

CENTRAL ELECTRICITY REGULATORY COMMISSION
4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
Ph: 23753942 Fax-23753923 New Delhi

Petition No. 89/GT/2011

Date: 08.10.2013

To,

Director (Commercial),
Damodar Valley Corporation,
DVC Towers, First Floor,
VIP Road,
Kolkatta-700054

Sir,

Subject: Petition No. 89/GT/2011: Determination of tariff in respect of Mejia Thermal Power Station Units 7&8 (2x500 MW) from the respective dates of their commercial operation.

With reference to the subject mentioned above, I am directed to request you to furnish the following information on affidavit, with advance copy to the respondents, latest by **24.10.2013**:

1. The capital cost as on 31.03.2012 as per Form No.1A is ₹284263.98 whereas, the books of accounts shows a capital cost of ₹243007.19 lakh as on 31.03.2012. Hence, this deviation shall be explained and a reconciliation statement between these two figures, duly certified by the auditor shall be submitted.
2. In Form No. 5B an amount of ₹755.63 Crore and ₹1096.63 is shown as IDC as on COD of Unit 7 and Unit 8 respectively. In this regard, following details shall be furnished:
 - a. Amount of actual IDC
 - b. Amount of Notional IDC, if any
 - c. Amount Capitalized
 - d. Amount charged to Profit and loss account
3. Since form No. 5B and Appendix VI show an amount of ₹10.60 Crore as financing charges, the following details shall be submitted:
 - a. Amount Capitalized
 - b. Amount Charged to profit and loss account, if any.
4. Since form No. 5B shows an amount of ₹188.60 Crore as provision/Liabilities, the following details shall be furnished:
 - a. Item-wise details of liabilities included in capital cost as on COD of 1st unit and each subsequent period
 - b. Discharges of liabilities (item-wise) in each period by showing the nature of discharge i.e., by reversal or by payment, etc.
5. The following forms shall be submitted:
 - a. Form No. 9A and 9B showing capital cost (gross block) and CWIP as on COD of 1st unit and for each subsequent period,
 - b. Form No.10 Showing the financing of additional capitalization,

- c. Form No. 14 A showing the Actual Cash expenditure and its source of fund (Debt/Equity). Details given in Appendix-VII towards actual cash expenditure is incomplete.
6. It is observed in Form No.11, that the weighted average rate of depreciation considered for Meija 5&6 i.e., 7.745% has been considered as the weighted average rate of depreciation for this unit also. Since Regulation 43(2)(3) of the 2009 Tariff Regulations does not permit the same, the asset-wise information of Gross Block as on COD in Form No. 11 for calculating the Depreciation rate as per Regulation 43(2)(3) of the 2009 Tariff Regulations shall be submitted.
 7. Since, no claim towards contribution to sinking fund in Form-1 has been made, a certificate that no proceeds from the issue of bonds have been utilized for this project and as such no claim has been made towards the contribution to sinking fund, shall be submitted.
 8. Deviations in drawal amount are noticed between the drawal schedule as per the loan agreement submitted vide submission dated 04.07.2011 and the statement of IDC calculation (Appendix-VI). For eg; in loan agreement, the drawal for the quarter ending 31st March 2007 (first drawal) is shown as ₹78.42 Crore whereas in the IDC calculation the drawal for the quarter ending 31-Mar-2007 is shown as ₹230.84 Crore. Hence, the reason for these deviations shall be submitted.
 9. The statement of cash expenditure submitted as Appendix VII of the petition shows cash payments from Oct-2006 onwards. However, it is observed from the minutes of meeting submitted as Annexure-XIII that the cost estimates is approved on 21.11.2009. In this regard, the Copy of previous resolutions, if any, approving the investment and/or copies of any approvals from any authority approving the investment proposal prior to October-2006 shall be submitted

Further action in this matter will be taken on receipt of the above information / clarification.

Yours faithfully,

Sd/-
(B. Sreekumar)
Deputy Chief (Law)