

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 642/GT/2020

Coram:

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri Pravas Kumar Singh, Member

Date of Order: 9th June, 2023

IN THE MATTER OF

Petition for truing-up of tariff for the period 2014-19 and determination of tariff for the period 2019-24 in respect of Chamera-III Hydroelectric Project (231 MW).

AND

IN THE MATTER OF

NHPC Limited
NHPC Office Complex, Sector-33,
Faridabad (Haryana)- 121003

...Petitioner

Vs

1. Punjab State Power Corporation Limited,
The Mall, Near Kali Badi Mandir,
Patiala- 147001 (Punjab)
2. Haryana Power Purchase Centre,
Shakti Bhawan, Sector 6
Panchkula 134109 (Haryana)
3. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14 Ashok Marg,
Lucknow– 226001 (Uttar Pradesh)
4. Engineering Department,
1st Floor, UT Secretariat, Sector 9-D,
Chandigarh - 160009
5. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi – 110019
6. BSES Yamuna Power Limited,
Shakti Kiran Building, Karkardooma, Delhi – 110072



7. Tata Power Delhi Distribution Limited,
33 KV Sub-Station Building,
Hudson Lane, Kingsway Camp
New Delhi – 110009
8. Uttaranchal Power Corporation Limited,
Urja Bhawan, Kanwali Raod,
Dehradun– 248001 (Uttarakhand)
9. Jaipur Vidyut Vitaran Nigam Limited,
Vidyut Bhawan, Janpath,
Jaipur– 302005 (Rajasthan)
10. Ajmer Vidyut Vitaran Nigam Limited,
Old Power house, Hatthi Bhatta,
Jaipur Road, Ajmer– 305001 (Rajasthan)
11. Jodhpur Vidyut Vitaran Nigam Limited,
New Power house, Industrial Area,
Jodhpur– 342003 (Rajasthan)
12. Power Development Department,
New Secretariat,
Jammu – 180001 (J&K)
13. Himanchal State Electricity Board,
Vidyut Bhawan, Kumar House,
Shimla -171004 (Himanchal Pradesh)

...Respondents

Parties Present:

Shri Rajiv Shankar Dwivedi, Advocate, NHPC
Shri Ajay Shrivastava, NHPC
Shri Mohd. Faruque, NHPC
Shri Piyush Kumar, NHPC
Shri R.B. Sharma, Advocate, BRPL
Ms. Megha Bajpeyi, BRPL
Shri Sachin Dubey, Advocate, BYPL
Shri Mohit Mudgal, Advocate, BYPL
Shri Brijesh Kumar Saxena, UPPCL

ORDER

This Petition has been filed by the Petitioner, NHPC Limited for true-up of tariff of Chamara -III Hydroelectric Project (231 MW) (in short 'the generating station') for the period 2014-19, in terms of Regulation 8(1) of the Central Electricity Regulatory



Commission (Terms and Conditions of Tariff) Regulations, 2014 (in short ‘the 2014 Tariff Regulations’) and for determination of tariff of the generating station for the period 2019-24, in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (in short ‘the 2019 Tariff Regulations’).

Background

2. The generating station located in the Chamba District of the State of Himachal Pradesh was designed as a run of the river scheme with pondage, designed to operate as a peaking plant. The generating station comprises of 3 (three) units of 77 MW each, with annual design energy of 1108.17 MUs. Ministry of Power (MoP), GOI has allocated power amongst the beneficiaries vide its Notification dated 27.3.2012. The Respondent, Himachal Pradesh has been allocated a share of 16.356%, which includes 13% free power, out of which 12% free power is for the home State and the additional 1% is for Local Area Development Fund (LADF). The COD of the units of the generating station are as under:

Unit-II	30.6.2012
Unit-III	30.6.2012
Unit- I	4.7.2012

3. Petition No. 321/GT/2018 was filed by the Petitioner for approval of tariff of the generating station, for the period 2014-19 and the Commission vide its order dated 29.1.2020 had approved the capital cost and the annual fixed charges of the generating station, as under:

Capital Cost allowed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	204231.93	205470.51	205677.98	206527.12	206596.77
Admitted additional capitalization	1238.58	207.47	849.14	69.95	1913.43



	2014-15	2015-16	2016-17	2017-18	2018-19
Closing Capital Cost	205470.51	205677.98	206527.12	206596.77	208510.20

Annual Fixed Charges allowed

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	12825.86	12871.14	12904.23	12933.00	12995.10
Interest on Loan	11205.84	10339.62	9304.90	7880.12	7007.54
Depreciation	10500.55	10525.47	10580.48	10614.73	10666.12
Interest on Working Capital	1044.07	1042.30	1038.16	1025.63	1028.23
O&M Expenses	4511.24	4810.78	5130.22	5470.86	5834.13
Total	40087.56	39589.31	38957.98	37924.35	37531.11

Present Petition

4. As stated, the Petitioner, in terms of Regulation 8(1) of the 2014 Tariff Regulations, has filed the present Petition for truing-up of tariff of the generating station for the period 2014-19. Thereafter, the Petitioner vide affidavit dated 15.7.2021 has revised its claim for additional capital expenditure along with revised tariff forms. Accordingly, the capital cost and annual fixed charges claimed by the Petitioner, are as under:

Capital Cost claimed

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost	204231.93	205470.51	205677.98	206527.12	206596.77
Add: Additional during the year	284.70	392.05	835.10	37.70	1339.54
Less: De-capitalisation during the year	178.99	356.84	9.63	68.06	31.50
Add: Discharges during the year	1132.87	172.26	23.67	100.01	26.23
Closing capital cost	205470.51	205677.98	206527.12	206596.77	207931.04
Average capital cost	204851.22	205574.25	206102.55	206561.95	207263.90

Annual Fixed Charges claimed

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	10500.55	10525.47	10580.48	10614.73	10601.00
Interest on Loan	11198.45	10329.74	9302.73	7878.93	6733.86
Return on Equity	12960.32	13037.52	12967.77	13084.05	13180.12
Interest on Working Capital	1047.10	1046.01	1039.68	1029.20	1024.81
O&M Expenses	4513.02	4812.68	5132.25	5473.03	5836.44



	2014-15	2015-16	2016-17	2017-18	2018-19
Total	40219.44	39751.42	39022.90	38079.93	37376.22

5. The Respondents, UPPCL, Rajasthan Urja Vikas Nigam Limited (on behalf of Rajasthan Discoms), TPDDL and BRPL, have filed their replies vide affidavits dated 25.1.2021, 11.2.2021 and 26.8.2021 and 27.9.2021 respectively and the Petitioner has filed its rejoinders to the same, vide affidavits dated 4.6.2021 and 29.6.2021, 1.10.2021 and 22.11.2021 respectively. The Petitioner has also submitted additional information vide affidavit dated 15.7.2021, after serving copy to the Respondents. This Petition was heard through video conferencing on 28.7.2022, and the Commission, after directing the Petitioner to file certain additional information, reserved its order in the matter. The Petitioner, in compliance, has submitted the additional information vide affidavit dated 18.8.2022, after serving copies on the Respondents. Based on the submissions of the parties and the documents available on record and after prudence check, we proceed for truing up the tariff of the generating station for the period 2014-19 along with the determination of tariff for the period 2019-24, as stated in the subsequent paragraphs.

Capital Cost

6. 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.”*

7. The Commission vide its order dated 29.1.2020 in Petition No. 321/GT/2018 had approved the opening capital cost of Rs. 204231.93 lakh, as on 31.3.2014. The



Petitioner has also claimed the opening capital cost of Rs. 204231.93 lakh, as on 1.4.2014. Accordingly, the capital cost of Rs. 204231.93 lakh, has been considered as the opening capital cost as on 1.4.2014, for the purpose of true-up of tariff for the period 2014-19.

Additional Capital Expenditure

8. Regulation 14 of the 2014 Tariff Regulations provides as under:

14. Additional Capitalisation and De-capitalisation:

(1) The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

- (i) Undischarged liabilities recognized to be payable at a future date;*
- (ii) Works deferred for execution;*
- (iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 13;*
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court of law; and*
- (v) Change in law or compliance of any existing law:*

Provided that the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the application for determination of tariff.

(2) The capital expenditure incurred or projected to be incurred in respect of the new project on the following counts within the original scope of work 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) Deferred works relating to ash pond or ash handling system in the original scope of work; and*
- (iv) 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.*

(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 obsolescence 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 de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.”



9. The Petitioner has claimed following additional capital expenditure for the period 2014-19:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Addition during the year / period (a)	284.70	392.05	835.10	37.70	1339.54
Less: De-capitalisation during the year / period (b)	178.99	356.84	9.63	68.06	31.50
Add: Discharges during the year / period (c)	1132.87	172.26	23.67	100.01	26.23
Net Additional capital expenditure(d)=(a)-(b)+(c)	1238.58	207.47	849.14	69.65	1334.27

10. The Commission vide its order dated 29.1.2020 in Petition 321/GT/2018, had determined the capital cost and annual fixed charges for the period 2014-19, on the basis of the audited actual capital expenditure for the period 2014-18 and on projection basis for 2018-19. The Petitioner has claimed the same additional capital expenditure for the period 2014-18. Since the additional capital expenditure allowed by order dated 29.1.2020 in Petition 321/GT/2018, was based on the audited accounts, the same has been considered for the purpose of tariff for the period 2014-18, as under:

	<i>(Rs. in lakh)</i>			
	2014-15	2015-16	2016-17	2017-18
Addition during the year / period (a)	284.70	392.05	835.10	37.70
Less: De-capitalisation during the year / period (b)	178.99	356.84	9.63	68.06
Add: Discharges during the year / period (c)	1132.87	172.26	23.67	100.01
Net Additional capital expenditure(d)=(a)-(b)+(c)	1238.58	207.47	849.14	69.65

2018-19

11. The Petitioner has claimed actual additional capital expenditure for 2018-19 and the same has been examined below:



(Rs. in lakh)

S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
A. Items already approved by the Commission					
1	Trash rack cleaning machine (TRCM) at dam site	679.52	The Petitioner has submitted that the additional capital expenditure under these heads have been approved by the Commission vide order dated 29.1.2020 in Petition 321/GT/2018.	It is observed that the additional capital expenditure claimed under these heads, had been allowed by order dated 29.1.2020 in Petition 321/GT/2018. In view of this, the additional capital expenditure claimed are allowed	679.52
2	Sewerage Treatment Plant at dam body	3.67			3.67
3	Covering of Surge Shaft (Providing & Fixing Railing around Surge Shaft Pkg. WC-319)	5.91			5.91
4	Purchase of submersible pump for dam drainage gallery	1.02			1.02
5	Purchase of Urine Analyser	0.89			0.89
6	Purchase of Oxygen Concentrator with AMC	0.45			0.45
7	Purchase of Cell Counter	3.80			3.80
8	Purchase of Portable Battery-operated oxygen concentrator	2.00			2.00
9	Boom barrier at dam site	1.54			1.54
10	Purchase of ISAT phone-2 (Inmarsat)	1.65			1.65
11	Mobile signal booster and Accessories	1.42			1.42
12	Purchase of Biometric Machines	2.50			2.50
13	Purchase of Bio Toilet at GIS, dam site (3 Nos)	0.00			0.00
	Sub-Total (A)	704.36			704.36
B. Additional Capitalisation not allowed, but carried out due to site requirements.					
1	Building	35.44	The Petitioner has submitted that Arrear of 4% increment to below Board Level Executives	It is observed that the Petitioner has claimed the impact of arrears paid on revision of pay	0.00
2	Dam	157.23			
3	Power tunnel & pipeline	331.80			



S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
4	Tail race tunnels	12.60	w.e.f. 01-01-1997 was paid in pursuance of the order of MOP no. 11/6/2006-DO(NHPC) dated 04-04-2006. Out of Total payment of 4% increment, arrear of Rs.623.62 Lakh was pertaining to before COD date hence it was capitalised as per accounting policy of NHPC and IND AS requirement.	under the main heads such as Building, Dam, Power Tunnel, etc. It is pertinent to mention that the Petitioner had filed Petition 343/MP/2019 for all of its generating stations pertaining to the claim for arrears of 4% increment to below Board level executives and the Commission had considered the prayer and disposed of the same vide its order dated 28.1.2023 . Hence, the claims of the Petitioner herein, has not been considered in this order	
5	Main generating equipment	86.56			
6	Auotback wash water filter (motorized & gear operated), capacity-49 m3/hr- cps-iii	6.20	The Petitioner has submitted that the proposed item is a new installation Shaft seal cooling water is tapped from draft tube raw water & it is being filtered through duplex basket strainer for shaft seal cooling. This filter gets choked on passing heavy silt /trash in the river water during monsoon season resulting in decrease of shaft seal cooling water flow. Reduced flow can cause severe damage to the shaft seal system of unit leading to breakdown of Unit. During peak monsoon season when there is heavy silt in water these filters are cleaned by dismantling of the basket filter element & there is no backwash arrangement /online back flushing in these filters.	Considering the fact that these works are required for the successful and efficient operation of plant, the claim is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations	6.20



S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			Therefore, for automatic self-cleaning of shaft seal inlet filter, maintain the required water flow & also for easy operation of filtration system during monsoon season, one number additional auto backwash filter in parallel with duplex basket strainer was installed.		
7	Outdoor point to point access point cpe, make: Tenda model:te-o6 (10 nos)	0.63	These are new items for Power Station. These devices are essentially required to connect various important sites of Power station with existing Local Area Network. These sites are Electrical Office-Karian, Safety Division-Karian, C/Store-Karian, Hospital-Karian, Field Hostel-Karian. These are new items for Power Station. These devices are essentially required to connect various important sites of Power station with existing Local Area Network. These sites are Electrical Office-Karian, Safety Division-Karian, C/Store-Karian, Hospital-Karian, Field Hostel- Karian.	It is observed that the additional capital expenditure claimed by the Petitioner under this head is not directly related to the operation of the plant. Hence, the claim is not allowed	0.00
8	Hd 1080p 30x ip dome ptz poe camera, make pelco, model: s6230-eg-1	0.59	As per requirement CISF at Unit KOTE/Quarter Guard. This is the requirement of Security Agency, CISF. Technical Survey by CISF officials was held on 03/08/2018. In the Technical Survey Report the requirement of the camera has been mentioned.	As these works are required for the higher safety and security of the plant, the claim is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations	0.59
9	Cell charger for 2v, 1400ah cell, i/p:415v/230v, 50hz,	4.14	The Petitioner has submitted that Power Station is provided with 02Nos 220 VDC and 01	As these works are required for the successful and efficient operation of the plant,	4.14



S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
	8kw, o/p: 2-24v, 200a dc		Nos 48 VDC Battery Banks. Each of the 220 VDC battery bank is provided with 108 number of Batteries. In case of any Battery bank failure due to damage of any Battery the system operation may be affected and may also lead to Generation loss. In order to replace old Battery with new one, the new battery is filled with Electrolyte of desired gravity and initial charging of the battery as per the OEM procedure is required to be completed before putting the battery in operation. Additional Charger has been purchased to meet this requirement of charging new Battery before putting in operation and to minimize Battery bank down time	the claim is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations	
	Sub-Total (B)	635.18			10.93
	Total (A+B)	1339.54			715.29

12. Based on the above, the total additional capital expenditure of Rs. 715.29 lakh is allowed in 2018-19.

Discharge of liabilities

13. The Petitioner has claimed the following discharge of liabilities during the period 2014 –19.

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
1132.87	172.26	23.67	100.01	26.23



14. The un-discharged liabilities for the period 2014-19, corresponding to the assets/works allowed, has been considered with their respective discharges made by the Petitioner on prudence check. Accordingly, the discharge of liabilities allowed during the period 2014-19 is as under:

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening liabilities corresponding to allowed capital cost	4758.55	3411.84	3253.07	3264.15	3173.92
Add: Liability additions corresponding to allowed capital cost (Form 9A)	9.34	14.15	35.88	9.97	6.54
Less: Discharges of liabilities corresponding to allowed capital cost	1132.87	172.26	23.67	100.01	24.68
Less: Reversal of liabilities corresponding to allowed capital cost	223.18	0.66	1.13	0.19	0.00
Closing liabilities corresponding to allowed capital cost	3411.84	3253.07	3264.15	3173.92	3155.78

De-capitalization

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

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

16. The Petitioner has claimed de-capitalization against various assets part of capital cost, as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
178.99	356.84	9.63	68.06	31.50

17. The de-capitalization for the period 2014-18 has been allowed vide order dated 29.1.2020 in Petition 321/GT/2018, based on audited accounts. Further, in 2018-19,



the Petitioner has claimed de-capitalization of Rs.31.50 lakh including (-) Rs.31.26 lakh towards actual decapitalization and Rs. 0.24 lakh for assumed deletions.

18. Based on the submissions of the Petitioner, the actual decapitalization of Rs. 31.26 lakh for items such as initial spares, vehicles, excavator, etc., is allowed, since these assets are not in use and has been deleted from books of account. In view of the deletions considered, the 'decapitalization' allowed is as under:

<i>(Rs. in lakh)</i>				
2014-15	2015-16	2016-17	2017-18	2018-19
178.99	356.84	9.63	68.06	31.26

Assumed Deletion

19. As per the consistent methodology adopted by the Commission, the expenditure on replacement of assets, if found justified, is to be allowed for the purpose of tariff, provided that the capitalization of the said asset is followed by the de-capitalization of the original value of the old asset. However, in certain cases, where decapitalization is affected in books during the following years, to the year of capitalization of new asset, the de-capitalization of the old asset for the purpose of tariff is shifted to the very same year in which the capitalization of the new asset is allowed. Such de-capitalization which is not a book entry in the year of capitalization is termed as "Assumed deletion". Further, in absence of the gross value of the asset being de-capitalized, the same is calculated by de-escalating the gross value of new asset @ 5% per annum till the year of capitalization of the old asset.

20. It is observed that the Petitioner, while claiming certain additional capital expenditure in 2018-19, has not provided the actual de-capitalization value of old asset for some of the items which are being replaced. Accordingly, based on above



methodology, the decapitalization value of old asset has been worked out as shown below.

(Rs. in lakh)

SI no	Asset	Amount allowed	Year put to use	Assumed deletion considered	Year of de-cap
1	Submersible pump for Dam Drainage Gallery	1.02	COD	0.76	2018-19

21. Based on the above, the net additional capital expenditure allowed for the period 2014-19 is as under:

(Rs. in lakh)

		2014-15	2015-16	2016-17	2017-18	2018-19
A	Additions allowed	284.70	392.05	835.10	37.70	715.29
B	Decapitalization allowed	(-) 178.99	(-) 356.84	(-)9.63	(-) 68.06	(-) 31.26
C	Assumed deletions considered	0.00	0.00	0.00	0.00	(-)0.76
D	Discharge of Liabilities	1132.87	172.26	23.67	100.01	24.68
E	Reversal of liabilities	0.00	0.00	0.00	0.00	0.00
F	Net Additional Capitalization allowed F=A+B+C+D-E)	1238.58	207.47	849.14	69.65	707.95

Capital cost allowed for the period 2014-19

22. Accordingly, the capital cost allowed for the period 2014-19 is as under:

(Rs. in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Opening capital cost (a)	204231.93	205470.51	205677.98	206527.12	206596.77
Net additional capital expenditure allowed during the year/ period (b)	1238.58	207.47	849.14	69.65	707.95
Closing Capital Cost (a)+(b)	205470.51	205677.98	206527.12	206596.77	207304.72

Debt Equity Ratio

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

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

