

FY 2015-16	25.40	21.21	17.01	15.31
FY 2016-17	27.00	22.54	18.08	16.27
FY 2017-18	28.70	23.96	19.22	17.30
FY 2018-19	30.51	25.47	20.43	18.38

Provided that the norms shall be multiplied by the following factors for arriving at norms of O&M expenses for additional units in respective unit sizes for the units whose COD occurs on or after 1.4.2014 in the same station:

200/210/250 MW	Additional 5 th & 6th units	0.90
	Additional 7 th & more units	0.85
300/330/350 MW	Additional 4 th & 5th units	0.90
	Additional 6 th & more units	0.85
500 MW and above	Additional 3 rd & 4th units	0.90
	Additional 5 th & above units	0.85

58. The Commission by order dated 21.3.2017 in Petition No. 322/GT/2014 had allowed O&M expenses as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses allowed under Regulation 29(1)(a)	16000.00	17010.00	18080.00	19220.00	20430.00
Water Charges allowed under Regulation 29(2)	4391.28	4485.91	4485.91	4485.91	4485.91
Total O&M expenses allowed	20391.28	21495.91	22565.91	23705.91	24915.91

59. The O&M expenses claimed by the Petitioner are as under:

	(Rs. in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M expenses under Regulation 29(1)(a) of the 2014 Tariff Regulations	16000.00	17010.00	18080.00	19220.00	20430.00
O&M expenses under Regulation 29(2) of the 2014 Tariff Regulations					
- Water charges	4391.28	4485.82	4643.67	4976.32	3821.64
- Water charges claimed for previous period	0.00	0.00	570.33	1197.68	0.00
- Capital spares consumed	254.61	379.68	115.42	262.20	245.47
Sub-total O&M Expenses	20645.89	21875.50	23409.42	25656.20	24497.11
Impact of wage revision	0.00	30.20	1016.64	1237.76	1628.79
Impact of GST	0.00	0.00	0.00	148.00	206.00
Ash transportation expenses	0.00	0.00	0.00	0.00	159.52
Total O&M Expenses	20645.89	21905.71	24426.06	27041.96	26491.42

60. The generating station, with a capacity of 1000 MW, comprises of two units of 500 MW each. Unit-I achieved COD on 20.6.2008 and Unit-II on 1.1.2009. Therefore, in



terms of Regulation 29(1)(a) of the 2014 Tariff Regulations, the normative O&M expenses allowed is as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
16000.00	17010.00	18080.00	19220.00	20430.00

Water Charges

61. Regulation 29(2) of the 2014 Tariff Regulations provide as under:

“29.(2) The Water Charges and capital spares for thermal generating stations shall be allowed separately:

Provided that water charges shall be allowed based on water consumption depending upon type of plant, type of cooling water system etc., subject to prudence check. The details regarding the same shall be furnished along with the petition “

62. In terms of the above regulation, water charges are to be allowed based on water consumption depending upon type of plant, type of cooling water system etc., subject to prudence check. The Petitioner has claimed water charges based on actual water consumption of the generating station as under:

<i>(Rs. in lakh)</i>						
	Units	2014-15	2015-16	2016-17	2017-18	2018-19
Type of cooling tower	-	Induced Draft Cooling Tower (IDCT)				
Type of cooling water system	-	Closed Cycle				
Water allocation/contracted*	MCM	120	120	120	120	93
Actual water consumption for Sipat Stage-I & Stage-II	MCM	69.27	89.90	84.39	84.76	78.38
Rate of water charges	-	Rs.12.25/m ³				
Total water charges paid (for Sipat Stage-I & Stage-II)	Rs. in lakh	13086.00	13367.76	13838.13	14829.44	11388.49
Water charges paid for Sipat Stage-II and claimed in Petition	Rs. in lakh	4391.28	4485.82	4643.67	4976.32	3821.64

* for Sipat-I, Sipat-II and Balco CPP

63. The water charges allowed, on projected basis, by order dated 21.3.2017 in Petition No. 322/GT/2014 is as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
4391.28	4485.91	4485.91	4485.91	4485.91



64. The water charges claimed (Rs.22318.73 lakh) by the Petitioner is lower than the water charges (Rs.22334.92 lakh) allowed on projected basis in order dated 21.3.2017 in Petition No. 322/GT/2014. The Petitioner has shown actual consumption of water on combined basis, for both the Stages of the generating station, which is well within the maximum water consumption limits of 3.5 m³/MWh as per Ministry of Environment, Forest and Climate Change (MOEFCC) Notification dated 7.12.2015. Further, the water charges claimed is in accordance with the auditor certified financial statements for the relevant financial years of the 2014-19 tariff period. Accordingly, the water charges claimed by the Petitioner shown as under is allowed for the purpose of tariff:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
4391.28	4485.82	4643.67	4976.32	3821.64

Arrear for water charges

65. In addition to above, the Petitioner has claimed arrears of water charges for the period from November, 2009 to January 2017, which was actually paid during the years 2016-17 and 2017-18, based on revised computational methodology for actual drawl of water w.e.f. February 2017 by the Water Resources Department of Chhattisgarh (WRD). The Petitioner has submitted that water agreement for the generating station has been done for the period of 30 years based on allocation of water quantity, on daily basis, for 0.328 MCM and the aggregated billing for water consumption, is carried out on monthly basis.

66. The Petitioner has stated that if the actual drawl is less than contracted quantity, the minimum payment of water charges is to be made based on allocation equivalent to 90% of the monthly contracted quantity of 10 MCM i.e. 9 MCM for Sipat Stage-I & Stage-II and if the actual consumption exceeds the contracted quantity on monthly basis, the water charges are payable @1.5 times the applicable rate of water charges.



The actual consumption consists of actual drawl of water plus 30% evaporation loss, as per the water agreement. It has however submitted that WRD had revised the computational methodology for actual drawl w.e.f. February, 2017 and as per the revised methodology, the actual consumption is derived based on the maximum of actual drawl and 90% of contracted quantity and the quantity as arrived shall further include the 30% of evaporation loss on actual drawl. The Petitioner has stated that based on the revised methodology, the WRD raised the arrear billing of Rs16.98 crore and Rs 35.65 crore for the period from November 2009 to January, 2017 and the same has been paid in 2016-17 and 2017-18 respectively and has been booked under P&L in the books of accounts. Accordingly, the Petitioner has submitted that arrear amounts of Rs.570.33 lakh and Rs.1197.68 lakh paid for the Stage-II of the generating station during 2016-17 and 2017-18 have been claimed in Form-3A in addition to the regular water charges paid to the WRD.

67. The Respondent MSEDCL has submitted that prudence check of water charges claimed by the Petitioner may be undertaken.

68. We have considered the matter. It is observed that the Water Resource Department, Government of Chhattisgarh vide its letter dated 22.3.2016 has directed the Petitioner to pay Rs.35.65 Cr towards arrear of water charges. Considering the fact that the directions of the WRD, Government of CG, based on which the Petitioner was mandated to pay the water charges as stated aforesaid, is a change in law event, we allow the recovery of total arrears of water charges of Rs.570.33 lakh in 2016-17 and Rs. 1197.68 lakh in 2017-18. Further, since the arrear payment includes water charges for the period upto February 2017 the same has been considered as part of O&M



expenses and consequential annual fixed charges being determined in this order under the 2014 Tariff Regulations.

Capital Spares

69. The last proviso to Regulation 29(2) of the 2014 Tariff Regulations provides as under:

“Provided that the generating station shall submit the details of year wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance or special allowance or claimed as a part of additional capitalization or consumption of stores and spares and renovation and modernization”.

70. In terms of the above proviso, capital spares consumed are admissible separately, at the time of truing up of tariff, based on the details furnished by the Petitioner. The capital spares claimed by the Petitioner are as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
254.61	379.68	115.42	262.20	245.47

71. We have examined the list of spares furnished by the Petitioner along with the de-capitalization details as submitted in Form-9Bi. The capital spares consumption claimed by the Petitioner comprises of two categories as under:

<i>(Rs. in lakh)</i>					
	2014-15	2015-16	2016-17	2017-18	2018-19
Capital spares (part of capital cost)	44.42	36.35	115.42	262.20	245.47
Capital spares (not part of capital cost)	210.19	343.34	0.00	0.00	0.00
Total capital spares consumed claimed	254.61	379.68	115.42	262.20	245.47

72. In respect of capital spares which forms part of capital cost of the generating station, the Petitioner has been recovering tariff since their procurement and therefore same cannot be allowed as part of additional O&M expenses. Accordingly, only those capital spares which do not form part of the capital cost of the generating station are



only being considered in the present Petition. It is pertinent to mention that the term 'capital spares' has not been defined in the 2014 Tariff Regulations. The term capital spares, in our view, is a piece of equipment, or a spare part, of significant cost that is maintained in inventory for use in the event that a similar piece of critical equipment fails or must be rebuilt. Keeping in view the principle of materiality and to ensure standardized practices in respect of earmarking and treatment of capital spares, the value of capital spares exceeding Rs.1.00 lakh, on prudence check of the details furnished by the Petitioner in Form-17 of the Petition, has been considered for the purpose of tariff. Based on this, the details of capital spares consumption allowed for the 2014-19 tariff period is summarized as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Total capital spares consumed claimed	254.61	379.68	115.42	262.20	245.47
Less: Capital spares (part of capital cost)	44.42	36.35	115.42	262.20	245.47
Total capital spares consumed (not part of capital cost)	210.19	343.34	0.00	0.00	0.00
Less: Value of capital spares below Rs.1.00 lakh disallowed on individual basis	0.43	1.87	0.00	0.00	0.00
Net total value of capital spares considered	209.76	341.47	0.00	0.00	0.00

73. Further, we are of the view that spares do have salvage value. Accordingly, in line with the practice of considering salvage value, presumed to be recovered by the Petitioner on sale of other capital assets, on becoming unserviceable, the salvage value of 10% has been deducted from the cost of capital spares considered above for 2014-19 tariff period. Therefore, on prudence check of the information furnished by the Petitioner in Form-17 and on applying the said ceiling limit along with deduction of the salvage value @10%, net capital spares allowed is summarized as under:



(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Net total value of capital spares considered	209.76	341.47	0.00	0.00	0.00
Less: Salvage value @ 10%	20.98	34.15	0.00	0.00	0.00
Net capital spares allowed	188.79	307.32	0.00	0.00	0.00

Additional O&M expenses

A. Impact of GST

74. The Petitioner has claimed additional O&M expenses of Rs.148.00 lakh in 2017-18 and Rs.206.00 lakh in 2018-19 on account of payment of Goods and Service Tax (GST). The Respondent, MSEDCL has submitted that the Petitioner's claim of GST expenses towards O&M expenses will lead to additional burden on the consumers and the GST expenses towards O&M expenses are applicable only if a service is outsourced. Respondent MSEDCL has submitted that services are outsourced on account of efficiency issues or lack of expertise within the company and will be lower than the cost of doing the work internally. It has further submitted that the O&M norms are the ceiling norms and generating companies are required to manage within these limits. The Respondent, MPPMCL has submitted that through enactment of GST Act, GOI has rationalized the tax regime by subsuming various taxes/cess/duties, which has resulted in reduction of overall applicable tax rate in the country and therefore the claim of the Petitioner is not in order. The Petitioner in its rejoinder has submitted that it is a settled position of law that promulgation of GST is change in law event and falls within the purview of Regulation 3(9) read with Regulation 14(3) of the 2014 Tariff Regulations. The Petitioner has further submitted that the amount claimed is only on account of differential rate of tax for taxable services relating to O&M i.e. under erstwhile service tax 15% and in GST 18%.



75. The submissions have been considered. It is observed that the Commission while specifying the O&M expense norms for the 2014-19 tariff period had considered taxes to form part of the O&M expense calculations and accordingly, had factored the same in the said norms. This is evident from paragraph 49.6 of the SOR (Statement of Objects and Reasons) issued with the 2014 Tariff Regulations, which is extracted hereunder:

“49.6 With regards to suggestion received on other taxes to be allowed, the Commission while approving the norms of O&M expenses has considered the taxes as part of O&M expenses while working out the norms and therefore the same has already been factored in...”

76. Further, the escalation rates considered in the O&M expense norms is only after accounting for the variations during the past five years of the 2014-19 tariff period, which in our view, takes care of any variation in taxes also. It is pertinent to mention that in case of reduction of taxes or duties, no reimbursement is ordered. In this background, we find no reason to grant additional O&M expenses towards impact of GST.

B. Impact of Wage Revision

77. The Petitioner has submitted that the Commission while specifying the 2014 Tariff Regulations applicable for the 2014-19 tariff period, had taken note in SOR to the said regulations that any increase in the employee expenses, on account of pay revision shall be considered appropriately, on case to case basis, balancing the interest of generating stations and consumers. The Petitioner has, therefore, claimed additional O&M expenses of Rs.30.20 lakh in 2015-16, Rs.1016.64 lakh in 2016-17, Rs.1237.76 lakh in 2017-18 and Rs.1628.79 lakh in 2018-19, towards impact of wage revision of employees of CISF from 1.1.2016 and the employees of the Petitioner posted in the generating station, with effect from 1.1.2017. In this regard, the Petitioner vide affidavit dated 4.6.2021 has submitted the following:



- (a) Detailed break-up of the actual O&M expenses booked by the Petitioner for the 2014-19 tariff period for the whole generating station (i.e. all Stages of Sipat STPS).
- (b) Detailed break-up of actual O&M expense of the Corporate Centre and its allocation to various generating stations, for the 2014-19 tariff period.
- (c) Break-up of claimed wage revision impact on employee cost, expenses on corporate centre and on salaries of CISF employee of the generating station for the 2014-19 tariff period.

78. We have examined the submissions and the documents available on record. As stated, the Petitioner has claimed total amount of Rs.3913.39 lakh (Rs.30.20 lakh in 2015-16, Rs.1016.64 lakh of in 2016-17, Rs.1237.76 lakh in 2017-18 and Rs.1628.79 lakh in 2018-19) as impact of wage revision of employees of CISF from 1.1.2016 and for employees of the Petitioner posted at the generating station with effect from 1.1.2017. However, it is noticed that the said claim of the Petitioner includes the impact on account of the payment of additional PRP/ex-gratia to its employees, consequent upon wage revision, of Rs.38.54 lakh in 2017-18 and Rs.169.34 lakh in 2018-19. As such, as per consistent methodology adopted by the Commission, the additional PRP/ex-gratia, paid as a result of wage revision impact has been excluded from the wage revision impact claimed by the Petitioner, in the present case. Accordingly, the claim of the Petitioner in respect of wage revision impact stands reduced to Rs.3389.77 lakh with the following year-wise break up.

	<i>(Rs. in lakh)</i>					
	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Wage revision impact claimed (excluding PRP/ex-gratia)	0.00	30.20	1016.64	1135.65	1207.28	3389.77

79. The Commission while specifying the O&M expense norms under the 2014 Tariff Regulations had considered the actual O&M expense data for the period from 2008-09 to 2012-13. However, considering the submissions of the stakeholders, the



Commission, in the SOR to the 2014 Tariff Regulations, had observed that the increase in employees cost due to impact of pay revision impact, will be examined on a case to case basis, balancing the interest of generating stations and the consumers. The relevant extract of the SOR is extracted under:

“29.26. Some of the generating stations have suggested that the impact of pay revision should be allowed on the basis of actual share of pay revision instead of normative 40% and one generating company suggested that the same should be considered as 60%. In the draft Regulations, the Commission had provided for a normative percentage of employee cost to total O&M expenses for different type of generating stations with an intention to provide a ceiling limit so that it does not lead to any exorbitant increase in the O&M expenses resulting in spike in tariff. The Commission would however, like to review the same considering the macroeconomics involved as these norms are also applicable for private generating stations. In order to ensure that such increase in employee expenses on account of pay revision in case of central generating stations and private generating stations are considered appropriately, the Commission is of the view that it shall be examined on case to case basis, balancing the interest of generating stations and consumers.

33.2 The draft Regulations provided for a normative percentage of employee cost to total O&M expenses for generating stations and transmission system with an intention to provide a ceiling limit so that the same should not lead to any exorbitant increase in the O&M expenses resulting in spike in tariff. The Commission shall examine the increase in employee expenses on case to case basis and shall consider the same if found appropriate, to ensure that overall impact at the macro level is sustainable and thoroughly justified. Accordingly, clause 29(4) proposed in the draft Regulations has been deleted. The impact of wage revision shall only be given after seeing impact of one full year and if it is found that O&M norms provided under Regulations are inadequate/insufficient to cover all justifiable O&M expenses for the particular year including employee expenses, then balance amount may be considered for reimbursement.”

80. The methodology indicated in SOR quoted above suggests a comparison of the normative O&M expenses with the actual O&M expenses, on year to year basis.

However, in this respect the following facts needs consideration:

- (a) The norms are framed based on the averaging of the actual O&M expense of past five years to capture the year on year variations in sub-heads of O&M;
- (b) Certain cyclic expenditure may occur with a gap of one year or two years and as such adopting a longer duration i.e. five years for framing of norms also captures such expenditure which is not incurred on year to year basis;
- (c) When generating companies find that their actual expenditure has gone beyond the normative O&M expenses in a particular year put departmental



restrictions and try to bring the expenditure for the next year below the norms.

81. In consideration of above facts, we find it appropriate to compare the normative O&M expenses with the actual O&M expenses for a longer duration so as to capture the variation in the sub-heads. Accordingly, it is decided that for ascertaining that the O&M expense norms provided under the 2014 Tariff Regulations are inadequate/ insufficient to cover all justifiable O&M expenses, including employee expenses, the comparison of the normative O&M expenses and the actuals O&M expenses incurred shall be made for 2015-19 on a combined basis, which is commensurate with the wage revision claim being spread over these four years.

82. The Petitioner has furnished the detailed breakup of the actual O&M expenses incurred during the 2014-19 tariff period for combined stages i.e. Stage-I and II of the Sipat STPS. It is noticed that the total O&M expenses incurred for generating station is more than the normative O&M expenses recovered during each year of the 2014-19 tariff period. The impact of wage revision/ pay revision could not be factored by the Commission while framing the O&M expense norms under the 2014-19 Tariff Regulations since the pay/ wage revision came into effect from 1.1.2016 (CISF & KV employees) and 1.1.2017 (employees of the Petitioner) respectively. As such, in terms of SOR to the 2014 Tariff Regulations, the following approach has been adopted for arriving at the allowable impact of pay revision:

(a) Comparison of the normative O&M expenses with the actual O&M expenses incurred for the period from 2015-16 to 2018-19, commensurate to the period for which wage revision impact has been claimed. For like to like comparison, the components of O&M expenses like productivity linked incentive, water charges, filing fee, ex-gratia, loss of provisions, prior period expenses, community development store expenses, ash utilization expenses, RLDC fee & charges and



others (without breakup/details) which were not considered while framing the O&M expense norms for the 2014-19 tariff period, have been excluded from the yearly actual O&M expenses. Having done so, if the normative O&M expenses for the period 2015-19 are higher than the actual O&M expenses (normalized) for the said period, then the impact of wage revision (excluding PRP and ex-gratia) as claimed for the said period is not admissible/allowed as the impact of pay revision gets accommodated within the normative O&M expenses. However, if the normative O&M expenses for the period 2015-19 are lesser than the actual O&M expenses (normalized) for the same period, the wage revision impact (excluding PRP and ex-gratia) to the extent of under recovery or wage revision impact (excluding PRP and Ex-gratia), whichever is lower, is required to be allowed as wage revision impact for the period 2015-19.

83. The details as furnished by the Petitioner for actual O&M expenses incurred for Stage-I and II (2980 MW) for the period from 1.4.2014 to 31.3.2019, and the wage revision impact (excluding PRP and ex-gratia) for the generating station (Stage-II of 1000 MW) are as under:

(Rs. in lakh)

Year	Actual O&M expenses for whole Sipat STPS, excluding water charges & capital spares	Wage revision impact claimed for the generating station i.e. Sipat STPS, Stage-II (1000 MW)
2014-15	44510.15	0.00
2015-16	48143.16	30.20
2016-17	53691.97	1016.64
2017-18	58240.45	1135.65
2018-19	62262.61	1207.28
Total		3389.77

84. As a first step, the expenditure against sub-heads of O&M expenses as indicated in paragraph 82 above have been excluded from the actual O&M expenses incurred to arrive at the actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I & Stage-II). Accordingly, the comparison of the normative O&M expenses versus the actual O&M expenses (normalized) along with the wage



revision impact claimed by the Petitioner for the generating station i.e. Sipat STPS, Stage-II (1000 MW) for the period 2015-19 is as follows:

	<i>(Rs. in lakh)</i>				
	2015-16	2016-17	2017-18	2018-19	Total
Actual O&M expenses (normalized) for the combined stages of the generating station (Stage-I and II i.e. 2980 MW) – (a)	44212.70	49728.63	52159.01	55508.53	201608.86
Actual O&M expenses (normalized) for the generating station i.e. Sipat STPS, Stage-II (1000 MW) pro-rated based on capacity – (b)	14836.48	16687.46	17503.02	18627.02	67653.98
Normative O&M expenses for Sipat STPS, Stage-II as per Regulation 29(1) of the 2014 Tariff Regulations – (c)	17010.00	18080.00	19220.00	20430.00	74740.00
Under/(Excess) recovery for the generating station (d)=(b)-(c)	(-) 2173.52	(-) 1392.54	(-) 1716.98	(-) 1802.98	(-) 7086.02
Wage revision impact claimed (excluding PRP/ex-gratia)	30.20	1016.64	1135.65	1207.28	3389.77

85. It is observed that for wage revision impact during the period 2015-19, the normative O&M expenses is more than the actual O&M expenses (normalized) and the excess recovery is to the tune of (-) Rs.7086.02 lakh which exceeds the wage revision impact claimed (excluding PRP/ex-gratia) by the Petitioner. As such, in terms of methodology described above, the wage revision impact (excluding PRP/ex-gratia) is not allowed for the generating station.

C. Fly Ash Transportation expenses

86. The Petitioner has claimed an amount of Rs.160.00 lakh in 2018-19 towards Ash transportation expenses, as additional O&M expenses. The Petitioner has submitted that the notification dated 25.1.2016 of Ministry of Environment, Forest & Climate Change (MOEFCC), issued in terms of the provisions of the Environment (Protection) Act 1986, provides for the transportation cost of Fly ash generated at power stations, to



be borne by such generating companies. The Petitioner has also stated that it had filed Petition No. 172/MP/2016 before this Commission, seeking reimbursement of the additional expenses incurred towards Fly Ash transportation, directly from the beneficiaries as the same are statutory expenses. Accordingly, the Petitioner has sought reimbursement of the additional expenditure incurred towards fly ash transportation, as under:

<i>(Rs. in lakh)</i>	
	2018-19
Expenditure towards fly ash transportation (a)	159.52
Revenue earned from sale of fly ash (b)	0.00
Net additional O&M expenses claimed (c) = (a-b)	159.52

87. The Petitioner vide affidavit dated 4.6.2021 has submitted the claim for Ash transportation expenses, arrived at after adjusting revenue earned from sale of fly ash after 25.1.2016, along with auditor certificate. The Petitioner has also submitted that award for fly ash transportation contract has been done through transparent competitive bidding procedure. It has stated that prior to the MoEF&CC notification dated 25.1.2016, there was no mandate on the Petitioner to transport fly ash, as fly ash was being made available at the generating station and to the industries bearing the cost of transport of fly ash themselves.

88. The matter has been examined. As regards reimbursement of Ash transportation expenses, the Commission in its order dated 5.11.2018 in Petition No.172/MP/2016, while directing compliance of certain conditions by the Petitioner, had granted liberty to the Petitioner to approach the Commission at the time of truing-up exercise for the 2014-19 tariff period along with all details/information, duly certified by auditor. The MoEF&CC notification dated 25.1.2016 provides as follows:



“10. The cost of transportation of ash for road construction projects or for manufacturing of ash based products or use as soil conditioner in agriculture activity within a radius of hundred kilometers from a coal or lignite based thermal power plant shall be borne by such coal or lignite based thermal power plant and the cost of transportation beyond the radius of hundred kilometers and up to three hundred kilometers shall be shared equally between the user and the coal or lignite based thermal power plant.”

89. It is noticed from records that the Petitioner has only furnished the auditor certificate in support of its claim. Also, in compliance to the directions vide ROP of the hearing dated 30.11.2021 the Petitioner has submitted the fly ash utilization details. However, it is observed that the relevant information (such as the quantum of ash transported, locations, the distance of the end user (in km), the applicable awarded rate in Rs./ton per kilometer, name of the transporters, etc.) required in terms of the MoEF&CC notification dated 25.1.2016 has not been furnished by the Petitioner. It is not clear from the details as to whether (i) the quantum of ash, (ii) ash transportation is beyond 100 km radius or less than 100 km radius, and (iii) the sharing of 50% of ash transportation expenses to be shared between the ash (end) user and the Thermal Power plant as stipulated in MoEF&CC notification, were excluded from the claim or not. In the absence of the said information, we are not inclined to allow the expenditure claimed towards fly ash transportation, in this order. However, the Petitioner is at liberty to approach the Commission with a separate petition to claim the fly ash transportation charges with proper justification and supporting documents.

90. In view of the above, the total O&M expenses claimed and those allowed to the generating station is as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Normative O&M expenses claimed under Regulation 29(1)(a) of the 2014 Tariff Regulations (a)	16000.00	17010.00	18080.00	19220.00	20430.00
Normative O&M expenses allowed under Regulation 29(1)(a) of the 2014	16000.00	17010.00	18080.00	19220.00	20430.00

