Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			within power house, the store building was built at outside power house to store power house consumables and tools & tackles, small equipment's like pumps motors, required during annual maintenance and routine maintenance and day to day maintenance etc. Further, the spares are required to be kept in the vicinity of power house which shall lead in minimising the outage of generating units in case of breakdown. This enhances the machine availability to provide full capacity and generate optimally for the benefits of the beneficiaries/grid.		
6	11/400 kV Generator step up transformer, 48.33 MVA	505.23	The case for procurement of the extra spare 11/400 KV GSU transformer was initiated on the basis of the following points, i) In October 2012, B phase transformer of Unit no 3 tripped on Bucholz protection and the same was replaced with the available spare transformer. The spare transformer was sent to M/s BHEL, Jhansi for repair of the faulty transformer and M/s BHEL had given six months time for the repairing of the same. ii) Also during this period rising trend in the DGA of the three number transformers (B phase of Unit# 1 , Y phase of Unit # 2 and Y phase of Unit # 3 were observed and the possibility of failure of the GSU transformer was high and due to non availability of the healthy spare transformer huge generation loss was anticipated if any of the transformer failed during monsoon season. Keeping in view of the above mentioned facts one number additional transformer was purchased to meet out any eventuality due to sudden failure of the GSU transformer. iii) The lead time of repair of	The additional capital expenditure incurred by the Petitioner is in the nature of capital spares. Also, no capital spares are allowed to be capitalized after the cut-off date. Hence, the additional expenditure claimed is **not allowed**.	0.00

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			11/400 KV GSU transformer is around six months and the same needs to be transported from the manufacturer site to the Dulhasti Power station and this also takes time due to weight of the material and the terrain of the Dulhasti Power station. The faulty transformer was repaired from the M/s BHEL and the same was installed in Unit no 1, R phase to avail the Warranty of the repaired GSU Transformer and Two number Transformers are kept at Transformer cavern as Healthy spare to meet out any eventuality due to failure of any transformer. Moreover, since PLF of Dulhasti power station is more than 65%, it is advantageous to have 2 nos. spare transformers so that generation / capacity loss is minimal during exigencies. Due to availability of additional transformer the chances of power loss has reduced a lot.		
7	Remote Unit for GPS based Time Synchronization with distant view display (02 nos)	0.58	The Petitioner has submitted that in line with minutes of 11th Protection Sub-Committee meeting dated 23rd April 2010, in order to carry out the post analysis all recording equipment at generating station must be time synchronised using GPS. Hence a new GPS system along with display unit was purchased with advanced features like IRGI-B and SNTP protocol. An amount of Rs. 0.79 Lakh been capitalized in 2015-16 and amount of Rs 0.58 lakh has been capitalized 2016-17. The Petitioner has submitted the copy of minutes of 11th Protect Sub Committee for reference.	As the expenditure incurred is on account of replacement of non-functioning assets with new assets and is considered necessary for efficient and successful operation of the plant, the same is **allowed.** However, in the absence of de-capitalization amount of the above assets, we have considered the de-capitalization value of Rs. 0.37 lakh as 'Assumed deletion' in this order.	0.58
8	VOIP GATEWAY WITH 16 and 08 PORT FXS	1.68	As per the recommendation of IB in 2012, it has been suggested that "CISF control room and all sentry posts should be connected with EPAX Line". This has been	It is noticed that the Petitioner has claimed additional capital expenditure for these assets in a phased manner i.e. Rs. 2.63 lakh in 2014-16 and Rs. 1.68 lakh in	1.68

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			enhancing security vigilance around the periphery. The existing system has been upgraded with new VOIP technology which facilitated to perform project work in a better and efficient way and further this will enhance the communication which will increase the productivity. This will impact indirect benefit to the beneficiaries. These equipment's were installed in the Power Station to establish a secure and reliable communication link between Main Office and CISF Security Posts at Shalimar, where Mechanical Workshop and Stores of the Power Station are situated, for security reasons as previously no other communication link was available between Shalimar and Main office. To facilitate day to day office works/ repair and maintenance works at Shalimar site. Communication is also essential for the safety and security requirements of the area. Installation of VOIP Gateway has facilitated in achieving the required objective and accordingly it saved time and helped to perform project work in a better and efficient way. The total amount of Rs 4.31 lakh was incurred for the said purchase and amount of Rs 2.63 lakh has been claimed in 2014-15 and balance amount of Rs 1.68 lakh claimed in 2016-17.	2016-17. The Petitioner has also furnished the recommendations of IB as documentary evidence in support of its claim. In view of this, the claim of the Petitioner is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	
10	Biometric Machine (20 no's) – supply, installation & commissioning	18.65	Biometric attendance System has been installed in the Power Station in compliance to Order No. 64/2014, dated 21.11.2014 to monitor the attendance of all employees through Biometric Attendance System.	Since the expenditure has been approved vide its order dated 21.11.2014 in Petition No. 64/2014, the same is **allowed.**	18.65
	Total amount claimed	**715.72**			
	Total amount allowed				**20.91**

30. Based on the above, the total additional capital expenditure of Rs.916.38 lakh {Rs.895.47 lakh + Rs.20.91 lakh} in 2016-17 is allowed.

Additional Capital Expenditure for 2017-18

31. The additional capital expenditure claimed by the Petitioner for 2017-18, on cash basis, are as under:

Head	Amount
Item already allowed (a)	518.34
Items additionally claimed as per actual site requirements (b)	179.88
Sub-total (c)=(a)+(b)	**698.22**
Discharge of liabilities (d)	169.60
Total (c)+(d)	**867.82**

(a) Items already allowed

32. The Petitioner has claimed additional capitalization of Rs.518.34 lakh in 2017-18 in respect of works such as Construction of permanent boundary wall of Semna and Shalimar colony, Construction of accommodation and Security post/pucca morcha for CISF at Chenab Nagar, Shalimar and Hasti, Construction of sewerage treatment plant for Shalimar colony and Hill slope stabilization work at dam site under Regulation 14(3)(viii).

33. It is noticed that the additional capital expenditure claimed for above assets/ works were allowed on projection basis vide order dated 30.8.2016 in Petition No. 231/GT/2014, except for Hill slope stabilization at Dam site. The Commission vide its order dated 30.8.2016 had disallowed the additional expenditure on account of 'Hill slope stabilization at dam site' stating that these works are of recurring in nature and the expenses towards these works shall be met from O&M expenses allowed to the generating station. Therefore, the total additional capitalization of Rs.120.54 lakh as

claimed above (except the claim for Hill slope stabilization) are allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations as claimed by the Petitioner.

(b) Items additionally claimed as per site requirement

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
1	Electric operated siren, horizontal double mounting, 3-ph,50 Hz 7.5 hp, range-11 km, Kheraj (HDT-1100)	3.47	As per Dam operation and safety norms before release of water from the Dam, it is essential to alert the public residing in the downstream area of the Dam for avoiding any untoward incident, which may lead to payment of unnecessary compensations. Siren is essential media for alerting the public. Earlier Public announcement were used to be made for alerting the people in Downstream area but this Siren system is better as it can be operated remotely form Dam control room. It is submitted that in recent incidence of Larji Power Station, Kullu, HP, where 24 Engineering Students were flown/killed due to sudden flow of dam water in the river Beas. So avoid such incidence, sirens may be a good alerting mechanism.	Since the additional capital expenditure incurred is necessary for safe operation of the generating station, the same is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	3.47
2	Treatment of sinking zone by providing protection wall and backfill concrete in right bank drift at dam.	24.51	The expenditure is not allowed by the Commission during 2014-15 vide Order dated 30.8.2016 in Petition No. 231/GT/2014 with the following remarks "As the projected expenditure is recurring in nature, the same expenditure shall be met from the O&M expenses allowed to the generating station". Detailed studies were carried out by Geological department for finding out the remedial measures/ methodologies for treatment of the sinking zone and They have advised to carry out the protection works from time to time depending upon subsidence as and when required, Total expenditure of Rs. 314.04	The additional capital expenditure incurred by the Petitioner does not directly relate to the operation of the generating station and is in the nature of O&M expenses. Also, the claim was dealt with and disallowed by the Commission in order dated 30.8.2016 in Petition No. 231/GT/2014. Further, the Petitioner has not furnished any documentary evidence to substantiate its claim, despite of the specific directions from the Commission. Hence, the additional capital expenditure is **not allowed**.	0.00

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			Lakh has been made since 2010 on this work. Further, it is to certify that the said expenditures related to treatment of Sinking zone have not been covered under O&M expenses as the same were huge expenses incurred due to major damages in the Dam access road.		
3	Construction of boundary wall at tamruchi colony at dul dam	17.39	The Petitioner has submitted that as per IB report, June 20/21-2014point No.7 of fresh recommendation, the area of project as well as dam site is a thorough fare which could be accessed from any side. Construction of masonry surrounding wall from 6' to 8' with 2' concertina wire overhang is required to check illegal entries/land encroachers.	Considering the fact that these assets were earlier allowed by the Commission in order dated 30.8.2016 in Petition No. 231/GT/2014, the same is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	17.39
4	Battery bank 110V and battery charger 24VDC,100AH, each cell 2V,100AH, tubular type, along with accessories	2.42	The battery bank has been installed at Dam site of Dulhasti, to provide the DC Voltage to control system panels for the purpose of protection and monitoring of the system battery bank was required. DC supply from a Battery Bank is used for feeding power to the protection system of the electrical panels which are used for control and monitoring of various Gates equipment's etc installed for operation and regulation of the Dam reservoir. Healthiness of the DC supply is essential for proper functioning of the complete electrical system at Dam. Faulty protection system may cause huge loss to the components of the Dam. Hence, the investment is beneficial for the beneficiaries. The initially installed battery bank has completed his lifetime and hence replaced. The Petitioner has claimed de-capitalization of the Battery bank for Rs. 1 as 'Assumed deletions'.	The Petitioner has claimed additional capital expenditure of Rs. 6.04 lakh along with de-capitalization of Rs.1 in 2017-18 for this asset under Regulation 14(3)(vii) of the 2014 Tariff Regulations. In justification of the same, the Petitioner has submitted that additional capital expenditure has been claimed due to replacement of outlived battery bank. In our view, the efficient operation of the plant would be adversely affected due to old equipment outliving the useful life in the event of its failure. In view of this, the additional capital expenditure incurred is **allowed** under Regulation 14(3)(viii) of the 2014 Tariff Regulations. However, the Petitioner has claimed de-capitalization of old asset as Rs. 1 which is on the lower side and hence not justifiable. Therefore, the de-capitalization value of Rs. 3.71 lakh has been considered as 'assumed deletion' for this asset in this order.	2.42
5	110V,20A float cum boost charger suitable for 100 AH battery bank	3.62			3.62

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
6	Acoustic Enclosure for 1275,640, 350 and 80 KVA DG SET	24.68	The DG Sets installed in the Colony were not having any enclosers as required under the Environment Protection Act(1986), Noise Limit for Generator Sets run with Diesel were notified by Environment (Protection) second Amendment Rules vide GSR 371(E), dated 17th May 2002 at serial no.94 and its amendments vide GSR No 520(E) dated 1st July 2003; GSR 448(E), dated 12th July 2004; GSR 315(E) dated 16th May 2005; GSR 464(E) dated 7th August 2006; GSR 566(E) dated 29th August 2007 and GSR 752(E) dated 24th October 2008; G.S.R. 215 (E), dated 15th March, 2011 under the Environment (Protection) Act, 1986). 1. The DG sets caters the electric supply to powerhouse/Dam in case of emergency condition and its safe operation under statutory requirements is very much essential. 2. The DG sets were installed in nineties without acoustic enclosures. The acoustic enclosures are required to keep the noise level under the limits as per the statutory guidelines laid in Environment (Protection) Act, 1986 and their amendments issued by CPCB (Ministry of Environment & Forest, Govt. of India) for Noise Limit for Generator Sets run with Diesel. Accordingly, acoustics enclosures were provided for DG sets.	The additional capital expenditure incurred is required in terms of the Environment Protection Act, 1986 and subsequent amendments. It is also observed that the pollution norms were notified by the J&K Pollution Control Board during 2007. In this background, the claim of the Petitioner is **allowed** under Regulation 14(3) (ii) of the 2014 Tariff Regulations.	24.68
7	Ground plane VHF antenna with UHF female connector for GM-338 radio	0.91	These are the equipment's (HF/VHF Kit) required by CISF for wireless communication at DPS.	Since the expenditure incurred is necessary for safe operation of the generating station the same is **allowed** under Regulation14(3)(iii) of the 2014 Tariff Regulations	0.91
8	Dipole antenna (30 MHz.) and ground plane VHF antenna for kenwood make TK 80 HF set inclusive of all	3.81			3.81

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
	accessories.				
10	Upgradation of elevator at PH	11.76	The only elevator installed in Powerhouse was not functional for the last 2 years and was required to be made functional for safe and efficient movement of man and material of power house. Safe movement of Dignitaries visiting the Power House from time to time was also an issue. The elevator at powerhouse is required for efficient functioning and movement of manpower / material during operation and maintenance of the powerhouse. Functioning of the elevator improves the movement and reduces fatigue of the manpower increasing efficiency. The same elevator is also used for movement of materials among floors during maintenance, reducing the down time of the units.	Since the expenditure incurred is in the nature of O&M expenses and does not directly relate to the operation of the plant, the claim of the Petitioner is **not allowed.**	0.00
11	50 kWp ground based energy efficient solar pv grid connected power plant	34.41	As per Govt. Of India, Ministry of Power initiative vide letter no.16/78/2014-Admin-III, 12.04.2016, to achieve India's target of 40,000 MW Solar roof top under National Solar Mission. No grant has been received from MNRE for installation of Roof Top Solar PV Grid Connected Power Plant. The date of Commissioning of plant is 12.10.2017 and the total Energy generated as on 14.05.2021: 147766 units.	The provisions of the 2014 Tariff Regulations do not provide for capitalisation of additional expenditure incurred by the Petitioner for this asset/work. Moreover, such major investments should be backed by DPR, the beneficiaries' consent, the cost-benefit analysis, etc. Accordingly, the additional capital expenditure claimed is **not allowed**.	0.00
12	4 port and 40 extension EPABX	0.87	As per the recommendation of IB in 2012, it has been suggested that "CISF control room and all sentry posts should be connected with EPAX Line". This has been enhancing security vigilance around the periphery. The existing system has been upgraded with new VOIP technology which facilitated to perform project work in a better and efficient way and further this will enhance the communication which will	It is noticed that the Petitioner has claimed additional capital expenditure for these assets in a phased manner i.e. Rs. 2.63 lakh in 2014-16 and Rs. 1.68 lakh in 2016-17. The Petitioner has also furnished the recommendations of IB in support of its claim. In view of this, the claim of the Petitioner is **allowed** under Regulation14(3)(iii) of the 2014 Tariff Regulations.	0.87

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			increase the productivity. This will impact indirect benefit to the beneficiaries. These equipment's were installed in the Power Station to establish a secure and reliable communication link between Main Office and CISF Security Posts at Shalimar, where Mechanical Workshop and Stores of the Power Station are situated, for security reasons as previously no other communication link was available between Shalimar and Main office. To facilitate day to day office works/ repair and maintenance works at Shalimar site. Communication is also essential for the safety and security requirements of the area. Installation of VOIP Gateway has facilitated in achieving the required objective and accordingly it saved time and helped to perform project work in a better and efficient way. The total amount of Rs 4.31 lakh was incurred for the said purchase and amount of Rs 2.63 lakh has been claimed in 2014-15 and balance amount of Rs 1.68 lakh claimed in 2016-17.		
13	Building for R&M of machinery	3.65	As per the corporate office approval the assets of generating station have been handover to CVPPL on sale basis in FY 2012-13 and deletion also claimed serial no 1 to 9 and 16 under 9A (E)-Capital assets deleted during FY 2012-13 for the tariff period 2009-14. It is further intimated that, the said assets have been returned to the generating station in FY 2017-18 as per the approval of Corporate office for Rent basis instead of sale basis.	Since the expenditure incurred are in the nature of O&M expenses and does not directly relate to the operation of the plant, the claim of the Petitioner is **not allowed**	0.00
14	Nishan shed	0.36			0.00
15	Store shed	0.66			0.00
16	Store shed	3.46			0.00
17	Nishan shed semi circular Truseer	5.66			0.00
18	A type quarter	11.10			0.00
19	Residence 149-56	5.27			0.00
20	S type quarters	11.47			0.00
21	Timber huts double room	3.11			0.00
22	400 kVA transformer	7.27			0.00
	Total amount claimed	**179.88**			
	Total amount allowed				**57.17**

34. Based on the above, the total additional capital expenditure of Rs.177.70 lakh {Rs.120.54 lakh + Rs.57.17 lakh} in 2017-18 is allowed.

Additional Capital Expenditure for 2018-19

35. The additional capital expenditure claimed by the Petitioner, on cash basis, are as under:

Head	**Amount**
Items additionally claimed as per actual site requirements (a)	211.35
Discharge of liabilities (b)	31.47
Total (a)+(b)	**242.82**

(a) Items additionally claimed as per site requirement

Sl. No.	**Details of the claim**	**Amount claimed**	**Justification submitted by the Petitioner**	**Remarks on admissibility**	**Amount Allowed**
1	Installation of incinerator along with construction of CGI shed for incinerator for Power House, DPS, Kishtwar.	4.56	As per the guidelines/norms issued by Central/J&K State Pollution Control Board in a proper and environmentally friendly manner though without causing any deterioration to the existing environment. The CTO of the generating station has been granted in the Red category. As such to comply with the above-mentioned norms incinerator of capacity 30kg/hr which is a pollution control device has been installed for handling of Solid Waste as per Solid Waste handling and management rules 2016. After installation, all the solid waste generated from power house shall be properly disposed off instead of dumping in open area. An amount of Rs. 4.56 Lakh has been capitalised in FY 2018-19 for construction of CGI Shed and a P.O. for Rs. 20.48 Lakh was placed on 10.1.2018 for supply and installation of incinerator, which has been kept as an add cap in 2019-20.	In our view, the directions / orders of SPCB require compliance by the Petitioner. Since the expenditure incurred is for the benefit of the employees working in remote areas of the project, which in turn facilitates successful and efficient operation of the generating station, the expenditure is **allowed** under Regulation 14(3)(viii) of the 2014 Tariff Regulations.	4.56
2	S Type Quarter D Block	7.01	The contractor has claimed Rs. 45.00 lakh on account of work “construction of single room hutments including	As the expenditure incurred is based on the directions of the Hon’ble High court, the same is **allowed** under	7.01

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			sanitary fittings at Semna" (102units) awarded vide letter No DHP/M/CDC/89/6087-93 dated 1.3.1989. The Hon'ble High Court on dated 27.7.2017 decided the case in favour of Sh. Abdul Qayyum Sheikh and directed that the amount of Rs 775000 /-be paid along with interest 6% of Rs 1175399 /-. During 2018-19 amount of Rs 7.01 lakh has been capitalized and full and final payment has been released in the month of march 2019.	Regulation 14(3)(i) of the 2014 Tariff Regulations.	
3	Construction of chain link boundary wall at left bank of Shalimar nallah	23.74	Construction of permanent boundary wall is required in this area to protect the encroachment of NHPC Land and to avoid free passage to local people for safety and security purpose and recommendations of IB.	Considering the fact that this asset was allowed by the Commission in Order dated 30.8.2016 in Petition No. 231/GT/2014, the same is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	23.74
4	Centralized UPS 10 KVA Online	4.23	The Petitioner has submitted that the item purchased along with 10 KVA online UPS for uninterrupted power supply in the Office complex. Individual standalone UPSs were providing power backup to computer systems & various network devices. As per IT policy of the corporation, life of UPS (others) is 5 years. Most of these UPSs had utilized their useful life. These UPSs required more repair and maintenance work as well as more inventory management. Centralized UPS requires less maintenance and monitoring which enhance the efficiency of system instead of repetitive repair & maintenance of standalone UPS. Therefore, it was proposed to purchase centralized UPSs. This had impact indirect benefit to the beneficiaries.	Since the expenditure incurred is in the nature of O&M expenses and does not directly relate to the operation of the plant, the claim of the Petitioner is **not allowed.**	0.00
5	Fire detection cum alarm system	7.79	The work of Fire detection and alarm system for Admin Building and 132 /33 KV Substation has been capitalized in 2018-19 in compliance to the Monthly check list of Safety Division	Considering the fact that the expenditure for asset/work claimed is for successful and efficient operation of plant, the same is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	7.79

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			point no. 20 as well as point no. 5 of internal audit conducted by Fire and Safety Division , Corporate Office during 9-10 June 2017. As per safety policy/monthly checklist point no. 11 fire detection system is required to be provided.		
6	Otoscope, Ophthalmoscope, Incubator, Alpine 12X12X12 and Micropipette with Thermo 10-100ÂµL	0.84	Hospital equipments required for life support and to maintain the health of employees. Ophthalmoscope and Otoscope are used to detect eye and ear diseases whereas the rest of the items are used in laboratory to conduct routine blood tests. All these items are very valuable to diagnose and monitor the health conditions of the employees. Keeping the employees healthy will in turn lead to uninterrupted and efficient power generation.	Since the expenditure incurred is in the nature of O&M expenses and does not directly relate to the operation of the plant, the claim of the Petitioner is **not allowed.**	0.00
7	Door Frame Metal Detector - Neelgiri NT-6Z with handheld metal detector - Neelgiri NT-HM1	1.75	The Petitioner based on IB recommendation to strengthen the security system of power station, new metal frame detector were purchased.	As the expenditure incurred by the Petitioner is based on the recommendations of IB and is required for safety and security of the plant, the same is **allowed** under Regulation 14(3)(iii) of the 2014 Tariff Regulations.	1.75
8	250 kWp ground based energy efficient solar pv grid connected power plant	145.58	As per Govt. Of India, Ministry of Power initiative vide letter no.16/78/2014-Admin-III, 12.04.2016, to achieve India's target of 40,000 MW Solar roof top under National Solar Mission. An amount of Rs. 34.41 Lakh has been capitalized in 2017-18 also. No grant has been received from MNRE. Date of Commissioning is 15.01.2019 and units generated till date is 693493 units.	The provisions of the 2014 Tariff Regulations do not provide for capitalisation of additional expenditure incurred by the Petitioner for this asset/work. Moreover, such major investments should be backed by DPR, the beneficiaries' consent, the cost benefit analysis, etc. Accordingly, the additional capital expenditure claimed is **not allowed**.	0.00
10	Up-gradation of elevator at PH	2.74	The Petitioner has submitted that the awarded amount for the work is Rs. 14.70 Lakh. The work was to be completed by 18.9.2014, whereas the actual date of completion is 6.5.2017. 80% payment after deducting LD has already been made. Balance payment amounting to Rs. 2.74 Lakh after	Since the expenditure incurred is in the nature of O&M expenses and does not directly relate to the operation of the plant, the claim of the Petitioner is **not allowed.**	0.00

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			deducting Rs. 20,000/- on account of non-supply of elevator sheave from balance 20% has been made to the firm in 2018-19. Rs. 11.76 Lakh has been capitalised in 2017-18 on this account.		
11	Fully Managed L2 Switch, HP 2530-24G (24X 10/100/1000 Ethernet + 4 SFP Ports) with POE Injector, Make: Aruba Model: PD-9001GR-AC, 8-PORT 10/100/1000 BASE-T With 2 Combo 1000 Base-T/MINI-GBIC Ports L2 Managed Switch and Wireless Access Point, MAKE: Aruba, Model:205	12.33	NHPC is required to transit to IPv6 (Dual Stack) network in compliance of directives of Department of Telecommunication as intimated vide letter no. NH/IT&C/1/9/2/16, dated 8.2.2017, supply order issued vide No. NH/DPS/Proc/PR-1681/SO-901/2017/2955 dated 29.3.2018 for Supply Installation and Commissioning of IPv6 compatible Network devices with completion period of two months.	As the expenditure incurred is based on the recommendations of Department of Telecommunications, the same is **allowed** under Regulation 14(3)(viii) of the 2014 Tariff Regulations.	12.33
12	Star Delta Starter For 20 HP Submersible Pump-Make: L&T, MODEL: MU-G20H	0.77	Purchase of material for replacement of old and unserviceable Star Delta Starter for 20 hp submersible pump. healthiness of the star delta starter for 20 hp submersible pump is essential for proper functioning of pumps at dam. faulty star delta starter for 20 hp submersible pump may cause flooding in Dam Gallery. Hence, the investment is beneficial for the beneficiaries. The items are purchase under replacement and the replacement cost is Rs.0.58 lakh.	Considering the fact that these asset/work will facilitate the successful and efficient operation of plant, the same is **allowed** under Regulation 14(3)(viii) of the 2014 Tariff Regulations. The deletion of Rs. 0.58 lakh is considered as de-capitalization.	0.77
	Total amount claimed	**211.35**			
	Total amount allowed				**57.96**

36. Based on the above, the total additional capital expenditure of Rs.57.96 lakh in 2018-19 is allowed.

Discharge of liabilities

37. The Petitioner has claimed the following discharge of liabilities:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
3817.86	10.01	35.06	169.60	31.47

38. The Commission vide RoP of the hearing dated 17.3.2021 had directed the Petitioner to submit the Auditor's Certificate in respect to liability flow statement for the 2014-19 tariff period as in Form 16. In response, the Petitioner vide affidavit dated 21.6.2021, has furnished the asset-wise un-discharged liabilities and the liabilities discharged along with Form 16, duly certified by independent practicing chartered accountant. Accordingly, on prudence check, the assets / items which are allowed and for which the liabilities are yet to be discharged are allowed and for those assets which are not allowed, the corresponding discharge of liabilities are also not allowed. Accordingly, the discharge of liabilities in 2014-19 tariff period is allowed as shown under:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
3817.86	5.64	31.05	169.60	31.47

De-capitalization

39. As regards de-capitalization, Regulation 14(4) of the 2014 Tariff Regulations, provides as under:

> *"In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised."*

40. The Commission vide ROP of the hearing dated 17.3.2021 had also directed the Petitioner to submit details of the items de-capitalized like Drainage and Dewatering pump in 2014-15 and Surge arrestor for 400kV GIS, Dewatering Pump and HP Compressor in 2015-16, along with the original value of capitalization and the year in which they were put to use. In response, the Petitioner has submitted that these

assets were put to use as a part of main plant package on 7.4.2007. It has submitted that the new drainage pump was replaced on 28.2.2015, Surge arrestor on 18.4.2017, drainage and dewatering pump on 4.6.2015 and HP Compressor on 30.12.2015 and the cost for 'assumed deletions' has been worked out on the basis of indexation formula based on the cost of new asset as per IND AS. Accordingly, the cost of item, has been derived by the Petitioner, taking into account the current price of item and reinstating the value, considering the income tax price indexation, applicable for the year of 2007, based on which depreciation has been worked out. The Petitioner has claimed de-capitalization as under:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
9.87	2.11	1.52	16.87	2.99

41. The de-capitalization claimed by the Petitioner has been dealt with in the relevant paragraphs relating to the additional capital expenditure claims, which have been considered and allowed for the respective years of the 2014-19 tariff period in terms of the provisions of Regulation 14(3) of the 2014 Tariff Regulations. Further, de-capitalization of assets is not considered against which capitalization are not allowed. Accordingly, the de-capitalization, in case of assets like treatment of sinking zone of Dul dam amounting to Rs. 0.39 lakh in 2016-17 and in case of ECG machine amounting to Rs. 0.60 lakh in 2017-18 has not been considered for the purpose of tariff as shown below:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
De-capitalization claimed	9.87	2.11	1.52	16.87	2.99
De-capitalization allowed	**9.87**	**2.11**	**1.13**	**16.27**	**2.99**

Assumed Deletions

42. As per consistent methodology adopted by the Commission in its orders, the expenditure on replacement of assets, if found justified, is allowed for the purpose of tariff provided that the capitalization of the said asset, is followed by de-capitalization of the gross value of the old asset. However, in certain cases, where the de-capitalization is proposed to be effected during the future years to the year of capitalization of the new asset, the de-capitalization of the old asset for the purpose of tariff, is shifted to the very same year in which the capitalization of the new asset is allowed. Such de-capitalization which is not a book entry in the year of capitalization is termed as "Assumed Deletions".

43. The methodology of arriving at the fair value of the de-capitalized asset, i.e. de - escalation rate of 5% per annum from the COD has been considered in order to arrive at the gross value of old asset in comparison to the cost of new asset. In the present petition, the COD year of the generating station is during 2007-08. We have considered the value of asset under consideration, as on COD as 100 and de-escalated it @5% till the year during which additional capital expenditure is claimed against replacement of the same. The amount claimed for additional capital expenditure against this asset is multiplied by the derived ratio from above two values i.e. value in COD year divided by value in additional capitalized year to work out the de-capitalization amount.

44. The Petitioner has claimed additional capital expenditure for certain assets/ works but has not furnished the de-capitalized value of the old, replaced assets/works. In this regard, the Commission in its order dated 26.5.2016 in Petition No. 264/GT/2014 has adopted the following methodology:

"It is observed that the petitioner has claimed Rs. 396.50 lakh against the capitalization for Installation of instrumentation system for Dam& Power house, Sliding Ring & Sealing Ring insert along with other accessories for Shaft Seal System, electrical drives for EOT Cranes and encoders for Radial Gates, Up gradation of Air gap and vibration monitoring system, Up gradation of protection system including replacement of numerical/ Electromagnetic relay for power house, Up-gradation of Software of automation i.e. CS-7 system and Up gradation of ARMAC System on replacement basis, during the period 2014-19. The petitioner has not indicated the gross value of the old assets replaced. Therefore, the methodology of arriving at the fair value of the de-capitalized asset, i.e. escalation rate of 5 % per annum from the COD has been considered in order to arrive at the gross value of old assets in comparison to the cost of new assets. Gross value of the old assets considered for the purpose of tariff in respect of the admitted assets/works has been indicated against individual assets, as in para 15 above. However, the petitioner is granted liberty to furnish the actual gross value of replaced assets at the time of truing up exercise and the same will be considered in accordance with law."

45. It is observed that the Petitioner, in the present petition, has not furnished the justified de-capitalization value for some of the assets/works as mentioned in the table below for the years 2014-15, 2015-16, 2016-17 and 2017-18 respectively. Accordingly, in terms of the above methodology, the value of 'assumed deletions' considered for the replaced asset for the purpose of tariff is detailed as under:

(Rs. in lakh)

Sl. No.	Details	Additions claimed for new asset on replacement	De-capitalization on value of old asset claimed	Assumed Deletions for old asset allowed
2014-15				
1	Purchase of drainage and dewatering pumps	42.70	23.51	0.00
2	Purchase of HP compressors	22.56	22.13	0.00
3	Battery Bank, 110V, 60AH, each cell 2V, 60AH with rack and accessories	2.23	0.00	1.59
	Total	**67.49**	**45.64**	**1.59**
2015-16				
1	Purchase of Surge arrestor for 400 KV GIS	260.73	200.00	0.00
2	Purchase of drainage and dewatering pumps.	41.61	23.51	0.00
3	Purchase of HP compressors	20.97	17.13	0.00
4	Control Panel of feeders with VCB (11	10.51	-	7.11

Sl. No.	Details	Additions claimed for new asset on replacement	De-capitalization on value of old asset claimed	Assumed Deletions for old asset allowed
	kV), various meters and with E/F and O/C protection.			
5	Remote GPS	0.79		0.53
6	Centre Rotating type isolatorof 33 KV, 400A Capacity with earth switch	1.86		1.26
7	Indoor type 33 KV C&R Panel 800A,3PH outtype33KV VCB Mot. SpringCH., ABB, DRG. NO. YN1M200760-CAA	5.59		3.78
8	HT VCB PANEL-2 INC. & 2 OUT. 11 KV, 1250 A, 50 HZ INDOOR TYPE, ABB, DRG. NO. YN1V300013-KA-IC	19.57		13.25
	Total	**361.63**	**240.64**	**25.94**
2016-17				
1.	Remote GPS	0.58	-	0.37
	Total	**0.58**	**-**	**0.37**
2017-18				
1	Battery bank 110V and battery charger 24V DC,100AH, each cell 2V,100AH, tubular type, along with accessories	2.42	0.00	1.49
2	110V,20A float cum boost charger suitable for 100 AH battery bank	3.62	0.00	2.22
	Total	**6.04**	**0.00**	**3.71**
2018-19				
1	Star Delta Starter for 20 HP submersible pump-make: L&T, Model: MU-G20H	0.77	0.58	0.00
	Total	**0.77**	**0.58**	**0.00**

Exclusions

46. The following exclusions have been claimed by the Petitioner:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Exclusions in Additions	484.36	842.19	786.35	180.32	1810.80
Exclusions in Deletions	(-) 397.30	(-) 199.02	(-) 375.48	(-) 183.12	(-) 41.03
Net Exclusions claimed	**87.06**	**643.17**	**410.87**	**(-) 2.80**	**1769.77**

Exclusions in Additions (capitalized in books but not to be considered for tariff purpose)

47. The Petitioner has submitted that the expenditure as shown above has been incurred on procurement/replacement of minor assets, which are not allowed for the purpose of tariff, after the cut-off date of the generating station, in terms of the 2014 Tariff Regulations. The Petitioner has, accordingly, put these additions under exclusion category, by including the positive entries arising due to Inter-head adjustments. As such, the exclusion of such positive entries is allowed and has no impact on tariff. Hence, the same is in order and allowed.

Exclusions in deletions (de-capitalized in books but not to be considered for tariff purpose)

48. The Petitioner has de-capitalized following amounts in books of accounts pertaining to capital spares, minor assets such as computers, office equipment, furniture, ladders, pumps, etc., as these are not in use on account of their becoming unserviceable/obsolete and also deletion on account of inter-unit transfer of minor assets, as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Consumption of capital spares (deletion to not be claimed/Under exclusion category)	331.98	0.00	0.00	0.00	0.00
Additions kept under Exclusions	62.47	196.29	22.52	10.42	38.26
Deletion under exclusion category (deletion for minor assets /tools /tackles etc. which are not considered for additional capitalization)	2.07	0.02	352.81	171.76	2.76
IUT Transfer	0.79	1.72	0.15	0.93	0.00
Inter head adjustments	0.00	0.99	0.00	0.00	0.00
Total	**397.30**	**199.02**	**375.48**	**183.12**	**41.03**

49. It is observed that the expenditure on capital spares are not allowed to be capitalized after the cut-off date in terms of the 2014 Tariff Regulations. While the recovery of expenditure on capital spares is allowed through O&M expenses on consumption, the recovery of additional expenditure, on minor assets beyond the cut-off date is neither allowed to be capitalized nor is permissible under O&M expenses. Accordingly, the claim of the Petitioner for exclusion of negative entries arising out of de-capitalization of capital spares is justifiable, provided that the de-capitalized spares are the ones which were not considered in the capital base for the purpose of tariff in the year of capitalization. On verification of the details in the petition filed by the Petitioner in this petition, it is observed that capital spares de-capitalized in books during the period 2014-19, are the ones which were not allowed in the capital cost for the purpose of tariff. In other words, positive entries arising out of their purchase were also excluded/ ignored for the purpose of tariff. In view of the above discussion, the amounts have been allowed to be excluded/ ignored for the purpose of tariff. The exclusion of negative entries arising due to inter-head adjustments is also allowed as the positive adjustments have also been excluded/ ignored. Similarly, the exclusion of negative entries arising due to inter unit transfer of minor assets are allowed, as the capitalization of these minor assets are not allowed after the cut-off date. The Petitioner has linked the details of the items claimed under exclusions and the same are in order.

50. Based on the above, the exclusion in deletions allowed for the purpose of tariff is as under:

(Rs. in lakh)

2014-15	2015-16	2016-17	2017-18	2018-19
(-)397.30	(-)199.02	(-)375.48	(-)183.12	(-)41.03

Additional capital expenditure (Net) allowed for the 2014-19 period

51. In view of above, the net additional capital expenditure allowed for the 2014-19 tariff period is as follows:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Capitalization against works projected and allowed for additional capital expenditure	371.97	549.59	895.47	120.54	0.00
Not projected/not allowed but capitalized due to actual site requirements	107.33	192.49	20.91	57.17	57.96
Total additions allowed (a)	**479.29**	**742.08**	**916.38**	**177.70**	**57.96**
Deletions allowed (b)	(-)9.87	(-)2.11	(-)1.13	(-)16.27	(-)2.99
Assumed deletions considered (c)	(-)47.22	(-)266.58	(-)0.37	(-)3.71	(-)0.59
Total additional capital expenditure allowed (d)=(a)+(b)+(c)	**422.20**	**473.39**	**914.88**	**157.72**	**54.38**
Exclusions adjustment (e)	0.00	0.00	0.00	0.00	0.00
Add: Liability discharged during the year (f)	3817.86	5.64	31.05	169.60	31.47
Additional capital expenditure allowed (g)=(d)+(e)+(f)	**4240.06**	**479.03**	**945.92**	**327.32**	**85.85**

Capital cost allowed for the 2014-19 tariff period

52. The Commission vide order dated 30.8.2016 in Petition No.231/GT/2014 had allowed the opening capital cost of Rs. 515959.43 lakh as on 31.3.2014. The same is considered as the opening capital cost as on 1.4.2014. Accordingly, the capital cost allowed for the 2014-19 tariff period is as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost (a)	515959.43	520199.49	520678.52	521624.44	521951.76
Net additional capital expenditure allowed during the year/ period (b)	4240.06	479.03	945.92	327.32	85.85
Closing Capital Cost (a)+(b)	**520199.49**	**520678.52**	**521624.44**	**521951.76**	**522037.61**

Debt Equity Ratio

53. Regulation 19 of the 2014 Tariff Regulations provides as under:

"19. Debt-Equity Ratio: (1) For a project declared under commercial operation on or after 1.4.2014, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

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

ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.

Explanation.-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee shall submit the resolution of the Board of the company or approval from Cabinet Committee on Economic Affairs (CCEA) regarding infusion of fund from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2014, debt;equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2014 shall be considered.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2014, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2014, the Commission shall approve the debt: equity ratio based on actual information provided by the generating company or the transmission licensee as the case may be.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2014 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation."

54. The Commission, in its order dated 9.3.2010 in Petition No. 204/2009 relating to revision of tariff based on additional capital expenditure incurred for the period 2007-09, had observed as under:

"24. The petitioner has stated that the additional capital expenditure has been financed through internal resources. As per the approved revised cost estimate (RCE-II) of the Govt. of India letter dated 22.8.2008, corresponding to an approved capital cost of ₹522849.00 lakh, the equity was frozen at ₹198668.67 lakh. The Commission in its order dated 30.11.2009 in Petition No. 72/2009 had allowed the equity of ₹198668.67 lakh on the date of commercial operation for the purpose of tariff. Accordingly, any additional capital expenditure incurred after the date of commercial operation, till the admitted capital cost becomes ₹522849.00 lakh, is to be considered as debt. After consideration of the admitted additional capital

expenditure of ₹3188.55 lakh and ₹567.58 lakh during the year 2007-08 and 2008-09 respectively, the admitted capital cost works out to ₹511037.92 lakh and ₹511605.50 lakh for the year 2007-08 and 2008-09 respectively, which is below the admitted capital cost of ₹522849.00 lakh. Accordingly, the admitted additional capital expenditure has been considered as debt for the purpose of tariff."

55. In line with the above decision, the entire additional capital expenditure has been considered as debt, since the total estimated cost of completion is lesser than the approved Revised Cost Estimate (RCE) of Rs. 522849.00 lakh.

Return on Equity

56. Regulation 24 of the 2014 Tariff Regulations provides as under:

"24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system and run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage:

Provided that:

i. in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in Appendix-I:

ii. the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:

iii. additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:

iv. the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system:

v. as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:

vi. additional RoE shall not be admissible for transmission line having length of less than 50 kilometers."

57. Regulation 25 of the 2014 Tariff Regulations provides as under:

“Tax on Return on Equity: (1) The base rate of return on equity as allowed by the Commission under Regulation 24 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax income on other income stream (i.e., income of non-generation or non-transmission business, as the case may be) shall not be considered for the calculation of “effective tax rate”

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

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2014-15 to 2018-19 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee as the case may be. Any under- recovery or over recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term transmission customers/DICs as the case may be on year to year basis.”

58. Accordingly, the base rate of ROE has been grossed up, based on the actual tax paid by the Petitioner for the 2014-19 period. Accordingly, in terms of the above regulations, ROE has been computed as under:

(Rs. in lakh)

	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Opening Equity (A)	198668.67	198668.67	198668.67	198668.67	198668.67
Addition due to additional capitalization (B)	0.00	0.00	0.00	0.00	0.00
Addition due to un-discharged liability (C)	0.00	0.00	0.00	0.00	0.00
Less: Assumed Deletion (D)	0.00	0.00	0.00	0.00	0.00
Closing Equity (E)=[(A)+(B)+(C)-(D)]	198668.67	198668.67	198668.67	198668.67	198668.67
Average Equity (F)=[(A+E)/2]	198668.67	198668.67	198668.67	198668.67	198668.67
Base Rate (%) (G)	16.500%	16.500%	16.500%	16.500%	16.500%

	2014-15	2015-16	2016-17	2017-18	2018-19
Effective Tax Rate (%) (H)	20.9605%	21.3416%	21.3416%	21.3416%	21.5488%
Effective ROE Rate (%) (I)	20.876%	20.977%	20.977%	20.977%	21.032%
Return on Equity (J)= [(F)*(I)]	**41474.07**	**41674.73**	**41674.73**	**41674.73**	**41783.99**

Interest on Loan

59. Regulation 26 of the 2014 Tariff Regulations provides as under:

"26. Interest on loan capital: (1) The loans arrived at in the manner indicated in regulation 19 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of Decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such asset

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered: Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered

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

(7) The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such refinancing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.

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

(9) In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute: Provided that the beneficiaries or the long term transmission customers /DICs shall not withhold any payment on account of the interest claimed by