

15. The Respondent MPPMCL has submitted that the additional capital expenditure claimed by the Petitioner under Regulation 14(3) (iii) of the 2014 Tariff Regulations, is without any supporting document / recommendations of the Appropriate authority. It has also submitted that the Petitioner has claimed expenditure towards procurement of minor assets under Regulation 14(3)(viii) of the 2014 Tariff Regulations, but the same does not permit the same. The Petitioner in its rejoinder has clarified that the documents in respect of additional capital expenditure claimed under Regulation 14(3)(iii) has been annexed. It has been further submitted that the expenses have been incurred on account of requirement of security and safety as per the recommendations of Intelligence Bureau (IB) report. It has also submitted that the disallowed additional capital expenditure has been claimed in view of the necessity of the items required for successful and efficient plant operation.

16. We have considered the submissions of the parties. It is noticed that the completion cost of the project is of Rs. 273359 lakh, whereas, the allowed capital cost as on 1.4.2014 is of Rs. 262240.26 lakh. It is also noticed that the Petitioner has claimed many items/assets during the period from 2016-17 to 2018-19 under Regulation 14(3)(iii) of the 2014 Tariff Regulations. Some of the claimed items were allowed vide order dated 9.10.2018 in Petition No. 117/GT/2020; some are within RCE limit; some are claimed in terms of recommendations of CISF, wherein, the Petitioner has furnished the documentary evidence; some are claimed for the safety and security of the plant; and some items are in the nature of minor items / tools and tackles. The Petitioner, in compliance to the ROP, has submitted that the assets / works claimed as additional capital expenditure for the period 2014-19 were executed as per the



Policy and Procedure of the Petitioner's Company. It has also enclosed the certificate in this regard from the competent authority and the Auditor's certificate with respect to the liability flow statement shown in Form-16 for the 2014-19 tariff period. Accordingly, the additional capital expenditure has been examined and dealt in the subsequent paragraphs.

### **2014-15**

17. The details of the additional capital expenditure claimed under the provisions of Regulation 14 of the 2014 Tariff Regulations are examined as follows:

			<i>(Rs. in lakh)</i>
<b>Sl. No.</b>	<b>Regulation</b>		<b>2014-15</b>
(a)	14(1)(ii)	The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on account of works deferred for execution 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.	1965.23
(b)	14(3)(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;	0.31
(c)	14(3)(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;	51.78
<b>Total additional capital expenditure claimed</b>			<b>2017.31</b>



**(a) Claims under Regulation 14(1)(ii) of the 2014 Tariff Regulations**

(Rs. in lakh)

Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
<b>Items allowed in order dated 9.10.2018 in Petition No. 117/GT/2018</b>					
1	Rehabilitation Expenses - Construction of Ali Haljant road	172.99	Due to construction of Koteshwar Dam and Powerhouse, a village namely Ali Haljant situated at left bank was disconnected from main road (Tehri - Devprayag Road). Therefore, the connectivity to villages was provided by construction of road via dam site, these works were necessary for creating amicable atmosphere in the project area for successful and efficient plant operation.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2014-15, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claims are within the cut-off date and within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed</b> . The de-capitalisation of old asset / work is considered under "Assumed Deletions".	172.99
2	Power-house Building	437.19	Balance work of main access tunnel to powerhouse, drilling of drainage holes and Powerhouse finishing works were executed under a separate contract for 'Balance Civil works of Koteshwar HEP'. These works were essentially required for safe and uninterrupted operation of the Project. Provisions for the same also existed in approved RCE-2012 i.e., within the original scope of work.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2014-15, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claims are within the cut-off date and within the RCE limit for the project.  Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed</b> .	437.19
3	Purchase of PCL Guest House	35.50	Guest house building constructed by Contractor-M/s PCL ILC JV at Koteshwar was taken over by THDCIL for the use of Project since the existing guest house was not sufficient to accommodate official guests, These works were necessary for successful and efficient plant operation.		35.50
4	Hospital Building	11.69	Construction of room for Doctors and Pathology Test Lab to provide necessary medical facilities to employees. These works were necessary for successful and efficient plant operation.		11.69



Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
5	Purchase of PCL intertech Godown	5.25	Cement store shed maintained by Ms PCL ILC JV at Koteshwar was purchased by THDCIL for the construction activities of the Project.		5.25
6	Roads and Culvert	105.25	Construction of alternate road (Chaka Pendaras) to ensure connectivity of project. This road also facilitated muck disposal and smooth transportation of construction material & plant machinery for KHEP. These works were necessary for successful and efficient plant operation.		105.25
7	Purchase of JCB	40.75	JCB Wheel Loader was procured for removal of muck / boulders from Project roads and for other construction activities at Koteshwar Project. The same was essentially required for safe and uninterrupted operation at the Project.		40.75
8	Main Generating Equipment	132.84	Payment made to M/s BHEL against Agreement dated 21.03.2003 for supply and erection of EM equipment at Koteshwar Powerhouse, i.e., in the original scope of work.		132.84
9	Balance work of dam	851.69	Balance Civil work of dam galleries, work of plugging of diversion tunnel and work for left bank slope stabilization were executed under a separate Contract of 'Balance Civil works of Koteshwar HEP' against Agreement dated 12.11.2014 with M/s Patel Engineering Ltd. These works were essentially required for the safe and uninterrupted operation of the Project. Provision for the expenditure also exists in the Approved RCE-2012, i.e., in the original scope of work.		851.69
10	Balance work of penstock	26.67			26.67
11	Balance work of tunnel	9.80			9.80
12	Tata Tipper UK-09 CA-0472	14.85	Tata Tippers were procured for removal of muck deposited at Jurasi Nala / Sain Nala to protect Koteshwar reservoir and safety of stores situated at Jurasi Nala, up keeping of		14.85
13	Tata Tipper UK-09 CA-0471	14.85			14.85
14	Tata Tipper UK-09 CA-0470	14.85			14.85



Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			Koteshwar project roads and other construction and maintenance activities of Koteshwar Project. This was necessary for successful and efficient plant operation.		
15	Qualis UA-09, 1015	5.32	For the inspection of various site works at Koteshwar Project. This vehicle was necessary for successful and efficient plant operation.		5.32
16	Almirah, Modular Furniture	11.47	03 No. almirahs and Modular Furniture for safety of documents and for staff at Powerhouse for successful and efficient plant operation.		11.47
17	1 No. Refrigerator	0.14	Essentially required for Doctors, patients and pathological Lab in the Hospital for successful and efficient plant operation.		0.14
18	12 No. Double Bed	1.34	This furniture are essentially required in the Hospital for the staff posted at Koteshwar HEP Project for successful and efficient plant operation.		1.34
19	32 No. Computer & 12 Printer	12.57	Computers are essential requirement for various online activities and efficient working.		12.57
20	86 No. Laptop	46.50	Laptops procured for various executives as they require frequent visits to outside agencies. Laptops have been provided as per the policy. This required for successful and efficient plant operation.		46.50
21	1 Photocopy Machines for Powerhouse	0.10	For official use, required to provide copy of various necessary records to various internal and external agencies for successful and efficient plant operation.		0.10
22	1 No. Unified Threat Management Device	3.60	Unified Threat Management (UTM) was procured to extend comprehensive cyber security for organization at the Gateway level to provide identity-based security settings for users. Equipment has features like on-appliance reporting, content filtering, VPN, Intrusion prevention system, bandwidth Management,		3.60



Sl. No.	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
			Antivirus and anti-spam, Internet Management, Firewall Multiple Link Management etc for safe and efficient plant operation.		
23	Aqua guard, Cooler, Geysers, water filter etc.	2.30	Hot & Cold ROs were procured for safe drinking water for the staff posted at Koteshwar. Almirah was procured for storage of food items of canteen at Koteshwar Powerhouse for successful and efficient plant operation.		2.30
24	3 No. AC, 1 No. Water Cooler, 1 No. Geysers	4.01	Air Conditioner Smoke Repeater Heater are procured for installation at Administrative building, these works were necessary for successful and efficient plant operation. - Procurement of Bosch Hot Gun for Powerhouse for Heating /de-moisturization purpose for Cards/Electrical Panels installed at Powerhouse. - ACs were procured for installation at Administrative Building		4.01
25	Almirah, Table & Chair	2.05	Almirah was procured for Mechanical and P&A Offices. Double beds, study tables and plastic chairs were procured for School staff for successful and efficient plant operation.		2.05
26	Oxygen Level Meter, Sound Level Meter & Siren etc.	1.66	Safety equipment procured for the safety and awareness of workers/employees, which are working in project, these works are necessary for successful and efficient plant operation.		1.66
	<b>Total amount claimed</b>	<b>1965.23</b>			
	<b>Total amount allowed</b>				<b>1965.23</b>

**(b) Claims under Regulation 14(3)(vii) of the 2014 Tariff Regulations**

*(Rs. in lakh)*

S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
<b>Items allowed in order dated 9.10.2018 in Petition No. 117/GT/2018</b>					



S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
1	Heater, 05 no. Exhaust Fan	0.31	Exhaust fans for an amount of Rs. 12,750.00 were procured for installation at New Field hostel/ Administrative building. Pedestal fans for an amount of Rs. 9800.00 were procured for Office building and Powerhouse. Bosch Air Blower for an amount of Rs. 8097.00 was procured for the purpose of dust cleaning of Electrical panels installed at Powerhouse for successful and efficient plant operation.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2014-15, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claims are within the cut-off date and within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is allowed.	0.31

**(c) Claims under Regulation 14(3)(viii) of the 2014 Tariff Regulations**

<i>(Rs. in lakh)</i>					
S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
<b>Items allowed in order dated 9.10.2018 in Petition No. 117/GT/2018</b>					
1	Sub Station Equipment	40.80	Shifting of 33/11 KV Sub Station from existing Location to new Location near Helipad due to landslide at old location of Sub Station Area & Building, these works are necessary for successful and efficient plant operation.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2014-15, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claims are within the cut-off date and within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is allowed.	40.80
2	Internal Distribution Lines	10.97	Power lines were constructed for illumination at newly constructed road from Powerhouse to Switchyard and new 33/11 KV Substation, these works were necessary for successful and efficient plant operation.		10.97
	<b>Total amount claimed</b>	<b>51.78</b>			
	<b>Total amount allowed</b>				<b>51.78</b>



18. Based on the above, the total additional capital expenditure of Rs. 2017.31 lakh (1965.23+ 0.31+51.78) is allowed in 2014-15.

### **2015-16**

19. The details of the additional capital expenditure claimed under various provisions of Regulation 14 of the 2014 Tariff Regulations in 2015-16 are examined below:

*(Rs. in lakh)*

Sl. No.	Regulation		2015-16
(a)	14(1)(ii)	The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on account of works deferred for execution 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.	63.00
(c)	14(3)(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;	5709.32
<b>Total additional capital expenditure claimed</b>			<b>5772.32</b>

#### **(a) Claims under Regulation 14(1)(ii) of the 2014 Tariff Regulations**

*(Rs. in lakh)*

Sl. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
<b>Items allowed in order dated 9.10.2018 in Petition No. 117/GT/2018</b>					
1	DFO Forest Tehri - Land Unclassified	63.00	Payment to Forest Division, New Tehri, towards development of green belt around Koteshwar reservoir, which was mentioned in condition No. 10 of 338 hac. of Lease Deed. Forest land transferred to Koteshwar Project by State Forest Department. These items are in the original scope of work.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2015-16, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claim of the Petitioner form part of the original scope of the project and is within the RCE limit for the project. Accordingly, the	63.00





Sl. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
	<b>Total amount claimed</b>	<b>63.00</b>		additional capital expenditure claimed by the Petitioner, is <b>allowed.</b>	
	<b>Total amount allowed</b>				<b>63.00</b>

**(b) Claims under Regulation 14(3)(viii) of the 2014 Tariff Regulations**

(Rs. in lakh)

S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
<b>Items allowed in order dated 9.10.2018 in Petition No. 117/GT/2018</b>					
1	Rehab. Expenses- Alignment of Road	30.24	Compensation had been paid to affected families as part of Rehabilitation activities. This work is necessary for successful and efficient plant operation.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2015-16, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claim of the Petitioner is within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed.</b>	30.24
2	Powerhouse - civil works	1685.58	Certain balance civil works such as drainage arrangement in main access tunnel, flooring and finishing of powerhouse auxiliaries etc. were executed under a separate contract of 'balance civil works of Koteshwar HEP' against agreement dated 12.11.2014. These works were essentially required for safe operation of power plant and aesthetic purpose of the plant. Provision for the expenditure also exist in the Approved RCE-2012, i.e., in the original scope of work.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2015-16, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claim of the Petitioner is within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed.</b>	1685.58
3	Building for Transmission Plant and Equipment	252.04	Due to geological reasons, the old sub-station was badly damaged cracks were developed at various portion of the structure. Therefore, it was essential to construct a new building at safe location for shifting of Sub-station. The same was required for successful and efficient plant operation and safety of power plant.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2015-16, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claim of the Petitioner is within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed.</b> The de-capitalisation of old asset / work is considered under "Assumed Deletions".	252.04



S. No	Details of the claim	Amount claimed	Justification submitted by the Petitioner	Remarks on admissibility	Amount Allowed
4	Purchase of office building from BHEL	43.09	Store building was purchased from M/S BHEL for safe storage of Spare Parts of KHEP Powerhouse. The same was required for successful and efficient plant operation and safety of power plant.	It is noticed that the additional capital expenditure claimed for these assets / works were allowed on cash basis, in 2015-16, vide order dated 9.10.2018 in Petition No. 117/GT/2018. Also, the claims of the Petitioner are within the RCE limit for the project. Accordingly, the additional capital expenditure claimed by the Petitioner, is <b>allowed.</b>	43.09
5	Field hostel building	6.15	Balance payment against construction of Field Hostel (24 Nos. Room) for O&M staff (under MOU dated 27/3/2009 with UPRNN) since the project is situated at remote area and there was not sufficient accommodation in project area.		6.15
6	30 HP submersible pump set with controller	2.10	30HP submersible pump set were procured for dewatering of seepage water of Dam galleries and Dam pit area. The same was required for successful and efficient plant operation and safety of power plant.		2.10
7	TATA Hitachi Hydraulic Excavator	78.46	TATA Hitachi Hydraulic Excavator procured for removal of muck deposited at Jurasi Nala/ Sain Nala to protect Koteshwar Reservoir and safety of stores situated at Jurasi Nala and for other construction activities of Koteshwar project. The same is required for meeting out emergent situation, safety & efficient plant operation.		78.46
8	Main Generating Equipment	413.08	Payment has been made to M/S BHEL against Agreement No. CD/ 196/ Supply of Services/ AG/ March 2003 related to expenditure on erection of EM equipment at Koteshwar Powerhouse (Unit#1,2,3,4), i.e. in the original scope of work.		413.08
9	Civil work of dam	2956.94	Certain balance Civil works such as plugging of diversion tunnel, stabilization of left bank in the area of diversion tunnel, drainage arrangement through dam galleries and finishing of galleries etc. which were essentially required for safe and uninterrupted operation of power plant. These plants were executed under a separate contract of 'Balance Civil works		2956.94
10	Balance work of penstock	102.84			102.84
11	Balance work of tailrace tunnel	37.79			37.79

