

cut-off date and already admitted by the Commission by order dated 2.5.2017. In view of this, the claim of the Petitioner on this count is allowed.

**(iii) Main Plant package SG+TG, Coal Handling Plant, DM Plant and Pre-treatment Plant and Ash Handling System**

24. The Petitioner has claimed additional capital expenditure (on accrual basis) in respect of the following works:

	2014-15			2015-16			2016-17		
	Accrual basis	Un-discharged liability	Cash basis	Accrual basis	Un-discharged liability	Cash basis	Accrual basis	Un-discharged liability	Cash basis
Main Plant package SG +TG	24.50	24.50	0.00	1.13	1.13	0.00	0.00	0.00	0.00
Coal Handling Plant	0.00	0.00	0.00	51.91	51.91	0.00	0.00	0.00	0.00
DM Plant and Pretreatment Plant	19.44	19.44	0.00	1.16	1.16	0.00	0.00	0.00	0.00
Ash Handling System		0.00	0.00	0.00	0.00	0.00	2.38	2.38	0.00

25. In justification for the above, the Petitioner has submitted that these works form part of the original scope of works, which were awarded to various agencies prior to the cut-off date of the generating station and major portion of these works were capitalized 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 by the Commission vide its order dated 2.5.2017 in Petition No. 324/GT/2014.

26. It is noticed that the Petitioner has not claimed any additional capital expenditure, on cash basis, for the said works, during the period 2014-17. Since tariff is allowed only on cash basis and liabilities do not form part of tariff, the additional capital expenditure allowed on cash basis, under this head is 'nil'.

**(iv) Fire Detection and protection system (Adjustment)**

27. The Petitioner has claimed an adjustment of (-) Rs.34.38 lakh towards Fire



Detection and Protection system in 2018-19 under Regulation 14(1)(ii) read with Regulation 54 and Regulation 14(3)(v) of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that the additional capital expenditure incurred is towards balance payments/deferred liabilities/adjustments under the original scope of work and which was admitted by the Commission vide its order dated 2.5.2017 in Petition No. 324/GT/2014.

28. The Petitioner, in justification of the said claim, has submitted that the aforesaid work form part of the original scope of work, which was completed and capitalized within the cut-off date, but only adjustments in payments were made after the cut-off date. Since the adjustments made by the Petitioner is in respect of balance payments for the work which form part of the original scope, the additional capital expenditure claimed is allowed under Regulation 14(3)(v) of the 2014 Tariff Regulations.

***(B) New Claims***

***(i) Acoustic Steam leak detection system for Stage-II***

29. The Petitioner has claimed actual additional capital expenditure of Rs.96.08 lakh on accrual basis (including undischarged liability of Rs.24.80 lakh) towards Acoustic steam leak detection system for Stage-II in 2015-16 under Regulation 14(3) read with Regulation 54 of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that the leak detection system would help in early and correct detection of boiler tube leakage points, resulting in reduction of unit shut down time and ensuring safety of the personnel. The Petitioner has also submitted that this asset is necessary to ensure safety of the equipment and the employees working round the clock to ensure running of the units in a safe and a healthy way.

30. The matter has been examined. Though the Petitioner has claimed additional capitalization for this asset under Regulation 14(3) read with Regulation 54 of the



2014 Tariff Regulations, it has not been clarified as to which provision of the said regulation is required to be relaxed to consider the expenditure. It is noticed from records that the claim of the Petitioner for additional capitalization of the same item in 2013-14 (in respect of Vindhyachal STPS- Stage-III for 2013-14) under change in law, was rejected by the Commission vide order dated 15.5.2014 in Petition No. 148/GT/2013. The relevant portion of the order is extracted below:

*"23. The petitioner has claimed projected expenditure of `70.00 lakh in 2013-14 for installation of Acoustic Steam Leak detection. The petitioner has submitted that this system would help in early and correct detection of boiler tube leakage points resulting in reduction of unit shut down time and enhancement of availability. It has also been submitted that this asset is necessary to meet higher availability norms specified by the Commission in the 2009 Tariff Regulations and accordingly, claim has been made under Change in law. We appreciate the submission of petitioner that this system helps in the early detection of boiler tube leakage. However, we are of the view that if the boiler and water system of the generating station is properly maintained there would be no reason for tube leakages and consequent unavailability of the generating station. We notice that the generating station has been provided with reasonable O& M expenses for effective and efficiently maintenance of different systems/ components of the units/ generating station. We also hold that the requirement to meet higher availability of norms specified by the Commission in the 2009 Tariff Regulations cannot fall under 'Change in Law' as per definition provided under the 2009 Tariff Regulations. In view of the above, the claim has not been allowed."*

31. On a review filed by the Petitioner against this order, in Review Petition No. 19/RP/2014, seeking additional capitalization of this asset under power to relax, the Commission vide its order dated 20.11.2014 had rejected the additional capitalization of the said asset. In our view, the Petitioner may meet such expenditure from the O&M expenses allowed to the generating station. Based on the above, the additional capital expenditure claimed by the Petitioner under this head is not allowed.

#### **(ii) CCTV System**

32. The Petitioner has claimed additional capital expenditure of Rs.55.97 lakh on accrual basis (including undischarged liability of Rs.4.88 lakh) towards CCTV system in 2015-16 under Regulation 14(3)(iii) of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that as per the recommendations of Industrial



Security Inspection team of Intelligence Bureau (IB), Ministry of Home Affairs, CCTV cameras with continuous monitoring and recording facilities were installed in various gates of sensitive power generation areas. The Petitioner has further submitted that the recommendation of IB is through a confidential document, and therefore the same has not been attached with the petition.

33. It is observed that the Petitioner has claimed additional capital expenditure of Rs.51.10 lakh on cash basis in 2015-16 under Regulation 14(3)(iii) of the 2014 Tariff Regulations. Since the expenditure incurred for assets/ works are in terms of the recommendations of the IB, which are necessary for the safety & security of the generating station, the additional capital expenditure claimed by the Petitioner is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations. Also, the corresponding un-discharge liability of Rs.4.88 lakh in 2015-16 shall be considered at the time of actual discharge of liability.

***(iii) Effluent Quality Monitoring System***

34. The Petitioner has claimed actual additional capital expenditure of Rs.33.19 lakh on accrual basis (including undischarged liability of Rs.7.34 lakh) towards Effluent Quality Monitoring System (EQMS) in 2015-16 under Regulation 14(3)(ii) of the 2014 Tariff Regulations. In justification of the same, the Petitioner has submitted that the additional capital expenditure incurred in compliance to CPCB order dated 5.2.2014.

35. The matter has been considered. The Petitioner has claimed the actual additional capital expenditure of Rs.25.84 lakh (on cash basis) towards EQMS based on the Central Pollution Control Board (CPCB) order dated 5.2.2014, wherein, all State Pollution Control Board (SPCB) and Pollution Control Committees (PCC) have been mandated to manage common hazardous waste & biomedical waste and to comply with norms. It is observed that the said order dated 5.2.2014 also empowers



the SPCB and PCC to stipulate standards for discharge of environmental pollutants, for various categories of industries and common effluent treatment plants, common hazardous waste and biomedical waste incinerators, which are more stringent than those notified by the Central Government under the Environment Protection Act, 1986. Since the additional capital expenditure incurred is for compliance to the directions/orders of CPCB/SPCB, the claim of the Petitioner is allowed under Regulation 14(3)(ii) of the 2014 Tariff Regulations. Also, the corresponding un-discharge liability of Rs.7.34 lakh in 2015-16 shall be considered at the time of actual discharge of liability.

**(iv) Solar Rooftop PV System**

36. The Petitioner has claimed actual additional capital expenditure of Rs.158.05 lakh on accrual basis (including undischarged liability of Rs.79.66 lakh) towards Solar Rooftop PV System in 2016-17 under Regulation 14(3)(ii) read with Regulation 54 of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that these works were awarded under policy framework of the Government of India to achieve its ambitious 2022 target for a grid connected rooftop solar projects. This project supports the shift to renewable energy by installation of at least 500 KW of rooftop solar photovoltaic unit in Dadri. The Petitioner has also submitted that the beneficiaries can, over time, enjoy a financial gain on account of reduction in auxiliary power consumption (APC). The Petitioner has further submitted that carbon emission reduction and sustainability is an important driver particularly for the Petitioner, which is committed to increase renewable electricity in energy mix across India as well as energy sustainability for the future.

37. The Respondent, BRPL has submitted that the Solar Rooftop PV System is purely a conservation measure, and in no way connected with Regulation 14(3)(ii) of the 2014 Tariff Regulations and therefore, such measures are solely for the benefit of

the Petitioner. In response, the Petitioner has clarified that the project supports the shift of the renewable energy by installation of atleast 500 KW of rooftop solar photovoltaic unit. It has also submitted that the expenditure towards the installation of Roof top solar would reduce greenhouse gases and thereby reduce emissions and the benefits in shape of reduced APC would be reaped by the beneficiaries.

38. The matter has been considered. The Petitioner has claimed actual additional capital expenditure towards Solar Rooftop PV System in 2016-17 under Regulation 14(3)(ii) read with Regulation 54 of the 2014 Tariff Regulations. Regulation 14(3)(ii) refers to the additional capital expenditure incurred after the cut-off date on account of change in law or compliance of any existing law. The Petitioner has neither justified that how such claim falls within the scope of change in law nor has submitted any document evidence in support of the same. As regards, exercise of the 'power to relax' the Appellate Tribunal for Electricity (APTEL) in its judgment dated 25.3.2011 in Appeal No. 130/2009 (RGPPL vs CERC & anr) had observed as under:

*"18.1 The Regulations of the Central Commission and the decision of the Tribunal and the Supreme Court confer the judicial discretion to the Central Commission to exercise power to relax in exceptional case. However, while exercising the power to relax there should be sufficient reason to justify the relaxation and non-exercise of discretion would cause hardship and injustice to a party or lead to unjust result. It has also to be established by the party that the circumstances are not created due to act of omission or Commission attributable to the party claiming relaxation. Further the reasons justifying relaxation have to be recorded in writing."*

39. The Petitioner has not furnished any justification for capitalization of this asset, except the statement that the approach was to reduce emission of gases and to save electricity. The Petitioner has neither furnished the benefits/ advantages, which the beneficiaries will derive on account of installation of solar rooftop in plant premises, nor has demonstrated the need for such additional capital expenditure. In our view, the benefit on account of reduction of auxiliary power consumption only accrues to the Petitioner. In the above background, we find no reason to relax the provisions of the

regulations and allow the additional capitalization of the said expenditure. Accordingly, the claim of the Petitioner for actual additional capital expenditure is not allowed.

***(v) Supply Real Time Data Transmission Hardware***

40. The Petitioner has claimed actual additional capital expenditure of Rs.9.97 lakh on accrual basis (including undischarged liability of Rs.0.26 lakh) towards Supply Real Time Data Transmission hardware in 2016-17 under Regulation 14(3)(ii) read with Regulation 54 of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that continuous monitoring of effluent quality has been made mandatory by Central Pollution Control Board (CPCB) vide its direction dated 5.2.2014 for the units including thermal power plant. The Petitioner has further submitted that the capitalization towards the above-mentioned work is for compliance to the CPCB order dated 5.2.2014 and the same may be allowed under Regulation 14(3)(ii) of the 2014 Tariff Regulations i.e. compliance of existing law.

41. The matter has been considered. The Petitioner has claimed the actual additional capital expenditure of Rs.9.72 lakh (on cash basis) towards Supply Real Time Data Transmission Hardware based on CPCB order dated 5.2.2014, wherein all the SPCB and PCC, have been mandated to manage common hazardous waste & biomedical waste and to comply with the norms. Since the additional capital expenditure incurred is in compliance to the directions/ orders of CPCB/SPCB, the claim of the Petitioner is allowed under Regulation 14(3)(ii) of the 2014 Tariff Regulations. Also, the corresponding un-discharge liability of Rs.0.26 lakh in 2016-17 shall be considered at the time of actual discharge of liability.

***(vi) Effluent Treatment Plant (ETP)***

42. The Petitioner has claimed additional capital expenditure of Rs.44.04 lakh on accrual basis, for the said work in 2017-18 under Regulation 14(3)(ii) of the 2014 Tariff



Regulations. In justification for the same, the Petitioner has submitted that Effluent Treatment Plant (ETP) is being implemented in the generating station to comply with the notification of the U.P. Pollution Control Board dated 15.3.2018. Accordingly, the Petitioner has prayed that the claim may be allowed under change in law.

43. The matter has been considered. The Petitioner has not claimed any additional capital expenditure 'on cash basis' for the said work in 2017-18 under Regulation 14(3)(ii) of the 2014 Tariff Regulations. Since tariff is allowed on 'cash basis' and since 'liabilities' do not form part of tariff, the claim of the Petitioner for additional capitalization on accrual basis is not allowed.

**(vii) LED Electrification**

44. The Petitioner has claimed total actual additional capital expenditure of Rs.106.77 lakh in 2017-18 and Rs.387.15 lakh in 2018-19 towards LED electrification under Regulation 14(3)(ii) of the 2014 Tariff Regulations. The Petitioner has submitted that the additional capital expenditure has been incurred in compliance to the Ministry of Power (MoP), GoI letter dated 2.8.2017, which mandated the Petitioner to replace all old bulbs with LED bulbs in all buildings of the Petitioner, including compound/ street lighting occupied by Petitioner. Accordingly, the Petitioner has prayed that the additional capital expenditure may be allowed under Change in law.

45. The submissions have been considered. It is noticed that the additional capital expenditure incurred towards LED electrification is in terms of the MoP, GoI letter dated 2.8.2017, which recommends the replacement of existing old bulbs with LED bulbs, thereby resulting in the reduction of about 50% to 90% in energy consumption by LED lighting. In our view, the MoP, GoI letter is recommendatory in nature and cannot be construed as a change in law event or for compliance to an existing law. Moreover, the benefits of replacement of existing lighting system with LED lighting





system, accrues to the Petitioner. In view of this, the additional capital expenditure claimed on account of LED electrification is not allowed.

### **Assumed Deletion**

46. As per consistent methodology adopted by the Commission, 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 affected 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 decapitalization which is not a book entry in the year of capitalization is termed as "Assumed Deletion". Therefore, the methodology of arriving at the fair value of the decapitalized 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 asset in comparison to the cost of new asset. In the present petition, year of COD of the generating station was in 2010-11. We have considered the value of asset under consideration as on COD as 100% and escalated it @5% per annum till the year during which additional capital expenditure is claimed against replacement of the same. The amount claimed for additional capital expenditure against the asset is multiplied by the derived ratio from above two values i.e., value in year of COD divided by value in capitalized year.

47. The Petitioner has submitted that it has replaced the old in-efficient lights with efficient LED lighting in the premises of the station compound/ building owned and operated by the Petitioner. Accordingly, the de-capitalized value of the assets/ works has been calculated in terms of the abovementioned methodology. Accordingly, the 'assumed deletions' allowed for the purpose of tariff are as follows:

<i>(Rs. in lakh)</i>				
	Year of put to use	Year of Decapitalisation	Additional capital expenditure disallowed	Assumed deletion
LED Electrification	2010-11	2017-18	106.77	73.45
		2018-19	387.15	253.63

### **Decapitalization**

48. The Petitioner has claimed decapitalization of (-) Rs.2259.81 lakh during the period 2014-19 (i.e., (-) Rs.229.64 lakh in 2014-15, (-) Rs.325.04 lakh in 2015-16, (-) Rs.475.33 lakh in 2016-17, (-) Rs.727.93 lakh in 2017-18 and (-) Rs.501.87 lakh in 2018-19) under Regulation 14(4) of the 2014 Tariff Regulations. In justification of the same, the Petitioner has submitted that these assets were decapitalized as these became unserviceable. Regulation 14(4) of the 2014 Tariff Regulations provides that original value of de-capitalized assets shall be deducted from the capital cost allowed to the generating station. Accordingly, the de-capitalization of these assets as claimed by the Petitioner is allowed.

### **Un-discharged liabilities & Discharge of liabilities**

49. The discharge of liabilities allowed as part of the additional capital expenditure, corresponding to allowed assets, are as under:

<i>(Rs. in lakh)</i>					
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening liabilities corresponding to allowed capital cost	9973.59	9083.40	7713.15	7091.64	6818.32
Add: Liability additions corresponding to allowed capital cost	623.02	141.78	4.87	343.42	0.00
Less: Discharges of liabilities corresponding to allowed capital cost	1341.30	1471.71	560.24	605.10	72.82
Less: Reversal of liabilities corresponding to allowed capital cost	171.91	40.32	66.15	11.64	2.73
<b>Closing liabilities corresponding to allowed capital cost</b>	<b>9083.40</b>	<b>7713.15</b>	<b>7091.64</b>	<b>6818.32</b>	<b>6742.78</b>

50. In terms of the above, the balance un-discharged liabilities corresponding to the



admitted capital cost as on 31.3.2019, works out as Rs.6742.78 lakh.

### **Reconciliation of the actual Additional Capital Expenditure**

51. The reconciliation of the actual additional capital expenditure for the 2014-19 tariff period with books of accounts is as follows:

	<b>(Rs. in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Closing gross block as per audited books of accounts*	702670.68	708845.19	455269.23	459476.11	466953.03
Less: Opening gross block as per audited books of accounts*	684965.38	702670.68	447362.79	455269.23	459476.11
Additional capital expenditure as per audited books of accounts*	17705.31	6174.50	7906.43	4206.88	7476.92
Less: additional capital expenditure pertaining to other Stages / Solar Project/ Transmission Line*	15765.16	2489.51	3476.25	404.68	5476.31
Additional capital expenditure as per books of accounts pertaining to NCTPS Stage -II*	1940.15	3685.00	4430.19	3802.20	2000.61
Less: IND AS adjustments	0.00	0.00	1159.94	1141.73	1331.96
Additional capital expenditure pertaining to NCTPS Stage -II, as per IGAAP	1940.15	3685.00	3270.25	2660.48	668.66
Less: Exclusions	(-) 666.25	3588.03	3335.67	2123.98	764.86
Additional capital expenditure claimed for NCTPS Stage -II (on accrual basis)	2606.40	96.97	(-) 65.42	536.49	(-) 96.21
Less: Un-discharged liabilities	623.02	166.58	84.54	343.42	0.00
Additional capital expenditure claimed for NCTPS Stage -II (on cash basis)	1983.38	(-) 69.61	(-) 149.95	193.07	(-) 96.21
Add: Un-reconciled additional capital expenditure claimed by the Petitioner	0.00	0.00	1.15	0.00	0.00
Net Additional capital expenditure claimed for NCTPS Stage -II (on cash basis)	1983.38	(-) 69.61	(-) 148.80	193.07	(-) 96.21
Add: Discharges	1341.30	1474.89	560.97	605.10	129.90
Net Additional capital expenditure claimed including discharges for NCTPS Stage -II (on cash basis)	3324.67	1405.28	412.16	798.17	33.69

\*As per IGAAP for the period 2014-16 and IND AS for the period 2016-19.

### **Exclusions**

52. The summary of exclusions claimed by the Petitioner for the 2014-19 tariff period is as under:

	<b>(Rs. in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Capitalization of spares	778.19	2022.63	(-) 583.49	1702.06	1073.49
Capitalization of MBOA items	361.95	1311.48	529.44	145.26	219.52



	2014-15	2015-16	2016-17	2017-18	2018-19
Items not claimed	0.00	0.00	13.14	0.00	0.00
Disallowed schemes	36.48	0.00	4001.44	0.00	0.00
Decapitalization of capital spares (not forming part of capital cost)	0.00	(-) 281.68	(-) 23.94	(-) 235.40	(-) 403.83
Decapitalization of MBOA (forming part of capital cost)	0.00	(-) 83.35	(-) 119.45	(-) 18.44	(-) 59.02
Decapitalization of MBOA (not forming part of capital cost)	(-) 0.53	(-) 5.65	(-) 27.77	(-) 8.49	(-) 38.83
Loan ERV	(-) 1696.61	678.82	(-) 385.81	558.63	(-) 50.38
Inter-unit transfers	26.18	(-) 13.91	(-) 1.74	(-) 8.00	26.66
Reversal of liabilities	(-) 171.91	(-) 40.32	(-) 66.15	(-) 11.64	(-) 2.73
Regrouping of assets	0.00	0.00	0.00	0.00	0.00
<b>Total Exclusions claimed</b>	<b>(-) 666.25</b>	<b>3588.03</b>	<b>3335.67</b>	<b>2123.98</b>	<b>764.86</b>

53. The admissibility of exclusions claimed by the Petitioner are discussed below:

**(i) Capitalisation of spares**

54. The Petitioner has claimed exclusion of capital spares amounting to Rs.778.19 lakh in 2014-15, Rs.2022.63 lakh in 2015-16, (-)Rs.583.49 lakh in 2016-17, Rs.1702.06 lakh in 2017-18 and Rs.1073.49 lakh in 2018-19. The Petitioner has submitted that as capital spares capitalized after the cut-off date are not allowed in terms of the 2014 Tariff Regulations, the same has been kept under exclusion. Since capitalization of spares over and above initial spares, procured after the cut-off date of the generating station, are not allowed for the purpose of tariff, the exclusion claimed under this head is in order and is allowed.

**(ii) Capitalisation of MBOA items**

55. The Petitioner has claimed exclusion of Miscellaneous Bought out Assets (MBOAs) amounting to Rs.361.95 lakh in 2014-15, Rs.1311.48 lakh in 2015-16, Rs.529.44 lakh in 2016-17, Rs.145.26 lakh in 2017-18 and Rs.219.52 lakh in 2018-19. In justification, the Petitioner has submitted that as capitalization of MBOAs procured after the cut-off date of the generating station is not allowed for the purpose of tariff, the Petitioner has excluded the said amount. The exclusion claimed by the Petitioner under this head is in order and is allowed.



***(iii) Items Not Claimed/ Disallowed Schemes***

56. The Petitioner has claimed exclusion of Rs.36.48 lakh in 2014-15 and Rs.4001.44 lakh in 2016-17 towards items not allowed by the Commission and Rs.13.14 lakh in 2016-17 towards Biometric Time Attendance System under the head “Items not claimed”. It is observed from the submissions of the Petitioner that these items have not been allowed in tariff and do not form part of the capital cost. Since these assets do not form part of the capital cost, the exclusion for these items for the said amount is allowed.

***(iv) Decapitalization of Capital Spares (not forming part of capital cost)***

57. The Petitioner has excluded de-capitalized spares amounting to (-) Rs.281.68 lakh in 2015-16, (-) Rs.23.94 lakh in 2016-17, (-) Rs.235.40 lakh in 2017-18 and (-) Rs.403.83 lakh in 2018-19 for the purpose of tariff. The Petitioner has submitted that these items do not pertain to the capital cost allowed by the Commission and accordingly, the capitalization of spares has been claimed as exclusion. Since capitalization of the above-mentioned spares were not allowed, they do not form part of the capital cost for the purpose of tariff. Hence, the exclusion of de-capitalization of the spares as claimed is in order and is allowed.

***(v) De-capitalization of Miscellaneous Bought out Assets (MBOA) forming part of the capital cost***

58. The Petitioner has excluded de-capitalized MBOAs, forming part of the allowed capital cost, amounting to (-) Rs.83.35 lakh in 2015-16, (-) Rs.119.45 lakh in 2016-17, (-) Rs.18.44 lakh in 2017-18 and (-) Rs.59.02 lakh in 2018-19. In terms of Regulation 14(4) of the 2014 Tariff Regulations, these de-capitalized assets needs to be removed from the admitted capital cost of the generating station. Accordingly, the exclusion claimed by the Petitioner under this head is not allowed.

**(vi) De-capitalization of MBOA not forming part of the capital cost**

59. The Petitioner has claimed exclusion of de-capitalized MBOA amounting to (-) Rs.0.53 lakh in 2014-15, (-) Rs.5.65 lakh in 2015-16, (-) Rs.27.77 lakh in 2016-17, (-) Rs.8.49 lakh in 2017-18 and (-) Rs.38.83 lakh in 2018-19, on the ground that the same do not form part of the allowed capital cost. It is observed from the submissions of the Petitioner that these MBOA items do not form part of the admitted capital cost of the generating station. Accordingly, the exclusion claimed under this head is allowed.

**(vii) Loan ERV**

60. The Petitioner has excluded amounts of (-) Rs.1696.61 lakh in 2014-15, Rs.678.82 lakh in 2015-16, (-) Rs.385.81 lakh in 2016-17, Rs.558.63 lakh in 2017-18 and (-) Rs.50.38 lakh in 2018-19 on account of Loan ERV. The Petitioner has submitted that it is entitled to directly claim ERV on foreign currency loans as per the 2014 Tariff Regulations and therefore, has kept FERV under exclusion. As the Petitioner is required to bill the said amounts directly on the beneficiaries, the exclusion of loan ERV is allowed.

**(viii) Inter-unit transfer**

61. The Petitioner has excluded amounts of Rs.26.18 lakh in 2014-15, (-) Rs.13.91 lakh in 2015-16, (-) Rs.1.74 lakh in 2016-17, (-) Rs.8.00 lakh in 2017-18 and Rs.26.66 lakh in 2018-19 on account of Inter-Unit transfer of assets. In justification of the same, the Petitioner has submitted that items under inter unit transfer were not considered by the Commission for tariff purpose and hence kept under exclusion. The Commission has consistently allowed exclusion of both positive and negative entries arising out of inter-unit transfer of assets of temporary nature for the purpose of tariff. Accordingly, the Petitioner's claim under this head is allowed.

**(ix) Reversal of liability**

62. The Petitioner has claimed reversal of liability of (-) Rs.171.91 lakh in 2014-15,

(-) Rs.40.32 lakh in 2015-16, (-) Rs.66.15 lakh in 2016-17, (-) Rs.11.64 lakh in 2017-18 and (-) Rs.2.73 lakh in 2018-19. The Petitioner has submitted that as tariff allowed is on cash basis, the reversal of liabilities has been kept under exclusion. Since, tariff is allowed on cash basis, the Commission in its various orders had consistently allowed the exclusion of reversal of un-discharged liabilities for the purpose of tariff. Accordingly, the claim under this head is allowed.

**(x) Regrouping of Assets**

63. As regards the expenditure on regrouping, Form-9D, as furnished by the Petitioner, indicates an expenditure of Rs.752.421 lakh in 2015-16 towards Steam Generator: Unit-5, Turbine Generator: Unit-5, Steam Generator: Unit-6 and Turbine Generator: Unit-6 with corresponding negative entries of the same amount, towards Dadri - Masoorie Road - Non NTPC Owned. As such, after adjustment, the net claim against regrouping of assets is reduced to 'zero'. Considering the fact that the expenditure claimed in 2015-16 is an accounting adjustment entry, the exclusion of the same is allowed.

64. Accordingly, the summary of exclusions allowed/ not allowed is as follows:

	<b>(Rs. in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Exclusions claimed (A)	(-) 666.25	3588.03	3335.67	2123.98	764.86
Exclusions allowed (B)	(-) 666.25	3671.38	3455.12	2142.42	823.89
Exclusion not Allowed (A-B)	0.00	(-) 83.35	(-) 119.45	(-) 18.44	(-) 59.02

**Additional Capital Expenditure allowed for the period 2014-19**

65. Based on the above discussions, the additional capital expenditure claimed and allowed for the 2014-19 tariff period is summarized as follows:

		<b>(Rs. in lakh)</b>					
<b>Sl. No.</b>	<b>Head of Work /Equipment</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
<b>A</b>	<b>Additional Capital Expenditure allowed in order dated 2.5.2017 in Petition No. 324/GT/2014</b>						
1	Infrastructure & Site development works	Claimed	51.09	8.62	(-) 13.13	164.80	214.65
		Allowed	51.09	8.62	(-) 13.13	164.80	214.65
2	Main Plant package SG +TG Unit #5	Claimed	0.00	0.00	15.57	0.00	15.57
		Allowed	0.00	0.00	15.57	0.00	15.57
3	Township & Colony	Claimed	595.13	63.23	64.20	4.40	730.59
		Allowed	595.13	63.23	64.20	4.40	730.59
4	Main Plant Civil works	Claimed	89.88	36.70	0.00	617.57	744.15

