

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 197/MP/2016**

Subject : Petition seeking requirement of revenue in relation of pension and gratuity contribution for the control period 1.4.2014 to 31.3.2019 in respect of the employees of all the generating stations, transmission activity including retired person.

Date of hearing : 8.12.2016

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K. Iyer, Member

Petitioner : Damodar Valley Corporation

Respondents : West Bengal State Electricity Distribution Company Limited and others

Parties present : Shri M.G. Ramachandran, Advocate, DVC  
Ms. Anushree Bardhan, Advocate, DVC  
Ms. Ranjitha Ramachandran, Advocate, DVC  
Shri Pulak Bhattacharya, DVC

**Record of Proceedings**

Learned counsel for the petitioner submitted that the present petition has been filed seeking permission to recover the Pension and Gratuity Contribution over and above the O & M expenses provided under Regulation 29 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (2014 Tariff Regulations) and to apportion the same amongst the various generating stations and transmission assets. Learned counsel for the petitioner further submitted as under:

(a) The petitioner as a statutory body is required to maintain appropriate scheme for meeting the terminal benefits such as the Pension, gratuity and Contributory Provident Fund (CPF). Accordingly, the petitioner, in accordance with the Employees Provident Funds and Miscellaneous Provisions Act, 1952, is maintaining the CPF in respect of each of the employees.

(b) The contribution to the Pension and Gratuity Trust cannot possibly be said to be covered by the quantum of CPF factored in the O & M expenses determined by the Commission on normative basis. CPF is in respect of the

actual amount of contribution during the relevant year, and does not involve adjustments for that year in future years, the Pension and Gratuity Contribution is to be constantly adjusted for past period of services also and is dependent on actuary violation to be undertaken from time to time.

(c) The Commission decided the normative O & M expenses for the petitioner's generating stations and transmission assets for the control period 2014-19 in the 2014 Tariff Regulations based on the actual expenditure incurred during the financial years 2008-09 to 2012-13. No part of the Pension and Gratuity contribution of the petitioner related to the power business were factored in the O & M expenses during the base years and accordingly should be considered as having been included in the normative O & M expenses under Regulation 29 of the 2014 Tariff Regulations.

(d) Learned counsel for the petitioner requested the Commission to consider the Pension and Gratuity Contribution made by the petitioner independently and allow the same over and above the O & M Expenses provided for in the 2014 Tariff Regulations.

2. After hearing the learned counsel for the petitioner, the Commission directed to issue notice to the respondents on admissibility.

3. The Commission directed the petitioner to serve copy of the petition on the respondents by 16.12.2016. The respondents were directed to file their replies by 6.1.2017 with an advance copy to the respondents who may file its rejoinder, if any, on or before 25.1.2017. The Commission directed that due date of filing the replies and rejoinders should be strictly complied with. No extension shall be granted on that account.

4. The petition shall be listed for hearing on 9.2.2017 on admissibility.

**By order of the Commission**

**Sd/-  
(T. Rout)  
Chief (Legal)**