

capital expenditure tards this asset/work in 2013-14 under Regulation 9(2)(i) of the 2009 Tariff Regulations, on the ground that the expenditure is based on the settlement of court cases/arbitration process. The relevant portion of the said order is quoted hereunder:

“16. We have examined the matter. The Commission in order dated 25.5.2012 in Petition No. 279/2009 had allowed the projected additional capital expenditure for this work and had observed as under:

27. From the justification submitted by the petitioner, it is observed that though the work was placed before the cut-off date, the delay in completion of the said work was only on account of poor mobilization of the agent of the contractor, thereby leading to court cases, arbitration between the contractor and agent and finally leading to out of court settlement. Hence, the delay in execution of the work is not attributable to the petitioner. Since mediation and settlement form part of arbitration process, the capitalization of the said expenditure during 2011-12 and 2012-13 is allowed, under Regulation 9(2)(i) of the 2009 Tariff Regulations

17. In the above background and in view of the justification submitted by the petitioner, the actual additional capital expenditure of Rs.99.61 lakh towards Construction of ‘D’ type quarters in 2013-14 is allowed under Regulation 9(2)(i) of the 2009 Tariff Regulations. As regards the claim for balance expenditure during 2014-19, the same will be considered in accordance with law based on the justification submitted by the petitioner for the same.”

14. In line with the above decision, the projected additional capital expenditure of Rs.98.00 lakh was allowed for the said asset/work in 2014-15 under Regulation 14(3)(i) of the 2014 Tariff Regulations. Since the actual additional capital expenditure incurred for the said work, which was admitted by said order dated 19.4.2017 is Rs 108.54 lakh (Rs. 53.66 lakh in 2014-15 and Rs. 54.88 lakh in 2017-18) the claim of the Petitioner, is allowed under Regulation 14(3)(i) of the 2014 Tariff Regulations.

(b) Installation of CCTV cameras in plant premises

15. The Petitioner has claimed total additional capital expenditure of Rs. 289.85 lakh (Rs. 280.35 lakh in 2014-15, Rs. 7.39 lakh in 2015-16, Rs. 1.80 lakh in 2016-17 and Rs. 0.31 lakh in 2017-18) towards installation of CCTV cameras in Plant premises in terms of Regulation 14(3)(iii) of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that the Commission vide its order dated 19.4.2017 in Petition No. 373/GT/2014 had allowed the additional capital expenditure



towards the said work and has accordingly prayed to allow the same. It is noticed that the Commission vide its order dated 19.4.2017 in Petition No. 373/GT/2014 had approved the additional capital expenditure for Rs. 375.00 lakh in 2015-16 for installation of CCTV cameras in Plant premises based on the recommendations of the CISF, the statutory agency. As the claim of the Petitioner is for security based on the recommendations of CISF and is also lesser than the projected additional capital expenditure of Rs. 375.00 lakh allowed vide order dated 19.4.2017, the claim of the Petitioner is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.

B. New Claims

(a) Making of settling pits in marshal yard CHP area

16. The Petitioner has claimed actual additional capital expenditure of Rs. 2.81 lakh in 2014-15 for Making of settling pits in marshal yard CHP area under Regulation 14(3)(vi) of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that the said capitalization is towards balance payments for the scheme allowed by order dated 7.8.2015 in Petition No. 254/GT/2013. The Petitioner has submitted that the job was completed and put to use in 2012-13 and Rs. 15.10 lakh was capitalised in 2012-13. It has however submitted that the amount of Rs 2.81 lakh was capitalized in 2014-15 as per settlement of final bill and contract closure. Since the additional capital expenditure claimed is towards balance payments which have been discharged/ adjusted on account of closure of contract, the same is allowed under Regulation 14(3)(vi) of the 2014 Tariff Regulations.

(b) Combined Foam Tender

17. The Petitioner has claimed actual additional capital expenditure of Rs. 33.26 lakh towards Procurement of combined foam tender in 2015-16 under Regulation 14(3)(iii)



of the 2014 Tariff Regulations. In justification of the same, the Petitioner has submitted that the procurement of fire tender was carried out based on the recommendations of CISF as per letter dated 2.6.2012 and the same is necessary for the safety of the plant and the personnel. It is observed that the Petitioner has procured combined foam tender based on the recommendations of CISF, statutory agency, and has also furnished documentary evidence in support of the same. As the expenditure incurred is necessary for the security and safety of the plant and as advised by the statutory agency, the claim of the Petitioner is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.

(c) Effluent Quality Monitoring System

18. The Petitioner has claimed total actual additional capital expenditure of Rs. 27.33 lakh (i.e. Rs. 26.20 lakh in 2015-16, Rs. 0.71 lakh in 2016-17 and Rs. 0.42 lakh in 2017-18) towards Effluent Quality Monitoring System (EQMS) under Regulation 14(3)(ii) of the 2014 Tariff Regulations. In justification for the same, the Petitioner has submitted that the additional capital expenditure incurred is in compliance to the Central Pollution Control Board (CPCB) order dated 5.2.2014. It is observed that the Commission vide order dated 21.5.2022 in Petition No. 190/GT/2020 had allowed the additional capital expenditure towards EQMS claimed by the Petitioner, in its petition for truing up of tariff of NCTPS, Stage-II in terms of the 2014 Tariff Regulations, as under:

“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.”

19. In line with the above decision and keeping in view that the additional capital expenditure incurred is in compliance to the directions/orders of the CPCB, the actual additional capital expenditure claimed by the Petitioner is allowed, under Regulation 14(3)(ii) of the 2014 Tariff Regulations.

(d) Installation of 120 KW Rooftop Solar Plant

20. The Petitioner has claimed actual additional capital expenditure of Rs. 142.51 lakh in 2016-17 and adjustment of (-) Rs. 25.20 lakh in 2018-19 towards the installation of 120 KW Rooftop Solar Plant under Regulation 54 of the 2014 Tariff Regulations. In justification of the same, the Petitioner has submitted that the scheme was planned in the light of resolution of the Central Government to promote renewable energy. Further, the Petitioner has submitted that the Commission vide its order dated 13.7.2020 in Petition No. 270/GT2019 (tariff of Sugan Power Plant) had allowed the claim under this head. The Petitioner has submitted that the gain due to reduction in auxiliary power consumption is being shared with the beneficiaries in terms of Regulation 8(6) of the 2014 Tariff Regulations. It is noticed that the Commission vide its order dated 19.4.2017 in Petition No. 373/GT/2014 had disallowed the additional capital expenditure towards installation of this asset/item as under:

“25. The matter has been examined. It is noticed that the petitioner has not submitted the benefits accrue to the beneficiaries by installation of Roof top Solar PV plant at the generating station. Moreover, the said assets do not form an essential part or is a component used for operation of the generating station. Accordingly, in the absence of any justification to support the claim for the said expenditure, the projected expenditure of Rs. 168.00 lakh claimed by the petitioner in 2015-16 is not allowed.”

21. The Petitioner has claimed additional capital expenditure for installation of this asset under Regulation 54 of the 2014 Tariff Regulations but has not indicated the

