission

The Petitioner has submitted the Administrative & General Expenses of INR 17.00 Crore as against the approved figure of INR 39.25 crore in the MYT Order.

Commission's analysis

In accordance with MYT Regulations, the A&G expenses shall be revised to the extent of change in inflation during the control period. Accordingly, the Commission has considered the approved value of A&G expenses for FY 2020-21 for computation of revised A&G expenses of FY 2021-22. The A&G expenses for FY 2020-21 has been escalated with the average CPI of previous three years to arrive at the A&G expenses for FY 2021-22.

The table below provides the A&G expenses approved in MYT Order, Petitioner's Submission and now approved by the Commission:

Table 62: A&G Expenses approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	A&Gn-1 (INR Crore)	37.62	**17.00**	37.93
2	CPIinflation (%)	4.34%		5.35%
3	**Gross A&Gn = A&Gn-1 x (1+CPIinflation) (INR Crore)**	**39.25**		**39.97**

The Commission approves the Administrative & General (A&G) expenses of INR 39.97 Crore for FY 2021-22.

5.8.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission

The Petitioner has submitted the Repair & Maintenance Expenses of INR 62.34 Crore as against the approved figure of INR 57.43 crore in the MYT Order.

Commission's analysis

In accordance with MYT Regulations, the R&M expenses shall be revised to the extent of change in inflation during the control period. The Commission has considered the k-Factor as approved in the MYT Order and multiplied the same with the opening GFA of FY 2021-22. The resultant amount is then escalated by average WPI Inflation of previous three years to arrive at the R&M expenses for FY 2021-22.

The WPI Inflation has been computed as follows:

Table 63: Computation of WPI Inflation (%)

FY	Increase in WPI Index	Average increase in WPI index over 3 years
2017-18	2.92%	
2018-19	4.28%	**2.96%**
2019-20	1.68%	

The R&M expenses approved by the Commission for FY 2021-22 have been provided in the following table:

Table 64: R&M Expenses approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	FY 2021-22
1	Opening GFA (GFA_{n-1})	212.55
2	K factor approved (K) (%)	24.99%
3	Avg. WPI Inflation (%)	2.96%
4	**R&M Expenses = K x (GFA_{n-1}) x ($1+WPI_{inflation}$)**	**54.69**

The Commission approves the Repair & Maintenance (R&M) expenses of INR 54.69 Crore for the FY 2021-22.

5.8.4. Total Operation and Maintenance Expenses (O&M)

The following table provides the total O&M expenses approved by the Commission for the FY 2021-22:

Table 65: O&M Expenses approved by the Commission for FY 2021-22 (In INR Cr)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Employee Expenses	121.11	145.07	123.33
2	Administrative & General Expenses (A&G)	39.25	17.00	39.97
3	Repair & Maintenance Expenses	57.43	62.34	54.69
	Total Operation & Maintenance Expenses	**217.79**	**224.41**	**217.98**

The Commission approves Operation & Maintenance (O&M) expenses of INR 217.98 Crore in FY 2021-22.

5.9. Gross Fixed Assets (GFA) and Capitalization

Petitioner's submission

The Petitioner has claimed the capitalisation of INR 28.36 crore for FY 2021-22. The opening value of GFA has been considered as the closing value of FY 2020-21.

Commission's analysis

The Commission has considered the approved closing value of the GFA for FY 2020-21 as the opening value of GFA for FY 2021-22. The Commission has considered the capitalisation for FY 2021-22 as per the Petitioner's submission. Accordingly, the Commission has arrived at the closing value of GFA for FY 2021-22. The following table provides the summary of capitalization now approved by the Commission vis-à-vis the capitalisation approved by the Commission in the MYT Order:

Table 66: Capitalisation now approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	**Capitalisation**	**9.55**	**28.36**	**28.36**

The Commission approves the capitalisation of INR 28.36 crore for FY 2021-22.

5.10. Capital Structure

Petitioner's Submission

The Petitioner has submitted that all the capital assets have been created out of equity contribution from Andaman & Nicobar Administration.

Commission's analysis

Regulation 26 of the MYT Regulations, 2018 specifies the following:

"26. Debt to Equity Ratio

26.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2018 shall be considered:

Provided that in case of retirement or replacement or De-capitalization of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or De-capitalization of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

26.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 23, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

26.3 Any expenditure incurred or projected to be incurred on or after April 1, 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 this Regulation."

For the purpose of calculating the opening value of GFA in FY 2021-22, the Commission has considered the closing value of GFA for FY 2020-21 as approved in previous chapter.

Therefore, in accordance with the MYT Regulations, 2018, the Commission has determined the Capital Structure for the FY 2021-22 as follows:

Table 67: GFA addition approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	FY 2021-22
1	Opening Gross Fixed Assets	212.55
2	Addition During the FY	28.36
3	Adjustment/Retirement During the FY	0.00
4	Closing Gross Fixed Assets	240.91

Table 68: Loan addition approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	FY 2021-22
1	Opening Loan	32.39
2	Additions during the year	19.85
3	Less: Normative Repayment equivalent to Depreciation	8.24
4	Closing Loan	44.00

Table 69: Normative Equity addition approved by the Commission for FY 2021-22 (INR Crore)

S. No	Particulars	FY 2021-22
1	Opening Equity	63.77
2	Additions during the year	8.51
3	Closing Equity	72.27

5.11. Depreciation

Petitioner's submission