

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

CORAM:

Shri K.N. Sinha, Member

Petition No.66/2005

In the matter of

Tariff for sale of electricity by Damodar Valley Corporation and the Inter-State Transmission of Electricity

And in the matter of

Damodar Valley Corporation

..... **Petitioner**

Vs

1. Department of Energy, Govt. of West Bengal, Kolkata
2. Department of Energy, Govt. of Jharkhand, Ranchi
3. West Bengal State Electricity Board, Kolkata
4. Jharkhand State Electricity Board, Ranchi
5. Ministry of Power, New Delhi

..... **Respondents**

The following were present:

1. Shri Ankur Kulkarni, Advocate, DVC
2. Shri R.K. Dasgupta, DVC
3. Shri V.P. Samy, DVC
4. Shri A.K. Ghosh, Adviser, DVC
5. Shri A. Biswas, DVC
6. Shi G. Mukherjee, DVC
7. Shri A.K. Mukherjee, DVC
8. Shri U.K. Singh, EE, JSEB
9. Ms Kumud L. Das, Advocate, JSEB
10. Shri Shyamal Sarkar, Bhaskar Shrachi
11. Shri S. Misra, Adv. Bhaskar Shrachi

**ORDER
(DATE OF HEARING: 28.10.2005)**

In view of the complexities involved in the determination of tariff for the generating stations and the transmission assets belonging to the petitioner, I

have been asked by the Commission to study different aspects involved and make appropriate recommendations for its consideration and further decision.

2. As a delegatee of the Commission, I have heard the representatives of the parties present before me. I direct that the following information be placed on record by the petitioner: --

- (a) Sanction letters issued by the competent authority in support of the project cost of the generating stations, multipurpose dams and the transmission lines/sub-stations in respect of which approval for tariff is sought
- (b) Rajamanna Committee Report and the award of arbitrator on apportionment of capital cost of multipurpose dams, including Konar dam, scheme of operation of dams and the reservoir operation policy.
- (c) Nature of functions of Directions office, other offices and central offices.
- (d) Detailed justification in support of debt-equity ratio of 15: 85 claimed in the petition.

- (e) Details of assets/units and transmission lines/sub-stations not in use as on 1.4.2004, in respect of hydro generating stations and transmission system.
- (f) In case of Durgapur TPS, gross book value of 2x75 MW units presently not in operation.
- (g) Station-wise details of cumulative depreciation recovered in tariff till 31.3.2004 and the asset-wise depreciation of assets in use recovered as on 1.4.2004.
- (h) Documentary evidence relating to re-rating of different units of the generating stations.
- (i) Details of nature of work carried out and item-wise expenditure incurred as part of administrative expenses for Maithon and Panchet hydro stations.
- (j) Justification for present employee strength at the hydro stations and the scheme, if any, formulated by the petitioner for reduction in employee strength.

- (k) Actual generation at each of the hydro station for the years 1996 to 2005.
- (l) Annual Design Energy of Tilaiya hydro station.
- (m) Revised details of O&M expenses for the period 1998-99 to 2002-03, excluding O&M expenses related to non-performing assets in case of Bokaro TPS, Chandrapur TPS and Durgapur TPS. .
- (n) Break up of employee cost indicating incentive and *ex gratia* payments, separately for the generating stations and proportionate share of Directions offices, general overheads and central offices in O&M expenses.
- (o) Details of colony services in O&M expenses.
- (p) Details of administrative expenses in O&M expenses.
- (q) Justification/reasons for abnormal increase in different years under different heads of O&M expenses.
- (r) Reasons for high general overhead expenses along with details of such expenses.

- (s) Details of energy supplied to and consumed by DVC, the States of West Bengal and Jharkhand on annual basis during the last three years.
- (t) Technical justification for having relaxed norms of station heat rate, auxiliary energy consumption, specific fuel oil consumption, target availability for operational norms for 210 MW units, 140 MW units and lower size units along with heat balance diagram, expected degradation and specific features, if any.
- (u) In the case of O&M expenses for the transmission system:
the details of expenditure incurred on account of
- (i) Direction and other office, and
 - (ii) General overhead charges
- (v) With reference to affidavit dated 12.9.2005 submitted by the petitioner (page No.119 to 128), expenditure incurred on the following during the period 1999-2000 to 2003-04
- T. Subsidy
 - Energy Allowance
 - Education Service
 - Damage by fire and
 - Compensation.
- (w) In the case of depreciation for the transmission system:

- Asset-wise (Line/sub-station) date of commercial operation, balance useful life of the assets for calculation of depreciation. [In case asset-wise date of commercial operation is not available, lump the complete assets in smaller groups and indicate balance useful life of these groups].
 - Asset-wise annual cost for calculation of spares in IWC.
 - Variation of more than 20% in the individual heads of O&M expenses.
 - Matching of O&M expenses year-wise (1999-2000 to 2003-04) in Part III, Form-18 (Additional form) submitted earlier with detailed T&D expenditure submitted subsequently.
- (x) Percentage availability of Transmission System (excluding the distribution system)
- (y) Allocation of costs in multi-purpose Dams and basis of such allocation.

3. The above details shall be filed by the petitioner duly supported by affidavit latest by 15.11.2005, with copy to the respondents/objectors.

4. List this petition before me on 29.11.2005 at 2.30 PM.

Sd/-
(K.N. SINHA)
MEMBER

New Delhi, dated 3rd November, 2005