

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 547/TT/2014

Subject : Revision of tariff of Transmission & Distribution system for the period 1.4.2009 to 31.3.2014.

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 P.Bhattacharya, DVC
Shri Subrata Ghosal, DVC
Shri A.Biswas, DVC
Shri D.K Aich, 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.

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;

(a) Auditor's certificate specifying the additional capitalization claimed for the period 2012-14.

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

Additional Capital Expenditure for 2004-09 claimed during the period 2009-14

(a) Documentary evidence/test charging certificate for trial run operation in respect of the assets for which additional capital expenditure has been claimed and which were



earlier disallowed by the Commission in order dated 8.5.2013 in Petition No. 272/2010, with liberty.

(b) Basis for calculation of gross value of old assets for assets replaced.

Additional Capitalization for 2009-14

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

- Works approved/allowed in the original scope of work
- Works completed which was approved till 31.3.2009.
- Works completed which was not approved (not falling within the original scope of work)
- Works remaining to be completed.

(b) Documentary evidence for additional capitalization claimed under 'Buildings' and 'Land' for Transmission A to N Stage and Transmission Main Division.

(c) 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.

Transmission A to N Stage

(a) Details in respect of the additional capital expenditure claimed under "new assets", as under:

2012-13	
Page- 70 & 71, SI No. 7 to 17, 19, 20, 22 to 24, 26 to 30, 33 to 44, 47 to 77, 79 to 82	Test charging certificate/documentary evidence for trial run if the asset is already commissioned. If not, the expected date of commissioning.



Page- 70 & 71, SI No. 5, 7, 14, 15, 37, 61, 63, 64, 65, 66, 68, 71, 73, 76, 78 to 81	These are negative entries in add cap claimed under new/misc assets. Also, Clarification whether the same are adjustment entries or removal of assets. In case these are adjustment entries, then proper justification for the same. If not, the gross value of old asset, the depreciation recovered in case of removal of asset shall be submitted
2013-14	
Page- 72 & 73- SI No. 2, 4, 6 to 16, 18 to 26, 28, 30 to 46, 48 to 55, 57 to 68, 70 to 74	Test charging certificate/documentary evidence for trial run if the asset is already commissioned. If not, the expected date of commissioning.
Page- 72 & 73- SI No. 10, 37	These are negative entries in add cap claimed under new/misc assets. Also, Clarification whether the same are adjustment entries or removal of assets. In case these are adjustment entries, then proper justification for the same. If not, the gross value of old asset, the depreciation recovered in case of removal of asset shall be submitted

Transmission Main Division

- (a) Detailed justification for additional capitalization claimed for adjustment entries.
- (b) Detailed justification along with documentary evidence for additional capitalization claimed under "new assets" for the period 2012-14.
- (c) Detailed justification for assets claimed under additional capitalization required for efficient operation of plant.

Transmission CE stores

- (a) Detailed justification for additional capitalization in 2012-13 (i.e. (-) ₹33052 and (-) ₹6192188) under Buildings and other assets respectively and ₹785289 claimed under other assets. Clarification as to whether the negative entries are de-capitalization and depreciation recovered if any. Also, the breakup of the additional capitalization claimed under "other assets" shall be submitted.

4. The respondents shall 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)

