

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 206/GT/2015**

Subject: Truing up of Capital expenditure in respect of Mejia Thermal Power Station, Unit – 7 & 8 (1000MW) for the period 2009-14

**Petition No. 207/GT/2015**

Subject: Approval of tariff of Mejia Thermal Power Station, Unit – 7 & 8 (1000MW) for the period 2014-19.

Petitioner : DVC Limited

Respondents : Delhi Transco Limited & 11 Others

Date of hearing : **12.1.2016**

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

Parties present : Shri. M.G. Ramachandran, Advocate DVC  
Ms. Anushree Bardhan, Advocate, DVC  
Shri Subrata Ghosal, DVC  
Shri Jisnu Dutta, DVC  
Shri Bishnu Pada Kayal, DVC

**Record of Proceedings**

These petitions were taken up for hearing today.

2. The learned counsel for the petitioner made detailed submissions in the matter and prayed that tariff of the generating station for the period 2009-14 may be reviewed after truing-up and tariff for the period 2014-19 may be determined as claimed in the petition. He further submitted that additional information as sought for by the Commission has been filed and copy has been served on the respondents.

3. On a specific query by the Commission as to whether the respondent MPPMCL has been served with the copy of the petition, the learned counsel for the petitioner clarified that MPPCL was not a beneficiary as no allocation of power has been generated from the generating station. He however stated that a copy of the petition has been served on them.

4. None appeared on behalf of the respondents. The Commission however, directed the petitioner to file the following additional information on affidavit, with advance copy to the respondents, on or before 29.1.2016:



**Petition No. 206/GT/2015**

- i) Details of works which were not completed during the period 2009-14 and clarification as to which of the uncontrollable factors prevented the completion of these works during 2012-14;
- ii) Details of additional expenditure incurred on CISF and justification along with details of actual O&M expenditure of the generating station during the tariff period since COD of Unit-I;
- iii) Details of Mega Insurance alongwith documentary evidence;
- iv) Details of the share of subsidiary activity and separate justification of the subsidiary activities carried out;
- v) Annual accounts of the years 2012-13 and 2013-14 duly reconciled (station-wise);
- vi) Copy of the actual additional capital expenditure for 2009-14, duly certified by Auditor in terms of Regulation 6(3) of the 2009 Tariff Regulations;
- vii) Documents relating to rate of depreciation notified by the Govt. of India in consultation with C&AG in reference to the rate of depreciation claimed;
- viii) Justification towards MAT rate claimed for computing Return on Equity, without making payment of the same in 2013-14;
- ix) De-capitalization of ₹9.06 crore and ₹13.39 crore has been claimed during the years 2012-13 and 2013-14. As most of the items appear to be adjustment and not de-capitalized, clarification of the entries shall be submitted.
- x) Reason for variation of ₹4.30 crore in the closing capital cost of ₹2248.02 crore (as on 31.3.2012) and opening capital cost of ₹2243.72 (as on 1.4.2012);
- xi) Details of the un-discharged liabilities as on COD for determination of capital cost on cash basis;
- xii) In terms of the para 29 of the order dated 13.10.2015 in Petition No. 89/GT/2011, capitalized interest on normative loan is to be treated as Income in the financial statements (Profit and Loss Account and Balance sheet) as it forms part of the capital cost for the purpose of tariff. In this regard, the action taken by the Management of the Petitioner Company alongwith supporting document shall be submitted;
- xiii) Form-14 duly filed up;
- xiv) Copy of the agreement with PFC for the loan and rate of interest reset during the tariff period as claimed in Form-13;
- xv) Clarification as to the variation in the amount of capital cost of all generating stations as per audited statements with that of the amount used for apportionment of the common office expenditure.



**Petition No. 207/GT/2015**

- i) Details and value of total initial spares procured upto the cut-off date;
- ii) Details of plants located in higher security zone along with documents such as letter from Ministry of Home Affairs for ensuring additional security measures. Also the detailed justification of additional expenditure incurred on CISF along with the details of O&M expenditure of the generating station during the tariff period from COD of Unit-7;
- iii) Details of Mega Insurance along with documentary evidence;
- iv) Details of the share of subsidiary activity and separate justification of the subsidiary activities carried out;
- v) Details of Water charges namely, type of cooling water system, water consumption, rate of water charges from COD of Unit-7;
- vi) Justification towards MAT rate claimed for computing Return on Equity, without making payment of the same in 2014-15;
- vii) Closing capital cost as on 31.3.2014 in Petition No. 206/GT/2015 is ₹4935.67 crore while opening capital cost as on 1.4.2014 in Petition No 207/GT/2014 for the period 2014-19 is ₹4933.94. The difference of ₹1.73 crore shall be clarified;
- viii) Copy of the agreement with the PFC for the loan and rate of interest reset during the tariff period as claimed in Form-13.

5. The above information shall be submitted within the due date mentioned above. In case the information/ rejoinder is not filed within the said date, the matter shall be considered based on available records. No further extension of time shall be granted for reason whatsoever.

6. Subject to the above, order in the petition is reserved.

By Order of the Commission

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

