

ORDER

1. Rajasthan Vidyut Utpadan Nigam Limited (RVUNL) has filed this Petition on 29.10.2024 under Section 62 and 86(1)(a) of the Electricity Act, 2003 read with Regulation 17(2)(e) of RERC Regulations, 2019 for In-Principle approval of additional capitalization of capital expenditure within the original scope of work after the cut-off date for SSCTPP Unit#7&8.
2. The salient features of the petition were published for inviting comments in the following news papers.

Table: Details of Newspapers

Sr. No.	Name of News Paper	Date of publishing
(i)	Dainik Bhaskar	15.11.2024
(ii)	Rajasthan Patrika	15.11.2024
(iii)	Times of India	15.11.2024

3. The petition was also placed on the websites of the Commission and the Petitioner. The Objections/suggestions/comments were received from Sh. G.L. Sharma stakeholders till last date (06.12.2024) for filing the comments. On 10.01.2025 RVUN submitted its reply on Objections/suggestions/comments of stakeholder
4. Respondents submitted their objections/comments on 16.12.2024. Reply on the objections of Respondents was filed by RVUN on 16.01.2025. Commission vide data gaps dated 03.12.2024, 05.02.2025 and 18.03.2025 directed RVUN to submit additional information. RVUN Submitted reply on the data gaps on 20.12.2024, 17.03.2025 and 22.07.2025 respectively.
5. Thereafter, RVUN filed an Interlocutory Application (I.A.) 24.07.2025, which was got published in the following news papers:

Table: Details of Newspapers

Sr. No.	Name of News Paper	Date of publishing
(i)	Dainik Navjyoti	05.08.2025
(ii)	Rajasthan Patrika	05.08.2025
(iii)	Times of India	05.08.2025

6. The I.A. was also placed on the websites of the Commission and the Petitioner. The Objections/suggestions/comments on above I.A. were received from Sh. G.L. Sharma stakeholders till last date (25.08.2025) for filing the comments. Respondents submitted their reply on the I.A. on 13.10.2025.
7. Petitioner, RVUN submitted the reply on the Objections/suggestions/comments of stakeholder and Respondents on 26.11.2026 respectively.
8. The matter was finally heard on 16.01.2025, wherein Commission directed the Petitioner to submit their written submissions to the issues raised by the Respondents and Stakeholder during the hearing within a week. Accordingly Petitioner submitted the written submission on 23.01.2026.
9. RVUN in its petition, Interlocutory Application (I.A.), reply to Objections/suggestions/comments of Stakeholders and Respondents and data gap reply has submitted as under:
 - 9.1 The present petition has been filed by the Petitioner under Section 62 and 86(1)(a) of the Electricity Act, 2003 read with Regulation 17(2)(e) of the RERC Tariff Regulations, 2019 for In-Principle Approval of Additional Capital Expenditure within the Original Scope of Work after Cut-off Date for SSCTPP Units 7 & 8.

9.2 The Petitioner had initially filed the main petition on 29.10.2024 for In-Principle Approval of additional capital expenditure within the original scope of work for SSCTPP Units 7 & 8 post cut-off date. In view of the closure of audited accounts on 28.05.2025, the additional material facts and figures and liabilities crystallized later.

9.3 RVUN thereafter filed an Interlocutory Application (IA) to provide the Commission with the most accurate and revised information.

A EPC Works:

9.4 The details of claim wrt EPC works as per bills from M/S BHEL are summarized as under:

EPC contract Value (Rs. in Cr.)	Expenditure upto FY 2023-24 (Rs. in Cr.)	Undischarge liability upto 31.03.2025 from FY 23-24 to 24-25 (Rs. in Cr.)
6139.48	5,824.01	166.13

Bills received and accounted for Before cut-off date (Rs. in Cr.)	Bills received and accounted for After cut- off date (Rs. in Cr.)	Bills received and yet to be accounted for (Rs. in Cr.)
69.2	96.94	46.23

*Rs. 69.2 Cr. include the undischarge liability of Rs. 30.33 Cr. as on 31.03.2024.

9.5 Therefore, undischarged liabilities as on 31.03.2025 is Rs. 69.2 Cr. + Rs. 96.94 Cr. = Rs. 166.13 Cr. and Rs.166.13 Cr. + Rs. 46.23 Cr. = Rs. 212.36 Cr.

9.6 RVUN has requested to consider the expenditure of Rs.212.36 Cr. and take on record Rs. 5.45 Cr bill (as indicated in letter dated 21.05.2025 enclosed with IA).

9.7 Performance Guarantee (PG) tests were conducted by BHEL in October 2024, and the report of final P.G. test was submitted by BHEL to SSCTPS site on 06.05.2025 after reviewing and accepting the report by SSCTPS site. The P.G report has been submitted before the Commission.

9.8 In view of the above, RVUN requested to allow the expenditure of Rs. 212.36 Crore towards BHEL to be considered and paid after the cut-off date.

B Land

9.9 The route connecting the STPS to NH-62 is a single road constructed on available government land/area whose construction and maintenance is being done by STPS.

9.10 Petitioner further submitted that near every ROB there is a necessary requirement of diversion road but near this ROB at LC-105 at Biradhwal Station due to unavailability of land the construction of diversion road is quite hindered.

9.11 For the proper running and maintenance of both the plants (STPS Unit 1 to 6 and SSCTPP unit 7 & 8) and for the smooth movement of heavy machinery and generator components it is necessary to build a diversion/approach road nearby this ROB connecting to the NH-62.

9.12 In this regard, the Whole time directors of the petitioner had also accorded their consent for the acquisition of approximately 2 hectare land Govt/Private khatedari additional land for construction of diversion/approach road near ROB at the T-Point LC-105 (near Bridhwal Station), STPS Suratgarh, Sri Ganganagar.

9.13 In view of the favorable decisions passed by the Commission in the past with respect to the difficulty in smooth operation of the plant, the details of the relevant orders are mentioned hereunder:

- In case of CTPP U#3 &4 order dated 08.03.2019
- In case of KaTPP U# 1&2 order dated 12.05.2020

9.14 RVUN has requested to allow amount of Rs. 0.67 Cr. to acquire approx. 2 hectare of Govt./Private Khatedari Land with width of 25 meter along the length of RoB for construction of Diversion/Approach Road to T-Point STPS, Suratgarh so that the plant can be operational without hindrance and to facilitate safe transportation of heavier machines.

C Marshalling Yard

9.15 The work of strengthening and expanding the existing track, along with the construction of a new crossing station and electrification, is necessary for efficient fuel transportation to the plant. The Detailed Project Report (DPR) has been prepared by RITES and meets all the conditions specified by North Western Railway.

9.16 In view of closure of audited accounts, the expenditure of Marshalling Yard till cut-off date (31.10.2024) is Rs.196.44 Cr. The estimated cost to be incurred after the cut-off date is estimated to be around Rs 106.26 Cr. (including the undischarged liability of Rs. 3.70 Cr. and the remaining amount of Rs. 102.56 Cr.) pertaining to the work envisaged in future and in planning stage, which is to be paid to Railways as and when demand is raised under the Railway deposit work arrangement. This expenditure is therefore beyond the direct control of RVUN and depends on Railway's work schedule.

9.17 RVUN has requested the Commission to allow the expenditure of Rs. 106.26 Crore toward expenditure of Marshalling Yard and paid after the cut-off date.

D CSR Works

9.18 Initially work towards CSR activities was not included in the DPR. Further, during the approval of the Environment Clearance for SSCTPP U#7&8,

the MOEF issued Terms of Reference (TOR) on 17.07.2009 in which following was directed to RVUN:

“(xxxii) Measures of socio economic influence to local community proposed to be provided by project proponent. As far as possible, quantitative dimension to be given.”

9.19 Thus, in compliance of above direction of MOEF, RVUN formulated a comprehensive policy known as Corporate Social Responsibility (CSR) policy.

9.20 According to the (Clause no. 7.1) CSR policy of RVUN, estimated cost for social development/ activities @ Rs. 2.5 lacs/ 2.0 lacs/ 1.5 lacs per MW (one time) for coal based Thermal Projects on Supercritical technology/ Coal based thermal projects on sub- critical technology and Gas based Thermal Projects respectively. Thus, according to CSR Policy Rs. 33 Cr. +2.61 Cr (amounting Rs. 35 Cr.) has been allocated under CSR and CER Head.

9.21 Therefore, out of Rs. 35 Cr. the total expenditure incurred upto cut-off date against CSR work is Rs. 10.30 Cr. Accordingly, the balance amount of Rs. 25.34 Cr. is yet to be incurred under CSR head. The CSR expenditure is contingent upon the demands of various relevant authorities. Consequently, a balance amount of Rs. 25.34 Cr will be required in the future as expenditures are incurred according to the requirements stipulated by the CSR authorities.

9.22 RVUN requested to allow the expenditure of Rs.25.34 Crore toward expenditure under CSR head and paid after the cut-off date.

E Various Equipment's like Bulldozers, locomotives, etc.

- 9.23 The existing two locomotives are currently being utilized to serve the two operational wagon tippers (WT#1 and WT#2). With the upcoming commissioning of WT#3 and WT#4 for smooth operation of work, reducing total unloading time of rakes and high detention time of railway rakes and to avoid demurrage charges in case of bunching of coal rakes, an additional requirement for two more locomotives was identified. However, considering financial constraints, procurement of at least one locomotive was deemed essential for operational activities at WT-3 & 4.
- 9.24 Further, at the time of CoD, Units of SSCTPP were running on partial load while at present the Units are running at full load after conducting PG test (conducted in Oct 2024), thus, the quantum of coal is increased, arising the requirement of locomotive.
- 9.25 In view of closure of audited accounts, the expenditure under the head of Various Equipment's like Bulldozers, locomotives, etc. is finalized as expenditure incurred upto cut-off date i.e 31.10.2024 is Rs. 34.69 Cr. Thus, an amount of Rs. 11.06 Cr. is anticipated to be incurred after cut-off date.
- 9.26 RVUN requested to allow the expenditure of Rs.11.06 Crore toward expenditure purchase of Various Equipment's like Bulldozers, locomotives, etc and paid after the cut-off date.

F Fly over on railway crossing

- 9.27 The requirement of construction of railway over bridge (ROB) on the Railway Crossing linking NH-15 to the SSTPS Plant site & Villages en-route, was very essential due to heavy increase in railway traffic from an average of 6-8 (inward and outward) coal rakes per day to 20-22 coal

rakes per day (inward and outward). As the road serves a number of villages along with SSTPS Township, people residing in these areas face lot of difficulties due to Railway crossing remaining closed for passing of trains. Also increasing movement of heavy bulkers/trucks ferrying fly ash from plant to cement factories and frequent movement of army vehicles as the area is sensitive for defense would add risk to the safe & quick movement of passenger vehicles at the time of emergency.

- 9.28 The expenditure incurred forms an integral part of ensuring safe and efficient access to the Plant site, which directly impacts its operational functionality. The flyover's construction was necessary for transporting heavy equipment and ensuring uninterrupted operational logistics.
- 9.29 The Regulation 2(47) of the RERC Tariff Regulations, 2019, defines "project" to include all components necessary for the functional operation of a generating station. This includes infrastructure directly linked to accessibility and safety. The flyover and road works align with these definitions and should be considered part of the capital cost.
- 9.30 The Commission in the past has allowed expenses incurred on road works outside the plant area, required essentially for the project in case of CTPP U# 3&4 and KaTPP U# 1&2 in the order dated 08.03.2019 and 12.05.2020 respectively as reimbursement.
- 9.31 The expenditure of Rs. 4.56 Cr. includes the construction and erection of crash barrier at approach road to ROB at T-point STPS, Suratgarh at an estimated cost of Rs.2.82 Cr., including taxes and balance amount pertains to the construction of approach road for ROB (excluding Railway portion) at LC -105 T-Point, STPS, Suratgarh.
- 9.32 RVUN has prayed to allow the expenditure of Rs. 4.56 Cr. to be incurred after Cut-off date.

G Construction power 0.65 Cr.

- 9.33 RVUN submitted that 220 kV line was crossing through the main part of construction area of the project. Hence, shifting of 220 kV line, 33 kV lines conversion and 33 kV Bay was essential for construction activities of SSCTPP U#7&8. The RVPN has carried out the same work as Deposit work.
- 9.34 The Commission approved the amount of Rs. 5.53 Cr. in final capital cost. The claimed amount of Rs. 33.43 Lacs is above the approved amount and is under negotiation with RVPN.
- 9.35 Cost of construction power was provided free of cost to M/s BHEL for construction purpose of Unit#7&8.
- 9.36 In view of the provision in tender documents of EPC for providing construction power free of cost. The construction power was provided to M/s BHEL for construction purpose.
- 9.37 RVUN has requested the Commission to allow the expenditure of ₹ 0.65 Crore towards Shifting of 220 KV line, 33 KV line connection & 33 KV bay for construction power and Cost of construction power provided free of cost to M/s BHEL for construction purpose to be considered and paid after the cut-off date.

H Pre-operative TCE Expense and Physical Contingency TD expense

- 9.38 Pre-operative and physical contingency expenses are critically important for the successful construction and commissioning of a power project, as they serve distinct but essential functions in financial planning and risk management. The physical contingency expense is a reserved fund to cover unforeseen physical risks during the construction

phase, such as encountering unexpected geological conditions, correcting design errors, or managing scope changes, thereby ensuring the project remains on budget and on schedule. The pre-operative expense, conversely, covers all necessary administrative, technical, and operational costs incurred after the completion of construction including expenditures like staff training, regulatory compliance fees, and the energy/fuel consumed during essential trial runs and commissioning, which is vital for the smooth transition to commercial energy production. Therefore, the said expenditure is not directly related to the functioning or operation of plant but forms an essential part in construction and commissioning of plant.

9.39 The RVUN accounts for FY 24-25 have been finalized, with the expenditure under Pre-operative TCE expense estimated at Rs. 0.03 Cr. pertaining to final billing and physical contingency TD expense estimated at Rs. 2.56 Cr.

9.40 RVUN has requested to allow the expenditure amounting Rs. 2.59 Cr, to be incurred after cut-off date.

Summary of expenditure claimed to be incurred after cut-off date

Particulars	Expenditure After Cut-off (Rs. Crore)
EPC (incl. pending BHEL bills)	212.36
Land for Diversion/Approach Road	0.67
Marshalling Yard	106.26
CSR Works	25.34
Various Equipment	11.06
Flyover on Railway Crossing & Road Works	4.56
Construction Power (RVPN + BHEL)	0.65
Pre-operative TCE & Physical Contingency	2.59
Total	363.49

9.41 In view of the above, RVUN has requested to allow the expenditure of Rs. 363.49 Crore towards the above said works to be considered and paid after the cut-off date.

10. Respondents in their common reply and during the hearing have submitted as under:

EPC Works:

10.1 The Petitioner has claimed a post cut-off liability of ₹212.36 Crores towards M/s BHEL under the head of EPC works. However, as per Annexure B of the Interlocutory Application, M/s BHEL itself has indicated pending bills of only about Rs.5.54 Crores, which shows huge discrepancy between the amount claimed and the amount actually reflected by BHEL and creates serious doubt about the correctness and reliability of the Petitioner's figures.

Land Purchase:

10.2 The Petitioner has claimed an amount of Rs.0.67 Crore towards acquisition of about 2 hectares of land near ROB at LC-105, Biradhwaj Station, stating that the same is required for construction of a diversion/approach road. However, the Petitioner has not provided any supporting documents such as land ownership records, location maps, or administrative approvals. Further, there seems no clarity on whether the proposed land lies within the plant boundary or outside it, which becomes a key factor in determining admissibility under capital cost.

10.3 It is further submitted that the Petitioner has not established whether this land acquisition forms part of the original scope of work of SSCTPP Units 7 & 8. Without evidence showing that the land is within the approved project area or that the acquisition is unavoidable for the operation of the plant, the claim cannot be considered. In the absence of such documentary support, the expenditure claimed appears vague and lacks transparency.

Marshalling Yard:

- 10.4 The Petitioner in its main petition had initially claimed an amount of Rs.113.02 Crores towards the Marshalling Yard and relied on a letter dated 03.07.2024 from the North Western Railway, which indicated a cost of Rs.46.97 Crores. However, in the present Interlocutory Application, the Petitioner has revised its claim to Rs.106.26 Crores as additional capital expenditure after the cut-off date. This sharp variation between the Railway's indicated cost and the Petitioner's revised claim raises serious concerns regarding accuracy and justification.
- 10.5 The Petitioner has not placed on record any detailed cost breakup, confirmation from Railway authorities, or evidence of actual liabilities discharged for the balance amount. The absence of such critical documentation prevents a prudence check, which is mandatory under the RERC Tariff Regulations. Furthermore, the Detailed Project Report (DPR) prepared by RITES, which the Petitioner itself refers to as the basis of the proposed works, has not been submitted for scrutiny.

CSR Works:

- 10.6 With respect to CSR-related claims, the Petitioner has sought an additional amount of Rs. 25.34 Crore, alleging that this would be required for future expenditures as mandated by CSR authorities. CSR expenses are statutory obligations under Section 135 of the Companies Act, 2013. The provision clearly requires qualifying companies to spend a specified percentage of their profits on CSR activities and these expenditures are to be borne entirely from the company's profits and have no connection with the capital cost, operational performance, or efficiency of a generating station.

10.7 In light of the above, the claim made by the Petitioner regarding CSR expenses is not permissible under law or regulation and, therefore, the Commission may kindly be pleased to dismiss the same.

Procurement of Equipment (Bulldozers, Locomotives, Trucks, Forklifts):

10.8 With regard to the claim of additional expenditure of Rs.11.06 Crores for procurement of equipment such as bulldozers, locomotives, trucks, and forklifts, the Petitioner has already claimed Rs. 7.39 Crores in the main petition. The present claim represents an increase of 67%, which is excessive and has been made without any proper justification or cost-benefit analysis. The mere revision of cost after the finalization of audited accounts for FY 2024-25 does not validate this steep increase.

10.9 Further, the Petitioner has not explained the necessity of purchasing these items when they can be hired as per requirement. No specific purpose or work for which these items are being procured has been indicated.

Flyover at Railway Crossing:

10.10 With respect to the claim of Rs. 4.56 Crores for the construction of a flyover at a railway crossing, Respondents submitted that this infrastructure lies outside the boundary of the generating station and was not part of the original scope of work approved for SSCTPP Units 7 & 8. Accordingly, it does not qualify for capitalization under the applicable RERC Tariff Regulations.

10.11 The Commission has consistently disallowed this claim in previous orders, including Order dated 16.08.2023 in Petition No. 2070/2022, Order dated 14.12.2023 in Review Petition No. 2170/2023, and Order dated 22.07.2024 in Petition No. 2196/2024. These orders have clearly held that

external infrastructure, such as flyovers or approach roads, unless specifically approved and demonstrated as essential for plant operation, cannot be considered part of capital cost.

Construction Power:

10.12 It is standard practice for contractors to make their own arrangements for construction power, typically through temporary connections or diesel generators. It is unusual and inappropriate for the Petitioner to supply electricity to M/s BHEL at its own cost and then claim the same as additional capital expenditure. There is no provision under the RERC Tariff Regulations to recover such expenses. Further, the Petitioner has not provided the source of electricity supplied or the applicable rate.

Pre-Operative Technical Consultancy and Engineering (TCE) and Physical Contingency (TD) Expenses:

10.13 With respect to the claim of Rs. 2.59 Crores towards pre-operative technical consultancy and engineering (TCE) and physical contingency (TD) expenses, Respondents submitted that such costs do not qualify as additional capital expenditure under Regulation 17 of the RERC Tariff Regulations, 2019 and 2025. The additional capital expenditure allowed under the Regulations is strictly for activities necessary for the functioning of the power plant and related operations. Pre-operative TCE and physical contingency expenses are not part of the functioning or operation of the generating station and, therefore, cannot be included in the capital cost. Accordingly, the Commission is requested to dismiss the Petitioner's claim in this regard.

10.14 In view of the above averments, the claims made by the Petitioner in this Interlocutory Application are either unsupported, excessive, outside the original scope of work, or not permitted under the RERC Tariff

Regulations, 2019 and 2025. The Petitioner has not provided adequate documents, cost justification, or proof of actual liability for its claimed expenditures under various heads, including EPC works, land, marshalling yard, CSR, equipment, flyover/roads, construction power, and pre-operative consultancy, etc.

10.15 The Petitioner has not produced any evidence to substantiate its claim. No invoices, work completion certificates, or proof of payments have been placed on record. Even the audited financial statements, which the Petitioner states as the basis of this IA, have not been filed. In the absence of such essential documentation, the claim lacks transparency and does not meet the requirements of a prudence check under the applicable regulatory framework.

10.16 It can be seen that as per Regulation 17(2)(e) of the RERC Tariff Regulations, 2019, additional capital expenditure after the cut-off date can only be considered if liabilities have been actually discharged by way of payment, and subject to prudence check. Since no actual discharge of liability has been demonstrated by the Petitioner, the claim does not qualify for approval. Accordingly, the Commission is requested to dismiss the Petitioner's claim in this petition.

10.17 Accordingly, Respondents have requested to dismiss the Petitioner's claims and the present Interlocutory Application.

11. Stakeholder, Sh. G. L. Sharma in written reply and during the hearing has submitted as under:

11.1. The stakeholder submitted that, as per the revised Supplementary Agreement, the scheduled Commercial Operation Date (COD) was September 2016 for Unit-7 and December 2016 for Unit-8. However, the actual COD of Unit-7 is 01.12.2020 and of Unit-8 is 07.10.2021. Therefore,

the claim of the Petitioner that it has been efficient in declaring the COD at the earliest to serve the beneficiaries is incorrect. The Commission, vide order dated 30.06.2011, had already cautioned the Petitioner that delay in execution of works would make the project costlier.

- 11.2. The Petitioner should provide detailed and specific reasons for the delay in completion of the works remaining beyond COD.
- 11.3. The Petitioner has claimed an amount of Rs. 212.36 Cr under the head of EPC contract, stating that the claim pertains to expected escalation during project execution and is likely to be incurred towards BHEL bills. In this regard, the Petitioner should to submit relevant documentary evidence indicating specific items/works and justification for such escalation. Claims based merely on assumptions are not admissible.
- 11.4. The Petitioner has claimed Rs.0.67 Cr towards acquisition of land along the ROB, which is located outside the plant premises. This claim is not maintainable. Further, the Petitioner had earlier denied the existence of any un-discharged liabilities under the head of land during final capital cost determination.
- 11.5. The Petitioner should clarify whether the deposit work under the head of Marshaling Yard, completed by NWR, Bikaner, has been approved by the Commission.
- 11.6. The stakeholder submitted that electrification, signaling works, and strengthening of the railway track fall under Railway O&M activities, for which freight charges are already being claimed and paid by RVUN. As these works are outside the plant premises, the expenditure is not admissible.

- 11.7. The Petitioner should submit a copy of the final approved Detailed Project Report (DPR) of the Railways.
- 11.8. The stakeholder submitted that the Railways may have proposed doubling of the track from Bridwal to the plant and construction of a new railway station between Bridwal and the plant site considering coal requirements of Units 9 & 10. However, RVUN, vide letter dated 03.03.2016, had intimated the Railways that doubling of the track was not required at present and may be reviewed only if Units 9 & 10 are installed in future. Since Units 9 & 10 have already been dispensed with, the claim of Rs. 106.26 Cr towards future expansion is not admissible. The Petitioner is directed to explain why such expansion is being accepted despite earlier denial.
- 11.9. With regard to CSR works, the stakeholder submitted that while issuing the Environmental Clearance, MoEF had sought details of CSR activities along with budgetary allocation for the project vide letter dated 17.07.2009. The Petitioner should submit a copy of the information furnished to MoEF in compliance with the said letter.
- 11.10. The stakeholder further submitted that, in the absence of approval of the CSR Committee constituted by the State Government vide order dated 20.06.2011, the Petitioner's claim towards CSR works is not maintainable.
- 11.11. The Managing Director, Jodhpur, had requested funds for release of pending agricultural connections vide letter dated 27.07.2017. Since these works should have been completed much earlier, the Petitioner is required to justify the delay in claiming this expenditure.
- 11.12. From the submissions of the Petitioner, it appears that expenditure amounting to Rs.9.49 Cr has already been incurred under the head of

CSR works. The Petitioner is directed to clarify why in-principle approval is being sought for expenditure already incurred.

11.13. The stakeholder further submitted that, as per the CSR Policy, a power station in operation is required to allocate annual funds for CSR activities at the rate of 0.25% of the total O&M cost allowed by the Commission. These funds are to be utilized for new CSR works as well as maintenance of assets created under CSR activities. Since Units 7 & 8 have already achieved COD, any further CSR works are required to be met from O&M expenses.

11.14. The Petitioner should furnish item-wise details against the claim of direct and indirect costs, such as bulldozers and locomotives, along with proper justification for not incurring these expenditures within the cut-off period.

11.15. The Petitioner's claim towards construction of flyover bridge on railway crossing at NH-15 (T-Point) and road works is not admissible, as the Commission, vide order dated 16.08.2023, has already disallowed the expenditure incurred under this head.

11.16. The Petitioner's claim towards cost of construction power provided free of cost to M/s BHEL for construction purposes after the cut-off period is not admissible. The Petitioner is directed to submit proper justification in support of this claim.

Commission's view

12. The Commission has considered the submissions, replies, and oral arguments advanced on behalf of the Petitioner, the Respondents, and the Stakeholder.

13. The Petitioner has sought *in-principle approval* for the following additional capital expenditure, claimed to be within the original scope of work, incurred after the cut-off date in respect of SSCTPP Units-7 & 8:

Particulars	Expenditure After Cut-off (Rs. Crore)
EPC (incl. pending BHEL bills)	212.36
Land for Diversion/Approach Road	0.67
Marshalling Yard	106.26
CSR Works	25.34
Various Equipment	11.06
Flyover on Railway Crossing & Road Works	4.56
Construction Power (RVPN + BHEL)	0.65
Pre-operative TCE & Physical Contingency	2.59
Total	363.49

14. The Respondents submitted that the claims raised by the Petitioner in the present Petition as well as the Interlocutory Application are either unsupported by documentary evidence, excessive, beyond the original scope of work, or not permissible under the provisions of the RERC (Terms and Conditions of Tariff) Regulations, 2019 and 2025. It was further contended that the Petitioner has failed to submit adequate justification, cost break-ups, or proof of identified liabilities in respect of various heads of expenditure such as EPC works, land, marshalling yard, CSR works, equipment, flyover/road works, construction power, and pre-operative consultancy, etc.
15. Accordingly, the Respondents prayed for dismissal of the claims made by the Petitioner in the Petition as well as in the Interlocutory Application. The Stakeholder also requested rejection of the Petitioner's prayer.
16. Regulation 17 of the RERC (Terms and Conditions of Tariff) Regulations, 2019, relating to Additional Capitalization, provides as under:

“17. Additional capitalization

.....

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

(a) *Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*

(b) *Change in law;*

(c) *Deferred works relating to ash pond or ash handling system in the original scope of work;*

(d) *Liability for works executed prior to the cut-off date; and*

(e) *Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;*

Provided that the Generating Company shall file a Petition for in-principle approval of the Commission before incurring such additional capital expenditure."

17. In view of above Regulation, it is clear that additional capital expenditure after the cut-off date can be considered by the Commission only if such expenditure falls within the specified categories under Regulation 17(2), is within the original scope of work, and is supported by identified liabilities and documentary evidence, subject to prudence check.

18. In this regard, the Commission had already examined the issue of pending works under the original scope of work and, vide order dated 19.06.2025, observed as under:

"4.120 It is also observed that SSCTPP has achieved COD on 07.10.2021; the cut-off date of the project has ended on 31.10.2024. However, as per submissions of Petitioner works under various heads pertaining to original scope of work are still pending. In view of above, the Commission directs RVUN to complete the pending

works under original scope of work and do the final closure of the pending work/payment during the FY 2025-26, beyond that Commission may not consider any further claim on above heads pending under original scope of work."

19. From the above, it is evident that the Commission has already issued a clear and unambiguous direction to RVUN to complete all pending works falling within the original scope of work and to effect final closure of the related works and payments during FY 2025-26.
20. The Commission further observes that it has already exercised its regulatory discretion under Regulation 17 of the Tariff Regulations by allowing time up to FY 2025-26 for completion and closure of pending works under the original scope of work, with a specific direction that no further claims beyond the said period shall be admissible. In view thereof, seeking a separate or fresh in-principle approval for additional capital expenditure after the cut-off date does not arise at this stage and is not envisaged under the Tariff Regulations.
21. The Commission reiterates that any consideration of additional capitalization shall be strictly limited to expenditure, if any, falling within the original scope of work and shall be in accordance with the directions contained in the order dated 19.06.2025, subject to prudence check under the applicable Tariff Regulations.
22. It is further observed that the Commission has already disallowed the expenditure claimed towards construction of the flyover and other related expenditure, vide orders dated 22.07.2024 and 19.06.2025, therefore the same cannot be considered here.
23. The above directions were issued by the Commission in the tariff petition after hearing all concerned parties, including the Stakeholder, and after

following due procedure in accordance with the provisions of the Electricity Act, 2003.

24. In view of the foregoing, the Commission holds that no separate or fresh in-principle approval is required at this stage for the works claimed by the Petitioner as part of the original scope of work.
25. Accordingly, the Petition along with the Interlocutory Application stands disposed of.

(Hemant Kumar Jain)
Member

(Dr. Rajesh Sharma)
Chairman