CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

<u>Petition No. 190/GT/2020</u>

Coram:
Shri P.K. Pujari, Chairperson
Shri I.S Jha, Member
Shri Pravas Kumar Singh, Member

Date of Order: 21st May, 2022

In the matter of

Petition for truing-up of tariff of National Capital Thermal Power Station Stage-II (980 MW) for the 2014-19 tariff period.

AND

IN THE MATTER OF

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

Vs

1. Uttar Pradesh Power Corporation Limited,
   Shakti Bhawan, 14, Ashok Marg,
   Lucknow-226 001

2. Tata Power Delhi Distribution Limited,
   Grid Substation, Hudson Road, Kingsway Camp,
   New Delhi-110009

3. BSES Rajdhani Power Limited,
   BSES Bhawan, Nehru Place,
   New Delhi-110019

4. BSES Yamuna Power Limited,
   Shakti Kiran Building, Karkardooma,
   Delhi-110092 **...Respondents**

Parties present:

Ms. Swapna Seshadri, Advocate, NTPC
Shri Anand K. Ganesan, Advocate, NTPC
Ms. Ritu Apurva, Advocate, NTPC
Shri Rahul Kinra, Advocate, BRPL
Shri Anupam Varma, Advocate, BRPL
Shri Aditya Gupta, Advocate, BRPL

Shri Utkarsh Singh, Advocate, BRPL
Shri Anand Shrivastava, Advocate, TPDDL
Ms. Megha Bajpeyi, BRPL
Shri Shohit Dhar, BRPL
Shri Gurmeet Deogen, BRPL
Shri Mohit Mudgal, Advocate, BYPL
Shri Manish Garg, UPPCL

ORDER

This petition has been filed by the Petitioner, NTPC Limited for truing-up of tariff of National Capital Thermal Power Station Stage-II (980 MW) (hereinafter referred to as 'the generating station') for the 2014-19 tariff period, in accordance with Regulation 8(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as 'the 2014 Tariff Regulations').

2. The generating station with a capacity of 980 MW comprises of two units of 490 MW each with the COD of Unit-1 and Unit-2 as 31.1.2010 and 31.7.2010, respectively. Petition No. 324/GT/2014 was filed by the Petitioner for approval of tariff of the generating station for the 2014-19 tariff period, in accordance with the provisions of the 2014 Tariff Regulations. The Petitioner also filed Petition No. 377/TT/2014 for approval of tariff for 400 kV D/C Dadri-Loni Road transmission line (in short' the transmission line') for the 2014-19 tariff period for supplying power from Dadri Station to Delhi Discoms viz, Respondent BRPL, Respondent BYPL and Respondent TPDDL.

Background

3. The Commission vide its order dated 20.4.2015 in Petition No 377/TT/2014 decided that the transmission line from the generating station to Delhi discoms, being a dedicated transmission line, form part of the generating station and the tariff of the said transmission line should be determined as part of tariff of the generating station. Accordingly, the Petitioner, by the said order, was directed to claim tariff for the transmission line as part of tariff of the generating station as under:

"9. From the above provision it emerges that a dedicated transmission line is a point to point connection from the generating station to any transmission station or generating station or the load centre for evacuation of power from the generating station. It is the duty of the generating station to construct, own, operate and maintain the dedicated transmission line for which it is not required to obtain a licence under Section 12 of the Act. In other words, a dedicated transmission line is for all purposes a part of the generating station. In present case, the 400 kV transmission line is admittedly a dedicated transmission line executed by the petitioner for evacuation of power for NCTPS Stage II Dadri Station till the Loni Road Sub-station of Delhi Transco Ltd. It is not part of any meshed network and cannot be utilized by any other person for evacuation of power. We are of the view that the instant transmission line being part of the generating station, its tariff should be determined as part of generation tariff. Accordingly, the petitioner is directed to claim tariff for the instant transmission line as part of the generation tariff of NCTPS State II Dadri Station. The licence fee deposited by the petitioner shall be adjusted against the filing fee for the NCTPS State II Dadri Station."

4. In compliance to the above directions, the Petitioner revised the tariff petition (Petition No. 324/GT/2014) by incorporating its claim for tariff of the transmission line (from 2.8.2014 to 31.3.2019) in accordance with the provisions of the 2014 Tariff Regulations. Accordingly, the Commission vide its order dated 2.5.2017 in Petition No. 324/GT/2014 approved the capital cost and annual fixed charges of the generating station and the transmission line for the 2014-19 tariff period as under:

Capital Cost allowed

(i) Generating station

(Rs. in lakh)

	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Opening Capital Cost	492158.64	495483.32	496861.31	496861.31	497551.31
Add: Additional Capital Expenditure	3324.67	1377.99	0.00	690.00	0.00
Closing Capital Cost	495483.32	496861.31	496861.31	497551.31	497551.31
Average Capital cost	**493820.98**	**496172.31**	**496861.31**	**497206.31**	**497551.31**

(ii) Transmission Line

(Rs. in lakh)

	2014-15 (2.8.2014 to 7.9.2014)	**2014-15 (8.9.2014 to 31.3.2015)**	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Opening Capital Cost	5126.66	10583.53	10583.53	10583.53	10583.53	10583.53
Add: Additional Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
Closing Capital Cost	5126.66	10583.53	10583.53	10583.53	10583.53	10583.53
Average Capital cost	**5126.66**	**10583.53**	**10583.53**	**10583.53**	**10583.53**	**10583.53**

Annual Fixed Charges allowed

(i) Generating station

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	24901.38	25019.95	25054.69	25072.09	25089.49
Interest on Loan	23367.24	20980.03	18605.56	16229.24	13885.54
Return on Equity	29989.25	30277.92	30319.97	30341.02	30362.07
Interest on Working Capital	2849.64	2865.75	2877.86	2894.98	2915.61
O & M Expenses	15867.68	16857.48	17906.08	19023.28	20209.08
Total	**96975.20**	**96001.13**	**94764.16**	**93560.61**	**92461.79**

(ii) Transmission Line

(Rs. in lakh)

	2014-15 (2.8.2014 to 7.9.2014)	2014-15 (8.9.2014 to 31.3.2015)	2015-16	2016-17	2017-18	2018-19
Depreciation	27.44	313.85	558.81	558.81	558.81	558.81
Interest on Loan	34.61	387.50	643.28	588.82	535.01	482.28
Return on Equity	30.57	349.70	625.65	625.65	625.65	625.65
Interest on Working Capital	2.24	25.36	44.22	43.04	41.87	40.74
O & M Expenses	1.90	21.16	38.95	40.23	41.56	42.95
Total	**96.76**	**1097.57**	**1910.91**	**1856.55**	**1802.90**	**1750.42**

Present Petition

5. Clause (1) of Regulation 8 of the 2014 Tariff Regulations provides as under:

> *"8. Truing up*
> *(1) The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2019, as admitted by the Commission after prudence check at the time of truing up:*
>
> *Provided that the generating company or the transmission licensee, as the case may be, shall make an application for interim truing up of capital expenditure including additional capital expenditure in FY 2016-17."*

6. In terms of the above regulations, the Petitioner has filed the present petition for truing-up of tariff of the generating station and the transmission line for the 2014-19 tariff period and has claimed the following capital cost and annual fixed charges:

Capital Cost claimed

(i) Generating station

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	492158.64	495483.31	496888.59	497300.75	498098.92

	2014-15	2015-16	2016-17	2017-18	2018-19
Add: Addition during the year/ period	2213.01	255.43	326.53	921.00	405.66
Less: Decapitalization during the year /period	229.64	325.04	475.33	727.93	501.87
Less: Reversal during the year/ period	0.00	0.00	0.00	0.00	0.00
Add: Discharges during the year /period	1341.30	1474.89	560.97	605.10	129.90
Closing Capital Cost	**495483.31**	**496888.59**	**497300.75**	**498098.92**	**498132.61**
Average Capital Cost	493820.98	496185.95	497094.67	497699.84	498115.77

(ii) Transmission Line

(Rs. in lakh)

	2014-15 (2.8.2014 to 7.9.2014)	2014-15 (8.9.2014 to 31.3.2015)	2015-16	2016-17	2017-18	2018-19
Capital cost	5126.66	10583.53	10743.77	10944.72	11202.30	11203.48
Add: Addition during the year/ period	0.00	160.24	134.10	137.19	(-)137.19	0.00
Less: Decapitalization during the year / period	0.00	0.00	0.00	0.00	0.00	0.00
Less: Reversal during the year/ period	0.00	0.00	0.00	0.00	0.00	0.00
Add: Discharges during the year/ period	0.00	0.00	66.85	120.39	138.37	0.09
Closing Capital Cost	5126.66	10743.77	10944.72	11202.30	11203.48	11203.57
Average Capital cost	**5126.66**	**10663.65**	**10844.24**	**11073.51**	**11202.89**	**11203.52**

Annual Fixed Charges claimed

(i) Generating station

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	24901.38	25013.88	25072.35	25116.59	25128.96
Interest on Loan	23372.53	20660.73	18072.35	15181.76	13087.27
Return on Equity	29989.51	30279.09	30334.54	30371.47	30477.06
Interest on Working Capital	12439.24	12490.76	12629.29	12934.66	12997.40
O & M Expenses	16040.90	17455.02	18382.57	19970.86	21080.02
Total	**106743.56**	**105899.48**	**104491.10**	**103575.34**	**102770.71**
Impact of Pay Revision	0.00	54.93	2488.13	2940.85	3487.95
Impact of GST	0.00	0.00	0.00	175.09	260.51
Ash Transportation Expenditure	0.00	0.00	0.00	0.00	0.00
Total Additional O&M Expenditure	**0.00**	**54.93**	**2488.13**	**3115.94**	**3748.46**
Total Annual Fixed Charges	**106743.56**	**105954.41**	**106979.23**	**106691.28**	**106519.17**

(ii) Transmission Line

(Rs. in lakh)

	2014-15 (2.8.2104 to 7.9.2014)	2014-15 (8.9.2014 to 31.3.2015)	2015-16	2016-17	2017-18	2018-19
Depreciation	270.69	563.04	572.58	584.68	591.51	591.55
Interest on Loan	341.43	695.19	648.96	598.74	529.78	479.59
Return on Equity	301.61	627.36	641.08	654.63	662.28	664.06
Interest on Working Capital	23.11	45.48	45.03	44.53	43.35	42.31
O & M Expenses	37.67	37.67	38.95	40.23	41.56	42.95
Total Annual Fixed Charges	**974.51**	**1968.75**	**1946.59**	**1922.81**	**1868.48**	**1820.46**

7. The Respondent UPPCL, Respondent TPDDL and Respondent BYPL have filed their reply affidavits on 9.6.2020 and 4.6.2021 respectively. The Petitioner vide affidavit dated 26.5.2021 has filed its rejoinder to the reply of the Respondent UPPCL. Thereafter, the Petitioner vide affidavit dated 4.6.2021 filed certain additional information related to the actual O&M expenses, impact of pay revision, GST etc., after serving copy to the Respondents. This Petition was heard along with Petition No. 2/GT/2020 (tariff of generating station for the period 2019-24), through virtual conferencing, on 11.6.2021 and the Commission, after permitting the Respondents to file their respective pleadings, reserved its order in the matter. In compliance to the directions, the Respondent UPPCL has filed additional submissions on 29.6.2021. While the Respondent BRPL and BYPL filed their replies on 7.7.2021 and 9.7.2021 respectively, the Respondent TPDDL filed its written submissions on 9.7.2021. In response to the replies and written submissions, the Petitioner has filed its rejoinders and written submissions on 19.7.2021. Taking into consideration the submissions of the parties and the documents available on record, we proceed to examine the claims of the Petitioner, in this Petition, on prudence check, as stated in the subsequent paragraphs.

Transmission Line

8. We notice, that the Commission, while determining the capital cost of the 400 kV D/C Dadri-Loni Road Transmission line had, vide order dated 2.5.2017 in Petition No. 324/GT/2014, directed the Petitioner to submit detailed justification for time over-run in a chronological order, along with the auditor's certificate of the capital cost incurred as on actual COD, indicating the actual payments made on cash basis, and the balance payments to be made, etc., at the time of truing up of tariff. The relevant portion of the order dated 2.5.2017 is extracted below:

> *"35. Thus from the above submissions of petitioner, we have the correspondence details regarding RoW issues in various districts of U.P from 9.4.2012 to 10.6.2014. This indicates that due to such RoW issues, it could be possible that the ckt-1 and ckt-2 of the 400 kV D/C Dadri-Loni road transmission line are commissioned on 2.8.2014 and 8.9.2014, respectively. Accordingly, the entire time over-run ckt-1 and ckt-2 of 400 kV D/C Dadri-Loni road transmission line is provisionally condoned and accordingly IDC and IEDC for the delay are allowed to be capitalized. However, the petitioner is directed to provide the detailed justification for time over-run in chronological order at the time of truing up.*
>
> *36. As discussed above, the petitioner vide its affidavit dated 14.9.2016 has submitted Auditor's Certificate as on COD for the asset. However, the petitioner is directed to submit the Auditor's Certificate as on COD along with the details of IDC and IEDC on cash basis at the time of truing up. As discussed above, we have condoned the entire time over-run in case of the instant transmission line."*

9. Though the Petitioner, vide affidavit dated 3.1.2020, has submitted the tariff filing formats for truing-up of tariff of the transmission line for the 2014-19 tariff period, it has not furnished the detailed justification for time over-run and the auditor's certificate as on COD along with details of IDC and IEDC on cash basis. In the absence of aforesaid details, it is difficult to prudently undertake the determination of capital cost as on COD of the said transmission line. In view of this, we are not inclined to revise the tariff of the said transmission line, determined by order dated 2.5.2017 in Petition No.324/GT/2014 for the 2014-19 tariff period. It is noticed that the Petitioner vide affidavit dated 24.1.2020, has also filed petition for determination of tariff of the said transmission line for the 2019-24 tariff period. Since the capital cost of

the transmission line as on 31.3.2019, is not being revised by this order, for the reasons as stated above, the capital cost and transmission tariff for the 2019-24 tariff period is also not being determined. The Petitioner is, however, granted liberty to approach the Commission with a separate tariff petition for revision of tariff for the 2014-19 tariff period and for determination of tariff for 2019-24 tariff period in respect of the said transmission line, in terms of the relevant tariff regulations. Needless to say, since the transmission line form part of the generating station, the tariff for the same, shall be treated as part of the generation tariff, in terms of the Commission's order dated 20.4.2015 as referred to in paragraph 3 above.

10. We therefore proceed for truing-up of tariff of the generating station for the 2014-19 tariff period, as stated in the subsequent paragraphs.

Capital Cost

11. Regulation 9 (3) of the 2014 Tariff Regulations provides as under:

> *"9. Capital Cost:*
> *(3) The Capital cost of an existing project shall include the following:*
> *(a) the capital cost admitted by the Commission prior to 1.4.2014 duly trued up by excluding liability, if any, as on 1.4.2014;*
> *(b) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 14; and*
> (c) *expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 15."*

12. The Commission vide its order dated 23.8.2016 in Petition No. 300/GT/2014 had approved the closing capital cost of Rs.492158.64 lakh as on 31.3.2014, while truing-up the tariff for the 2009-14 period. This closing capital cost of Rs.492158.64 lakh, as on 31.3.2014, was considered as the opening capital cost as on 1.4.2014 vide order dated 2.5.2017 in Petition No. 324/GT/2014 for the 2014-19 tariff period. Accordingly, the capital cost of Rs.492158.64 lakh has been considered as the opening capital cost as on 1.4.2014 in accordance with Regulation 9(3) of the 2014 Tariff Regulations.

Additional Capital Expenditure

13. Regulation 14(3) and Regulation 14(4) of the 2014 Tariff Regulations provides as under:

> *"14(3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:*
>
> *(i) Liabilities to meet award of arbitration or for compliance of the order or decree of a court of law;*
>
> *(ii) Change in law or compliance of any existing law;*
>
> *(iii) Any expenses to be incurred on account of need for higher security and safety of the plant as advised or directed by appropriate Government Agencies of statutory authorities responsible for national security/internal security;*
>
> *(iv) Deferred works relating to ash pond or ash handling system in the original scope of work;*
>
> *(v) Any liability for works executed prior to the cut-off date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments etc.;*
>
> *(vi) Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;*
>
> *(vii) Any additional capital expenditure which has become necessary for efficient operation of generating station other than coal/lignite based stations or transmission system as the case may be. The claim shall be substantiated with the technical justification duly supported by the documentary evidence like test results carried out by an independent agency in case of deterioration of assets, report of an independent agency in case of damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;*
>
> *(viii) In case of hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation;*
>
> *(ix) In case of transmission system, any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, DC batteries, replacement due to obsolesce of technology, replacement of switchyard equipment due to increase of fault level, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, replacement of porcelain insulator with polymer insulators, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system; and*
>
> *(x) Any capital expenditure found justified after prudence check necessitated on account of modifications required or done in fuel receiving system arising due to non-materialisation of coal supply corresponding to full coal linkage in respect of thermal*

generating station as result of circumstances not within the control of the generating station:

Provided that any expenditure on acquiring the minor items or the assets including tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, computers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff w.e.f. 1.4.2014:

Provided further that any capital expenditure other than that of the nature specified above in (i) to (iv) in case of coal/lignite-based station shall be met out of compensation allowance:

Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M), repairs and maintenance under (O&M) expenses and Compensation Allowance, same expenditure cannot be claimed under this regulation.

(4) 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 decapitalization 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 capitalized."

Projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014

14. The break-up details of the projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014 is summarized as below:

(Rs. in lakh)

Sl. No.	Package Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
	Development Works						
1	Infrastructure and Site Development works	51.09	339.55	0.00	0.00	0.00	390.64
	Plant and Equipment						
2	Main Plant Package SG+TG (Unit V)	0.00	31.05	0.00	0.00	0.00	31.05
3	Main Plant Package SG+TG (Unit VI)	0.00	50.55	0.00	0.00	0.00	50.55
	BOP Mechanical						
4	Main Plant Civil Works	89.88	60.00	0.00	0.00	0.00	149.88
5	Coal Handling System	0.00	172.00	0.00	0.00	0.00	172.00
6	Ash Handling System including Ash Brick Plant	0.91	150.00	0.00	0.00	0.00	150.91
7	Pretreatment Plant Package	0.00	28.00	0.00	0.00	0.00	28.00
8	Railway siding and ST system	47.36	0.00	0.00	0.00	0.00	47.36
9	Lining of MAT branch canal	1392.86	0.00	0.00	0.00	0.00	1392.86
	Civil Works						
10	Township & Colony	595.13	539.55	0.00	0.00	0.00	1134.68
	BOP Electricals						
11	Switchyard Package (Bus Sectionalization in 400 kV Switchyard)	0.00	0.00	0.00	690.00	0.00	690.00

Sl. No.	Package Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
12	Lighting Mast	35.78	7.29	0.00	0.00	0.00	43.07
13	**Total Additional Capital Expenditure**	**2213.01**	**1377.99**	**0.00**	**690.00**	**0.00**	**4281.00**
14	Less: Decapitalization	229.64	0.00	0.00	0.00	0.00	229.64
15	**Net Additional Capital Expenditure**	**1983.38**	**1377.99**	**0.00**	**690.00**	**0.00**	**4051.37**

15. The Petitioner in Form-9A of the petition has submitted the actual additional capital expenditure incurred for the 2014-19 tariff period on accrual basis, as well as on cash basis, which also includes IDC. The additional capital expenditure claimed by the Petitioner (on cash basis) for the 2014-19 tariff period is as under:

(Rs. in lakh)

Sl. No.	Head of Work/ Equipment	Regulation	2014-15	2015-16	2016-17	2017-18	2018-19	Total
A	**Admitted**							
1	Infrastructure & Site development works	14(1)(ii) read with 54 and 14(3)(v)	51.09	8.62	(-) 13.13	164.80	3.28	214.65
2	Main Plant package SG +TG Unit #5		0.00	0.00	15.57	0.00	0.00	15.57
3	Township & Colony		595.13	63.23	64.20	4.40	3.62	730.59
4	Main Plant Civil works		89.88	36.70	0.00	617.57	0.00	744.15
5	Ash Handling Plant		0.91	0.00	0.00	27.46	0.00	28.37
6	DM Plant and Pretreatment Plant		0.00	0.00	0.00	0.00	0.00	0.00
7	Railway Siding & ST System		47.36	(-) 1.35	171.79	0.00	(-) 17.93	199.87
8	Lining of Mat Branch Canal		1392.86	0.00	0.00	0.00	26.08	1418.94
9	Lighting Mast		35.78	0.00	0.00	0.00	0.00	35.78
10	Coal Handling Plant		0.00	0.00	0.00	0.00	(-) 11.48	(-) 11.48
11	Fire Detection and protection system (adjustment)		0.00	0.00	0.00	0.00	(-) 34.38	(-) 34.38
12	Switchyard Package (Bus Sectionalization in 400 kV switchyard)		0.00	0.00	0.00	0.00	49.32	49.32
	Sub Total (A)		**2213.01**	**107.21**	**238.43**	**814.23**	**18.50**	**3391.38**
B	**New Claims**							
13	Acoustic Steam leak detection system for Stage-II	14(3) read with 54	0.00	71.28	0.00	0.00	0.00	71.28
14	CCTV System	14(3)(ii)	0.00	51.10	0.00	0.00	0.00	51.10
15	Effluent Quality Monitoring System		0.00	25.84	0.00	0.00	0.00	25.84
16	Solar Rooftop PV System		0.00	0.00	78.38	0.00	0.00	78.38
17	Supply Real Time Data Transmission Hardware	14(3)(ii) and	0.00	0.00	9.72	0.00	0.00	9.72

Sl. No.	Head of Work/ Equipment	Regulation	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		14(3)(vii)						
18	Effluent treatment system (ETP)	14(3)(ii)	0.00	0.00	0.00	0.00	0.00	0.00
19	LED Electrification		0.00	0.00	0.00	106.77	387.15	493.93
	Sub Total (B)		**0.00**	**148.22**	**88.10**	**106.77**	**387.15**	**730.25**
C	**Additional Capital Expenditure (C)=(A+B)**		**2213.01**	**255.43**	**326.53**	**921.00**	**405.66**	**4121.63**
D	**Decapitalization**							
20	De-capitalization of Spares: Part of Capital Cost	14(4)	173.22	325.04	475.33	727.93	501.87	2203.39
21	De-capitalization of MBOAs: Part of Capital Cost		56.42	0.00	0.00	0.00	0.00	56.42
	Sub Total (D)		**229.64**	**325.04**	**475.33**	**727.93**	**501.87**	**2259.81**
E	**Liability Discharged**							
22	Add. Discharge of Liabilities pertaining to allowed works	14(3)(vi)	1341.30	1474.89	560.97	605.10	129.90	4112.15
	Sub Total (E)		**1341.30**	**1474.89**	**560.97**	**605.10**	**129.90**	**4112.15**
	Total Additional Capital Expenditure claimed (F)=(C-D+E)		**3324.67**	**1405.28**	**412.16**	**798.17**	**33.69**	**5973.97**

16. It is observed that there is a variation in the additional capital expenditure claimed by the Petitioner as against those allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014. This variation is account of the difference between the projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014 and the actual additional capital expenditure claimed by the Petitioner and also on account of certain new claims by the Petitioner, namely, Acoustic Steam leak detection system for Stage-II, CCTV system, Effluent Quality Monitoring System (EQMS), Solar Rooftop PV System, Supply Real Time Data Transmission Hardware, Effluent treatment system (ETP) and LED Electrification. The item-wise actual additional capital expenditure claimed by the Petitioner is examined below:

(A) Additional capital expenditure towards allowed works

(i) Additional capital expenditure related to Infrastructure & Site development works, Main Plant package SG +TG Unit #5, Township & Colony, Ash Handling

Plant, Lighting Mast, Coal Handling Plant and Switchyard Package (Bus Sectionalisation in 400 kV Switchyard)

17. As against the projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014 towards Infrastructure & Site development works, Main Plant package SG +TG Unit-5, Township & Colony, Ash Handling Plant, Lighting Mast, Coal Handling Plant and Switchyard Package (Bus Sectionalization in 400 kV Switchyard), the actual additional capital expenditure (on cash basis) has been claimed by the Petitioner, for the above mentioned works, in terms of Regulation 14(1)(ii) read with Regulation 54 (power to relax) and Regulation 14(3)(v) of the 2014 Tariff Regulations as shown below:

(Rs. in lakh)

Sr. No.	Head of Work /Equipment		2014-15	2015-16	2016-17	2017-18	2018-19	Total
Additional Capital Expenditure allowed in order dated 2.5.2017 in Petition No. 324/GT/2014								
1	Infrastructure & Site development works	Allowed	51.09	339.55	0.00	0.00	0.00	390.64
		Claimed	51.09	8.62	(-)13.13	164.80	3.28	214.65
2	Main Plant package SG +TG Unit-5	Allowed	0.00	31.05	0.00	0.00	0.00	31.05
		Claimed	0.00	0.00	15.57	0.00	0.00	15.57
3	Township & Colony	Allowed	595.13	539.55	0.00	0.00	0.00	1134.68
		Claimed	595.13	63.23	64.20	4.40	3.62	730.59
4	Ash Handling Plant	Allowed	0.91	150.00	0.00	0.00	0.00	150.91
		Claimed	0.91	0.00	0.00	27.46	0.00	28.37
5	Lighting Mast	Allowed	35.78	7.29	0.00	0.00	0.00	43.07
		Claimed	35.78	0.00	0.00	0.00	0.00	35.78
6	Coal Handling Plant	Allowed	0.00	172.00	0.00	0.00	0.00	172.00
		Claimed	0.00	0.00	0.00	0.00	(-)11.48	(-)11.48
7	Switchyard Package (Bus Sectionalization in 400 kV Switchyard)	Allowed	0.00	0.00	0.00	690.00	0.00	690.00
		Claimed	0.00	0.00	0.00	0.00	49.32	49.32
	Total	**Allowed**	682.92	1239.44	0.00	690.00	0.00	2612.35
		Claimed	**682.92**	**71.86**	**66.64**	**196.66**	**44.74**	**1062.80**

18. In justification for the above, the Petitioner has submitted that these works form part of the original scope of work, which were awarded to various agencies prior the cut-off date of the generating station (i.e. 31.3.2014) and a major portion of these works were capitalised prior the cut-off date. The Petitioner has further submitted that the actual additional capital expenditure incurred is towards balance payments/ deferred liabilities/adjustments, under the original scope of work which was admitted vide order dated 2.5.2017 in Petition No. 324/GT/2014.

19. The Respondent, BRPL and Respondent BYPL have submitted that the projected additional capital expenditure admitted vide order dated 2.5.2017 in Petition No. 324/GT/2014 may be allowed, but the remaining additional capital expenditure claimed by the Petitioner may be disallowed. In response, the Petitioner has clarified that these works form part of the original scope of work and were awarded to different executing agencies. It has also submitted that the packages were awarded prior the COD of the generating station and major portion of the works were capitalized prior the cut-off date. The Petitioner has reiterated that the additional capital expenditure claimed is towards final adjustment of bills, material reconciliation etc. for the works which were completed and capitalized prior to the cut-off date. It has also submitted that the exercise of "power to relax" has been provided as a judicial discretion, to the Commission, depending on the facts of a particular case, to permit the recovery of additional charges validly incurred by the Petitioner.

20. The matter has been considered. It is observed that in order dated 2.5.2017 in Petition No. 324/GT/2014, the Commission, had approved the projected additional capital expenditure for the aforesaid works on the ground that the additional capital expenditure incurred is towards balance payments/deferred liabilities under original scope of work. It is noticed that the actual additional capital expenditure claimed by the Petitioner is lesser than the projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014. In view of this, and considering the fact that the additional capital expenditure incurred is towards final adjustment of bills, material reconciliation etc. in respect of the works under the original scope, which have been completed and capitalized prior to the cut-off date, the claim of the Petitioner on this count, is allowed.

(ii) Additional capital expenditure related to Main Plant Civil Works, Railway Siding & ST System and Lining of Mat Branch Canal

21. As against the projected additional capital expenditure allowed vide order dated 2.5.2017 in Petition No. 324/GT/2014 towards Main Plant Civil Works, Railway Siding & ST System and Lining of Mat Branch Canal, the actual additional capital expenditure (on cash basis) claimed by the Petitioner towards the aforementioned works under Regulation 14(1)(ii) with Regulation 54 and Regulation 14(3)(v) of the 2014 Tariff Regulations is as under:

(Rs. in lakh)

Sl. No.	Head of Work/ Equipment		2014-15	2015-16	2016-17	2017-18	2018-19	Total
Additional Capital Expenditure allowed in order dated 2.5.2017 in Petition No. 324/GT/2014								
1	Main Plant Civil works	Allowed	89.88	60.00	0.00	0.00	0.00	149.88
		Claimed	89.88	36.70	0.00	617.57	0.00	744.15
2	Railway Siding & ST System	Allowed	47.36	0.00	0.00	0.00	0.00	47.36
		Claimed	47.36	(-) 1.35	171.79	0.00	(-) 17.93	199.87
3	Lining of Mat Branch Canal	Allowed	1392.86	0.00	0.00	0.00	0.00	1392.86
		Claimed	1392.86	0.00	0.00	0.00	26.08	1418.94
	Total	Allowed	1530.10	60.00	0.00	0.00	0.00	1590.10
		Claimed	**1530.10**	**35.35**	**171.79**	**617.57**	**8.15**	**2362.96**

22. In justification of the above, the Petitioner has submitted that these works form part of the original scope of work, which were awarded to various agencies prior the cut-off date of the generating station and a major portion of these works were capitalised prior to the cut-off date. The Petitioner has further submitted that the additional capital expenditure incurred is towards balance payments/deferred liabilities/adjustments, under the original scope of work which was admitted vide order dated 2.5.2017 in Petition No. 324/GT/2014.

23. It is observed that the Commission vide its order dated 2.5.2017 in Petition No. 324/GT/2014 had approved the projected additional capital expenditure in respect of the aforesaid works. The actual additional capital expenditure claimed by the Petitioner is towards balance payments/ deferred liabilities, final adjustment of bills, material reconciliation etc. in respect of the works which were capitalized prior to the