

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 98/GT/2020

Coram:

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

Date of Order: 2nd May, 2022

IN THE MATTER OF

Petition for revision of tariff of Tehri Hydroelectric Power Project, Stage-I (1000 MW) for the period from 1.4.2014 to 31.3.2019 after truing-up

AND

IN THE MATTER OF

THDC India Limited,
Bhagirath Puram,
Rishikesh-249001, Uttarakhand

....Petitioner

Vs

1. Punjab State Power Corporation Limited,
The Mall, Patiala – 147001 (Punjab)
2. Haryana Power Utilities,
Shakti Bhawan, Sector 6,
Panchkula – 134 109 (Haryana)
3. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001 (UP)
4. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi-110019
5. BSES Yamuna Power Limited,
3rd Floor, Shakti Kiran Building, Karkardooma,
New Delhi-110092
6. Tata Power Delhi Distribution Limited,
33 KV Grid Sub-Station Building, Hudson Lane, Kingsway Camp,
Delhi-110009



7. Chandigarh Administration,
1st Floor, UT Secretariat, Sector 9-D,
Chandigarh-160009
8. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun-248001 (UK)
9. Himachal Pradesh State Electricity Board Limited,
Vidyut Bhawan, Shimla-171004
10. Jaipur Vidyut Vitran Nigam Limited,
Vidyut Bhawan, Janpath, Jyotinagar,
Jaipur-302005 (Rajasthan)
11. Ajmer Vidyut Vitran Nigam Limited,
Old Powerhouse, Hatthi Bhatta, Jaipur road,
Ajmer-305001 (Rajasthan)
12. Jodhpur Vidyut Vitran Nigam Limited,
New Powerhouse, Industrial Area,
Jodhpur-342003 (Rajasthan)
13. Power Development Department,
Government of J&K, Civil Secretariat,
Jammu -180001 (J&K)

....Respondents

Parties present:

Ms. Anushree Bardhan, Advocate, THDCIL
Ms. Srishti Khindaria, Advocate, THDCIL
Shri Ravi Nair, Advocate, THDCIL
Shri Rajesh Sharma, THDCIL
Shri Mukesh Kumar Verma, THDCIL
Shri Ajay Vaish, THDCIL
Shri Rakesh Singh, BRPL
Shri Brijesh Kumar Saxena, UPPCL
Shri Raunak Jain, Advocate, TPDDL
Shri Ravindra Khare, MPPMCL
Ms. Megha Bajpeyi, BRPL
Shri R.B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BYPL

ORDER

This petition has been filed by the Petitioner THDC, for truing up the tariff of Tehri Hydroelectric Power Project, Stage-I (4 x 250 MW) (the generating



station) for the period from 1.4.2014 to 31.3.2019 in accordance with Regulation 8(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,2014 (in short ‘the 2014 Tariff Regulations’).

Background

2. The generating station located in the State of Uttarakhand is a storage type hydro power generating station, providing peaking power and is designed to produce annual energy generation of 2797 MUs. The Tehri Hydro Power Complex comprises of the generating station (1000 MW), Tehri Pumped Storage Generating station (1000 MW) and downstream power station at Koteshwar (400 MW). The entire Tehri Power Complex is scheduled to have an aggregate capacity of 2400 MW. The generating station comprises of four units with a capacity of 250 MW each. The dates of commercial operation of the units of the generating station are as under:

Unit-IV	22.9.2006
Unit-III	9.11.2006
Unit-II	30.3.2007
Unit-I/ Generating station	9.7.2007

3. The Commission vide its order dated 20.3.2017 in Petition No. 172/GT/2015 revised the tariff of the generating station, after truing up exercise for the 2009-14 tariff period. Aggrieved by the said order, the Petitioner had filed Review Petition No. 20/RP/2017 (in Petition No.172/GT/2015) on certain grounds. During the pendency of this review petition, the Commission vide its order dated 29.3.2017 in Petition No. 178/GT/2015 determined the tariff of the generating station for the 2014-19 tariff period. Thereafter, the Review Petition No.20/RP/2017 was partially allowed and the capital cost and annual fixed charges for the tariff periods 2009-14 and 2014-19 respectively were revised vide order vide order dated 5.12.2017.



Accordingly, the capital cost and annual fixed charges determined by order dated 5.12.2017 were as under:

Capital Cost allowed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	705372.64	706052.34	707686.88	709193.68	711182.69
Add: Additional capital expenditure allowed	679.70	1634.54	1506.80	1989.01	3823.96
Closing Capital Cost as on 31 st March of the year	706052.34	707686.88	709193.68	711182.69	715006.65

Annual Fixed Charges allowed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	53355.92	53614.07	53614.07	53614.07	53614.07
Interest on Loan	24260.10	20038.02	15623.89	11177.81	6866.07
Depreciation	37063.58	37080.85	37156.14	37210.21	37315.63
Interest on Working Capital	3818.61	3806.05	3789.66	3777.58	3775.70
O & M Expenses	21340.78	22757.81	24268.93	25880.39	27598.84
Total	139839.00	137296.80	134452.68	131660.05	129170.31

4. The Petitioner has filed the present petition for truing up of tariff of the generating station for the 2014-19 tariff period, and has claimed the following capital cost and annual fixed charges:

Capital cost claimed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	705372.64	708835.16	713113.40	717304.00	723725.64
Add: Addition during the year/ period	6370.99	4530.49	4620.24	6374.95	613.03
Less: Decapitalization during the year/ period	3894.15	272.36	532.11	102.38	10.26
Less: Reversal during the year/period	0.00	0.00	0.00	0.00	0.00
Add: Discharge during the year/ period	985.68	20.11	102.46	149.07	20.64
Closing Capital Cost	708835.16	713113.40	717304.00	723725.64	724349.05

Annual Fixed Cost claimed

	<i>(Rs. in lakh)</i>				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	37133.88	37261.77	37410.34	37602.41	37738.85
Interest on Loan	24199.35	20383.37	16287.36	9848.11	6303.04
Return on Equity	53355.00	53613.50	53613.50	53613.50	53755.11
Interest on Working	3818.81	3818.15	3608.86	3500.22	3404.59



Capital					
O & M Expenses	21340.78	22757.81	24268.93	25880.39	27598.84
Total	139847.81	137834.61	135189.00	130444.64	128800.43

5. Reply to the Petition has been filed by the Respondent UPPCL (vide affidavit dated 28.5.2020), Respondent MPPMCL (vide affidavit dated 23.7.2020), Respondent BRPL (vide affidavit dated 24.7.2020). The Petitioner has filed its rejoinder to the said replies vide affidavits dated 20.7.2020, 26.7.2020/8.9.2020 and 16.9.2020 respectively. The matter was heard on 27.7.2020 and the Commission vide ROP directed the Petitioner to file certain additional information. In compliance, the Petitioner has filed the additional information on 24.7.2020 and 28.8.2020, after serving copies to the Respondents. The Petitioner vide affidavit dated 12.4.2021 has modified/corrected its submission (regarding main generating equipment for 2015-16) made earlier vide affidavit dated 28.8.2020. Thereafter, this petition, along with Petition No. 97/GT/2020 (tariff of the generating station for 2019-24 tariff period) was heard through video conferencing on 29.6.2021 and the Commission reserved its order in these matters. Based on the submissions of the parties, and the documents available on record, we now proceed to examine the claim of the Petitioner, in this petition, in subsequent paragraphs.

Capital Cost

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

*“9 (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 tried 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 modernization as admitted by this Commission in accordance with Regulation 15.
xxx”*

7. Clause (3) of Regulation 9 of the 2014 Tariff Regulations provides that the capital cost as determined by the Commission after prudence check in



accordance with this regulation shall form the basis of determination of tariff for existing and new projects. The Commission vide its order dated 5.12.2017 in Review Petition No. 20/RP/2017 (in Petition No.172/GT/2015) had approved the capital cost of Rs.705372.64 lakh for the generating station as on 31.3.2014. The Petitioner, in this petition, has claimed the opening capital cost of Rs.705372.64 lakh as on 1.4.2014, for the purpose of tariff and the same has been considered as the opening capital cost as on 1.4.2014 for the purpose of truing-up of tariff of the generating station for the 2014-19 tariff period.

Additional capital expenditure for the 2014-19 tariff period

8. Clause (3) of Regulation 7 of the 2014 Tariff Regulations provides that the application for determination of tariff shall be based on admitted capital cost including any additional capital expenditure already admitted up to 31.3.2014 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the 2014-19 tariff period.

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

“14 (3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

- (i) Liabilities to meet award of arbitration or for compliance of the order or decree of a court of law;*
- (ii) Change in law or compliance of any existing law;*
- (iii) Any expenses to be incurred on account of need for higher security and safety of the plant as advised or directed by appropriate Government Agencies of statutory authorities responsible for national security/internal security;*
- (iv) Deferred works relating to ash pond or ash handling system in the original scope of work;*
- (iv) Any liability for works executed prior to the cut-off date, after prudence check of the details of such un-discharged 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 powerhouse 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-materialization 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”

10. The Petitioner, in Form-9C, has submitted the reconciliation statement of the actual additional capital expenditure, as against capital additions as per books of accounts for the 2014-19 tariff period as under:

	2014-15	2015-16	2016-17	2017-18	2018-19
Addition made in Gross Block of Fixed Assets as per Books	2748.19	4438.85	6039.05	6314.90	898.75
Less: Liability up to 31 st march of the year	0.00	0.00	0.00	0.00	0.00
Add: Discharged liability (created up to cut-off date)	118.44	1.82	8.33	148.88	0.66



	2014-15	2015-16	2016-17	2017-18	2018-19
Add: Discharged liability (created after cutoff date up to 2014)	867.24	0.00	0.00	0.19	0.00
Less: Liability during the year i.e. after 31.3.2014	18.29	108.53	0.00	19.98	249.43
Add: Discharged liability (created from 2014-15 & onward)	0.00	18.29	93.50	0.00	19.98
Less: Minor assets or assets not considered for tariff	253.06	72.19	84.32	22.35	46.54
Net Additional Capital Expenditure claimed prior to adjustment of liability, but after De-capitalization	3462.52	4278.25	6056.56	6421.64	623.42
Form 9A (Gross Additions)	6389.28	4639.02	4620.24	6394.93	862.46
Less Form 9B(i) (De-capitalization)	3894.15	272.36	532.11	102.38	10.26
Net Additional capitalization as per Form 9C	2495.13	4366.66	4088.14	6292.55	852.20
Add Discharged Liability as per Form 11	985.68	20.11	102.46	149.07	20.64
Less Liability as per Form 9A	18.29	108.53	0.00	19.97	249.43
Net Additional Capital Expenditure	3462.52	4278.25	4190.60	6421.65	623.42

11. The year-wise break-up of the actual net additional capital expenditure claimed by the Petitioner is summarized as under:

	2014-15	2015-16	2016-17	2017-18	2018-19	<i>(Rs. in lakh)</i> Total
Addition during the year / period	6370.99	4530.49	4620.24	6374.95	613.03	22509.70
Less: De-capitalization during the year / period	3894.15	272.36	532.11	102.38	10.26	4811.25
Add: Discharges during the year / period	985.68	20.11	101.83	149.07	20.64	1277.33
Net Additional capitalization during the year	3462.52	4278.25	4189.97	6421.64	623.42	18975.78

12. The Respondent, UPPCL has submitted that the assets for which additional capital expenditure has been claimed by the Petitioner are in wide variance with the projected additional capital expenditure in terms of assets capitalized. The Respondent, BRPL has submitted that the additional capital expenditure claimed for the 2014-19 tariff period under Regulation 14(3)(viii) of the 2014 Tariff Regulations, can be justified only if such a claim is on account of damage caused by natural calamities and due to geological reasons accompanied with expenditure



needed on additional work necessary for successful and efficient plant operation. It has submitted that as the claim is not referable to such reasons, the same is liable to be rejected. The Respondent has pointed out that the Petitioner has also claimed large amounts towards minor items under Regulation 14(3)(viii) of the 2014 Tariff Regulations which are also not permissible under the proviso to Regulation 14(3)(x) of the 2014 Tariff Regulations. The Respondent, MPPMCL has submitted that Petitioner has claimed many expenses as additional capital expenditure under Regulation 14(3) (iii) of the 2014 Tariff Regulations, without providing the relevant documents/ recommendations of appropriate authority. It has also submitted that the Petitioner has claimed various items under proviso to Regulation 14(3)(viii), which do not directly pertain to the efficient operation of the generating station.

13. In response to the above, the Petitioner in its rejoinder has submitted that it had filed affidavit revising the actual additional capital expenditure for 2014-15 and projected expenditure for the period 2015-19, based on which the Commission vide its order dated 29.3.2017 in Petition No. 178/GT/2015 had observed that the said affidavit will be considered at the time of truing up with detailed justification. It has also pointed out that asset-wise reply has been submitted and certain expenditure towards additional capitalization has been claimed due to compliance of the orders and IB recommendations. The Petitioner has further submitted that it has submitted all relevant information/documents for the 2014-19 tariff period and further additional documentary proof and detailed justifications with regard to the additional capital expenditure have already been submitted in its rejoinder to the reply filed by Respondent UPPCL. The Petitioner has clarified that it has not claimed any items which are in the nature of O&M expenses and also not claimed



any assets against replacement of old assets.

14. We have considered the matter. The submission of the Respondent BRPL that the additional capital expenditure claimed under Regulation 14(3)(viii) of the 2014 Tariff Regulations, can be justified only if such a claim is on account of damage caused by natural calamities and due to geological reasons accompanied with expenditure needed on additional work necessary for successful and efficient plant operation is not acceptable. In our view, Regulation 14(3)(vii) of the 2014 Tariff Regulations provides for additional capitalization of expenditure which has become necessary on account of damage caused by natural calamities and also for expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation. Accordingly, based on the submissions of the parties, we proceed to examine the claims of the Petitioner for the 2014-19 tariff period and on prudence check, allow the same, as detailed below:

2014-15

Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
A. Regulation 14(3) (viii) (already admitted)				
1	2-ton capacity auxiliary hoist for draft tube gate cavern	10.31	10.31	The Petitioner has submitted that no arrangement for Draft tube Gate groove and Gates is provided at Upper expansion chamber. Thus, the requirement of 2-ton capacity Auxiliary hoist was necessitated for proper, safe and efficient maintenance of Draft Tube Gate grooves. It is observed that the Commission vide its order dated 29.3.2017 in Petition No. 178/GT/2015, had allowed the additional capitalization of this asset/work for Rs.10.00 lakh in year 2014-15. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the additional capital expenditure is allowed under Regulation



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
				14(3)(viii) of the 2014 Tariff Regulations.
2	Strong motion accelerographs (sma) set	161.95	161.95	The Petitioner has submitted that as per recommendation of the Standing Advisory Committee, strong motorway motion accelerograph is required because of yields and response of the structure like dam, spillway, powerhouse and its behavior during an earthquake. Such records also provide us insight status and condition of structure after an earthquake. It is observed that the Commission vide its order dated 29.3.2017 in Petition No. 178/GT/2015, had allowed the additional capitalization for this asset/work for Rs.162.00 lakh in 2014-15. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
3	Grouting work in powerhouse complex	1346.53 753.79	1346.53 753.79	The Petitioner has submitted that these works have been carried out as recommended by HP Moscow and Russian consultant after commissioning of the project for efficient plant operation. Considering the fact that these works will facilitate successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
4	Computer software	13.48	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant & Machinery, the additional capitalization claimed is not allowed .
A. Regulation 14(3) viii (New Item)				
5	Heavy duty polyester webbing sling with -250mm	0.81	0.00	Considering the fact that the expenditure incurred is for assets which are in the nature of O&M expenses, the additional capitalization claimed is not allowed .
6	Ungalvanized steel core wire rope sling rope dia.32mm	0.33	0.00	
7	Ungalvanized steel core wire rope sling rope dia.32mm	0.12	0.00	
8	Alloy steel grade 63 d-shackle capacity 25 ton body dia 56mm	0.12	0.00	



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
9	Polyester web anti abrasive sleeve with 250 mm (4ply) capacity 25 ton x length 1 mtrs thickness 14mm	0.06	0.00	
10	Vertical submersible	1.47	1.47	The Petitioner has submitted that these assets have been procured in order to meet any exigencies in case of accumulation of water due to any reason inside the powerhouse and other location and this is the basic requirement for the safety of the Powerhouse. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
11	End suction pump	1.41	1.41	
12	Spilt casing pump horizontal type	2.93	2.93	
13	Construction of driver room near admin block B. Puram	2.82	0.00	Considering the fact that the expenditure incurred is for assets/works which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
14	Construction of server room	2.26	0.00	
15	Construction of photo gallery at top terrace	1.27	0.00	
16	Tipper 01 number	15.12	15.12	The Petitioner has submitted that to meet out the requirement of transportation of goods/materials on the project additional tipper have been purchased for efficient plant operation. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
17	Tata lpt 709	8.81	8.81	The Petitioner has submitted that TATA LPT was required for CISF personnel (VazraVahan) for security of the project. Considering the fact that the assets/works are considered for safety of the plant, the expenditure claimed is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
18	Pre-fab dock system	87.29	87.29	The Petitioner has submitted that the asset/work is a basic requirement for proper boarding and lighting out of motorboat and



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
				Barrage and docking of boats. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
19	Const. of 5 numbers bath room CISF line	0.38	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
20	Construction of tin shed house for new DG set	5.14	0.00	The Petitioner has submitted that the construction of tin shed is required to protect DG set from weather related effect. This DG set is required to maintain electricity uninterruptedly for Admin block or guest house and is for successful and efficient plant operation. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
21	Drilling cutting machine	11.15	0.00	Considering the fact that the expenditure incurred is for assets which are in the nature of tools & tackles, the additional capitalization claimed is not allowed .
22	Submersible pump set 75 hp	10.44	0.00	The Petitioner has submitted that new pump is required to strengthen the drinking water scheme of the project colony and is for successful and efficient operation of plant. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
23	Centrifugal multistage pump set kirlosker make 150hp 1 number	5.75	0.00	The Petitioner has submitted that Pump is required for strengthening the drinking water scheme of the project Colony which is essentially required for proper functioning. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and machinery, the additional capitalization of the same is not allowed .
24	Kirlosker make centrifugal multistage pump set model mll 11 stage 125 hp 1	18.56	0.00	The Petitioner has submitted that to meet out the drinking water requirement of the colony, water supply scheme of the project need to be strengthened. Hence new pump was procured. Considering the fact that the



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
	number			expenditure incurred is for assets which are not directly related to Plant and machinery, the additional capitalization of the same is not allowed .
	Total	2462.30	2389.60	
B. New Items-Regulation 14(3) (vii) & Regulation 14(3)(viii)				
25	Rehabilitation expenses	3819.52	3819.52	The Petitioner in compliance to the directions of the Commission has submitted that the total expenditure of Rs.38.19 crore was incurred during 2014-15 for Rehabilitation works in compliance of the order of GOI dated 9.12.1998, the decision taken in meeting with Joint Secretary (Hydro)- GOI held on 5.2.2008, meeting dated 30.6.2011 under Chairmanship of Secretary (Power)-GOI, the direction/order of Hon'ble Supreme Court and the decision taken in meeting held on 11.6.2015 with Secretary (Irrigation), GOI wherein decision was taken to release funds under different heads. The fund was released in a phased manner, as per progress of work. During 2014-15, a net sum of Rs.38.19 crore was spent. Considering the submissions of the Petitioner in justification of the claim and the fact that the expenditure is for assets/works is for compliance of the order or decree of a court of law, the same is allowed under Regulation 14(3)(i) of the 2014 Tariff Regulations.
	Total	3819.52	3819.52	
C. Regulation 14(3)(iii) (already admitted)				
26	IB recommendations (night vision device 2 numbers)	4.05	4.05	The Petitioner has submitted that the expenditure has been incurred as per IB recommendation for safety and security of the project. The Petitioner has submitted that the documents are confidential in nature and can be produced to the Commission, if required. It is observed that the Commission vide its order dated 29.3.2017 in Petition No 178/GT/2015, had allowed the additional capitalization for this asset/work for Rs.10.00 lakh in 2014-15. Considering the fact that the expenditure is for assets/works which are considered necessary for safety & security of the generating station, the same is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
27	Installation of high mast	49.43	49.43	The Petitioner has submitted that the expenditure incurred is to maintain



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reasons for admissibility
				adequate illumination over the DAM and Plant area, as a measure to prevent burglary, sabotage and terrorist activity as per the recommendation of IB. The Petitioner has submitted that the documents are confidential in nature and can be produced to the Commission, if required. Considering the fact that the expenditure is for assets/works which are considered necessary for safety & security of the generating station, the same is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
28	Cyber roam	5.88	0.00	Considering the fact that the expenditure incurred is for assets which are in the nature of Software the additional capitalization of the same is not allowed .
29	Tipper 01 number	15.12	15.12	The Petitioner has submitted that to meet out the requirement of transportation of goods/materials on the project additional tipper have been purchased for efficient plant operation. Considering the fact that the assets/works are considered necessary for successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
	Total	74.48	68.60	
30	JCB loader 01 number	14.69	0.00	The Petitioner has submitted that a small size machine was required that could work inside gallery for their cleanliness and could work at the place where loader cannot work due to space constraint. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
	Total	14.69	0.00	
Total Additional Expenditure (A + B + C +D)		6370.99	6277.72	

15. Accordingly, the total additional capital expenditure allowed is Rs.6277.72 lakh (Rs.68.60 lakh + Rs.2389.60 lakh + Rs.3819.52 lakh) in 2014-15.

2015-16



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reason for admissibility
A. Regulation 14(3) (viii) (Already Admitted)				
1	Digitizer for siemens 100 m a X-ray machine with 19' LCD monitor & UPS 2kv etc - Hospital equipment	8.93	8.93	The Petitioner has submitted that the equipment have been purchased for proper health checkup of O&M staff. It is observed that the Commission vide its order dated 29.3.2017 in Petition No 178/GT/2015 had allowed the additional capitalization for this asset/work for Rs.5.92 lakh, in 2016-17. Considering the fact that the assets/works are considered necessary for the successful and efficient operation of the plant, the expenditure claimed is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
2	Runner inspection device for generating station (4x250mw) powerhouse (O&M)	16.23	16.23	The Petitioner has submitted that an additional device was required for taking up maintenance of 2 Units as a parallel activity for early restoration. This device is required to facilitate accurate visual inspection of underwater parts like upper cone and runner. The device also ensures safety of the personnel carrying out the job, since the conventional method are quite unsafe and time taking. With the use of this device, the inspecting persons can go very close to the surface for visual inspection and other diagnostic testing. It is observed that the Commission vide its order dated 29.3.2017 in Petition No 178/GT/2015 had allowed the additional capitalization for this asset/work for Rs.75.00 lakh, in year 2016-17. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
A. Regulation 14(3) (viii) (New Items)				
3	Winch 2-ton capacity	0.68	0.00	The Petitioner has submitted that miscellaneous types of loading & unloading works are carried out vertically in project area. Therefore, winch of 2 T capacity was procured to attend the same safely and smoothly. Considering the fact that the expenditure incurred is for assets which are in the nature of O&M expenses, the additional capitalization claimed is not allowed .
4	Electromagnetic flow meter	1.85	1.85	The Petitioner has submitted that the flow meters are installed to monitor cooling water



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reason for admissibility
				flow to shaft seal. Originally, pressure based mechanical dial type flow meters were installed in Cooling Water pipelines. Those flow meters used to display faulty readings and generated erroneous signals which lead to tripping of Units during peaking hours, attracting penalties. After installation of electromagnetic flow meters, tripping and thus penalties have been avoided. Considering the fact that the assets/works are considered necessary for the successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations. The Petitioner has however, not considered the de-capitalization of old asset/work and hence, an amount of Rs.1.19 lakh has been considered under 'Assumed Deletions'.
5	Eot crane 10 T capacity for draft tube gate	26.30	26.30	The Petitioner has submitted that periodic inspection of TRT is a very critical activity of civil works keeping in view Plant generation. EOT Crane of 10 T Capacity for Draft Tube Gate was required to facilitate this critical activity as man, material and machine are to be vertically carried out from EL 637 M to EL 577 M through this crane safely for inspection and repair purpose. Considering the fact that the assets/works are considered necessary for successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations. The Petitioner has, however, not considered the de-capitalization of old asset/work and hence, the amount of Rs.16.15 lakh has been considered under 'Assumed Deletions',
6	Water supply equipment pump control panel with 75hp starter (mech.)	18.94	18.94	The Petitioner has submitted that Pump and Starter are purchased for strengthening the water supply scheme of underground Powerhouse. Considering the fact that the assets/works are considered necessary for successful and efficient plant operation of the generating station, the expenditure is allowed under Regulation 14(3)(viii) of the 2014 Tariff Regulations.
7	Power to construction Works - LT line near Dibnu	9.43	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reason for admissibility
8	Lab & testing equipment	1.26	0.00	Considering the fact that the expenditure incurred is for assets which are in the nature of O&M expenses, the additional capitalization claimed is not allowed .
9	Bio station bst - with 12 v, lamp power adaptor	2.42	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
10	Led flood light filling 150 w 240 v-280 vac	1.03	0.00	Considering the fact that the expenditure incurred is for assets which are in the nature of O&M expenses, the additional capitalization claimed is not allowed .
11	Construction of server room and driver room for IT department and admin block-b puram (bcm)	1.36	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and machinery, the additional capitalization claimed is not allowed .
12	Parking shed at admin block	3.80	0.00	
13	Extension of road in Project area (Part 1)	113.11	0.00	The Petitioner has submitted that new road is constructed in B.Puram colony area. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and machinery, the additional capitalization of the same is not allowed .
14	Protection Work of road between Ch 570 to 650 M in B.Puram Colony	33.80	0.00	The Petitioner has submitted that Protection work was done for new constructed road between Ch 570 to 650 M in Project area. Considering the fact that the expenditure incurred is for assets which are in the nature of minor asset the additional capitalization of the same is not allowed
15	Protection Work of road between Ch 290 to 370 M in B. Puram Colony	7.64	0.00	The Petitioner has submitted that Protection work was done for new constructed road between Ch 290 to 370 M in Project Area. Considering the fact that the expenditure incurred is for assets which are in the nature of O&M the additional capitalization of the same is not allowed .
16	Extension of road in Project area (Part 2)	0.81	0.00	The Petitioner has submitted that new road constructed in B. Puram colony area. Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
17	QC lab	0.55	0.00	Considering the fact that the expenditure



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reason for admissibility
	equipment			incurred is for assets which are minor in nature, the additional capitalization claimed is not allowed .
18	Safety equipment smoke detector - power house (safety)	7.53	7.53	The Petitioner has submitted that the expenditure has been incurred to protect plant from any fire accident and to act on fire incidence well in advance. Considering the fact that the assets/works are considered necessary for the safety & security of the generating station, the expenditure claimed is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
	Total	255.67	79.78	
B. Regulation 14(3) iii (New Items)				
19	Royal Enfield motorcycle bullet model 350 uce - uk09a/7454	1.07	1.07	The Petitioner has submitted that the motorcycle has been purchased for CISF unit, Tehri for security purpose. The Petitioner has submitted that the documents are confidential in nature and can be produced in front of Commission, if required. Considering the fact that the expenditure is for assets/works which are considered necessary for the safety of the generating station, the same is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
20	Multizone doorframe metal detector cisf	2.04	2.04	The Petitioner has submitted that metal detector has been purchased for safety of Dam and underground Powerhouse as per requirement of CISF. The Petitioner has submitted that the documents are confidential in nature and can be produced in front of Commission, if required. Considering the fact that the expenditure is for assets/works which are considered necessary for safety of the generating station, the same is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
21	Under Vehicle Inspection System (uvis) trolley mirror – CISF powerhouse	0.40	0.40	The Petitioner has submitted that trolley mirror has been purchased for safety of Dam and underground Powerhouse as per requirement of CISF. The Petitioner has submitted that the documents are confidential in nature and can be produced in front of Commission, if required. Considering the fact that the expenditure is for assets/works which are considered necessary for safety of the generating station and is within the balance limit, the same is allowed under Regulation 14(3)(iii)



Sl. No.	Works	Claimed (Rs. in lakh)	Allowed (Rs. in lakh)	Reason for admissibility
				of the 2014 Tariff Regulations.
22	Residential building - 5 numbers cp bathroom for cisf	0.76	0.00	Considering the fact that the expenditure incurred is for assets which are not directly related to Plant and Machinery, the additional capitalization claimed is not allowed .
23	Other building - cisf barrack	202.81	202.81	The Petitioner has submitted that due to induction of additional CISF staff at project area, 03 numbers additional barrack constructed for their accommodation. The Petitioner has submitted that the documents are confidential in nature and can be produced in front of Commission, if required. Considering the fact that the expenditure is for assets/works which are considered necessary for safety of the generating station and is within the balance limit, the same is allowed under Regulation 14(3)(iii) of the 2014 Tariff Regulations.
	Total	207.08	206.32	
C. New Items- Regulation 14(3)(vii) and Regulation 14(3)(viii)				
24	Rehabilitation expenses	4067.75	4067.75	The Petitioner in compliance to the directions of the Commission has furnished that the additional capital expenditure has been made in compliance to the Hon'ble supreme Court's order dated 15.4.2011 and 13.5.2011 and in reference of meeting held on 30.6.2011 under the chairmanship of JS (H) GOI on various rehabilitation issues, wherein decision was taken to release funds under different heads. The fund was released in a phased manner, as per progress of work. During 2015-16, a net sum of Rs.40.68 crore was spent. Considering the submissions of the Petitioner in justification of the claim and the fact that the expenditure is for assets/works is for compliance of the order or decree of a court of law, the same is allowed under Regulation 14(3)(i) of the 2014 Tariff Regulations.
	Total	4067.75	4067.75	
Total (A+B+C)		4530.49	4353.84	

16. Accordingly, the total additional capital expenditure allowed is Rs.4353.84 lakh (Rs.79.78 lakh + Rs.206.32 lakh + Rs.4067.75 lakh) in 2015-16.

2016-17

