

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 386/TT/2014

Subject : Determination of tariff of Transmission & Distribution systems of DVC for the period 1.4.2014 to 31.3.2019.

Date of Hearing : **6.9.2016**

Coram : Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Damodar Valley Corporation Limited

Respondents : West Bengal State Electricity Distribution Company Limited &
Jharkhand Bijli Vitaran Nigam Limited

Parties present: Shri M.G Ramachandran, Advocate, DVC
Ms. Anushree Bardhan, Advocate, DVC
Shri D.K Aich, DVC
Shri P.Bhattacharya, DVC
Shri Subrata Ghosal, DVC
Shri A.Biswas, DVC
Shri S.Ganguly, DVC

Record of Proceedings

During the hearing, the learned counsel for the petitioner made submissions in the matter and prayed that tariff for Transmission & Distribution system may be determined for the period 2014-19 in terms of the provisions of the 2014 Tariff Regulations. He also submitted that copies of petition have been served on the respondents. The representative however pointed out that since the accounts for the period 2014-19 has not been audited and as some of the additional capital expenditure claimed during the period 2014-19 shall undergo revision, The representative accordingly prayed for a two weeks time to revise the claim for additional capital expenditure and the tariff filing forms.

2. On a specific observation of the Commission that no proper justification and basis for projected additional capital expenditure claimed has been furnished, the representative of the petitioner submitted that it may be granted time to file additional information with proper justification and documentary evidence.

3. None appeared on behalf of the respondents. The Commission accepted the prayer and adjourned the hearing. The Commission also directed the petitioner to file additional information by 30.9.2016, with copy to the respondents, on the following;

(i) Copy of the planning document approved/due diligence report along with Board Approval for projection of the additional capital expenditure claimed during the period.

(ii) Details of additional capitalization for Transmission A to N Stage, Transmission Main Division and Communication system in the main heads and sub-heads as follows:



- Works approved/allowed in the original scope of work
- Works completed which was approved.
- Works completed which was not approved (not falling within the original scope of work)
- Works remaining to be completed.

(iii) It is observed that the additional capitalization for replacement of assets has been claimed under Regulation 14 (3) of the 2014 Tariff Regulations. In this regard, the relevant provision of the said regulation under which the additional capitalization has been claimed along with details in Form-9 as to whether the additional capital expenditure claimed for the asset is “new” or towards “replacement” shall be furnished.

Replacement of Assets

(i) Additional information shall be submitted on the following:

(a) **Replacement due to completion of useful life**- Details of useful life of the assets and whether replacement is done on account of completion of their useful life. If not, proper justification for the said replacement.

(b) **Replacement due to Augmentation work**- Technical report justifying the claim under the head.

(c) **Replacement due to obsolescence of technology**- In respect of replacement of assets for improvement in the efficiency of the plant, details to be submitted as to whether the same are being replaced due to obsolescence of technology. If yes, the obsolescence certificates from OEM/Technical Committee the same. If not, detailed justification along with documentary evidence for the said replacement.

(d) **Replacement as per CEA norms**- The relevant norm and the provision of the CEA Regulations under which the additional capital expenditure has been claimed.

New Assets

(i) Documentary evidence for additional capitalization claimed under “new assets”. In case the asset is a transmission line, the RLDC certificate for trial run of the asset or in case of sub-station, then, the expected date of commissioning.

(ii) The current status of works executed under GIS project wing of transmission system.

4. The respondents are directed to file their replies, if any by 5.10.2016 with copy to the petitioner who shall file its rejoinder, if any by 8.10.2016. In case the additional information/reply is not filed within the due dates mentioned, the matter shall be decided based on available records.

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

By order of the Commission

-Sd/-

B. Sreekumar
Dy. Chief (Law)

