

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 273/GT/2019

Subject : Petition for revision of tariff of Ranganadi Hydro Electric Plant (405 MW) for the period 1.4.2014 to 31.3.2019 after truing up exercise.

Petitioner : NEEPCO

Respondent : Assam Power Distribution Company Limited & ors

Date of hearing : **2.6.2020**

Coram : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member

Parties present : Shri Ranjan Mallik, NEEPCO
Shri Devapriya Choudhury, NEEPCO
Shri Elizabeth Pyrbot, NEEPCO
Shri Indrajit Tahbildar, APDCL
Shri Nil Madhab Deb, APDCL

Record of Proceedings

The matter was heard through video conferencing.

2. During the hearing, the representative of the Petitioner submitted that the present petition has been filed for revision of tariff of Ranganadi Hydro Electric Plant (405 MW) for the period 24.12.2015 to 31.3.2019 based on truing-up exercise in terms of Regulation 8 of the 2014 Tariff Regulations. He submitted that tariff filing forms have been furnished in accordance with the provisions of the 2014 Tariff Regulations and copies have been served on the Respondents. Accordingly, the representative submitted that the tariff of the generating station may be determined as claimed in the petition.

3. The representative of the Respondent, APDCL, prayed for grant of some time to file its reply in the matter.

4. The Commission after hearing the parties directed the Petitioner to file additional information on the following, with copy to the Respondents, on or before **23.6.2020**:

(a) Reasons for the difference between the opening capital cost of ₹149033.25 lakh claimed as on 1.4.2014 as against the capital cost of ₹146759.23 lakh allowed by the Commission vide its order dated 5.1.2016 in Petition No. 40/GT/2015;

(b) Reconciliation of the additional capital expenditure claimed for the purpose of tariff with that of the additional capital expenditure as per books of accounts for all years of the tariff period may be furnished. The consolidated reconciliation for all years should clearly bring out the exclusions (book entries not claimed for the purpose of tariff), position of un-discharged



liabilities and discharged liabilities on all relevant dates of the tariff period i.e. as on opening date of each year and closing date of last year. Though the above information has been furnished, none of the forms have been signed by the Auditor. As such, the financial forms and the consolidated reconciliation as described above should be submitted duly signed by Auditor;

- (c) An additional capital expenditure of ₹949.15 lakh has been claimed during 2017-18 towards the Construction of additional LIL0 bay in 132 KV Switchyard. The Petitioner shall clarify as to whether there was any issue with regard to evacuation of power from this generating station, without the said LIL0 bay. However, if the above-mentioned work is for increasing the redundancy of power evacuation of both plants, then a clarification as to whether certain cost has been shared by Pare HE Plant or not. If yes, then the total cost and basis of sharing of the cost shall be clarified;
- (d) The gross value of the de-capitalized old asset against which an amount of ₹97.59 lakh has been claimed towards 'Procurement of 2V battery for the 220V DC System' during 2014-15;
- (e) The gross value of the de-capitalized old assets against which the following additional capital expenditure has been claimed under the head 'Retrofitting/ Replacement' of assets during 2014-19:

	Items	Amount (₹ in lakh)
2014-15	Design, Engineering, Installation & Commissioning of Numerical Protection Relays	52.28
2017-18	VRF Based Samsung A.C System	67.80
	Automatic Float Cum Booster Battery Charger	1.42
	145KV, 85 KVAR Neutral Grounding Reactor	38.19
	Numerical Distance Protector	11.43
2018-19	Supply, Retrofitting, Testing, Commissioning of Numerical Single Bus Bar Protection Relays	45.52
2018-19	Supply, Installation & Commissioning Of 33KV Panel	4.91

- (f) As regards the claim for additional cost of ₹15.37 crore on account of revision of wages of employees and Meghalaya Home Guards during the period from 1.1.2017 to 31.3.2019, following may be submitted:
- (i) PRP/Incentive included in the wage revision impact claimed (year wise details duly certified by the Auditor);
- (ii) Comparative statement of the normative O&M expenses allowed to the station versus the actual audited O&M expenses for the period from 2014-15 to 2018-19;
- (g) The Petitioner has considered different rates for different stations for grossing up of equity and has also not provided the bifurcation between generation earnings and earnings from other activities. In case the Petitioner does not have any earnings other than generation activities, the same shall be certified together with the basis of calculation of effective tax rate for grossing up of rate of Return on Equity with Tax Audit Reports for the period COD to 31.3.2019. In this regard, the details as per proforma in 'Annexure-A' enclosed herewith should be duly filled in and submitted;
- (h) Cost Audit Report for the period 2014-19;



- (i) Interest on normative loan in Form 13A has been calculated at the rate of 13.50%, 13.50%, 12.80%, 12.60% and 12.20% during 2014-19. However, Form 13 has not been furnished and the Interest on loan claimed in the summary sheet (Form-1) is 'Nil'. This shall be clarified by the Petitioner;
- (j) Reconciliation Statement (Form 9C) and Liability Flow Statement (Form 16) duly certified by Auditor.

5. The Commission directed the Respondents to file their reply on or before **6.7.2020**, with a copy to the Petitioner, who shall file its rejoinder, if any, by **14.7.2020**. The Commission further directed that due date of filing of reply and/or rejoinder and for submitting information should be strictly complied with.

6. Subject to the above, order in the Petition was reserved.

By order of the Commission

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



Please specify below information regarding income tax pertaining to O&M/Generation related activities for the grossing up of the ROE togetherwith supporting documents.

Sr. No.	Particulars	As per Income Tax Return					As per Assessment Order (if completed)				
		2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19
A	Information pertaining to the years when MAT rate is applicable										
(i)	Applicable MAT rate for the respective years										
(ii)	Tax paid by the petitioner										
(iii)	Book Profit										
(iv)	Interest Paid to the Income tax department										
(iv) (a)	Interest paid other than interest on additional tax demand (specify section wise details)										
	(I) Section 234 (A)										
	(II) Section 234 (B)										
	(III)										
	(IV)										
(iv) (b)	Interest Paid on additional tax demand										
(v)	Details about appeal filed with regard to interest payments on additional tax demand, as specified above										
	(I) Appeal filed and allowed in favour of petitioner										
	(II) Appeal filed and disallowed										
	(III) Appeal is pending										
	(IV) Interest on additional tax demand for which appeal not filed										
(vi)	Effective tax rate based on (tax paid plus interest paid on additional tax demand excluding for which appeal filed and allowed in favour of petitioner) divided by Book profit as stated above										
B	Information pertaining to the years when Corporate Tax rate is applicable										
(i)	Applicable Corporate Tax rate including cess for the respective years as per I.T. Act										
(ii)	Income Tax including cess paid by the petitioner (A)										
(iii)	Taxable Income as per Income tax provisions (B)										
(iv)	Corporate Tax rate including cess for the respective years (C) [(C) = ((A)/(B))X100] (Note: If tax rate under Sr. no. (i) and (iv) are different, reason for the same shall be detailed as a note below the table.)										
(v)	PBT as per audited financial statements (D)										
(vi)	Effective tax rate based on tax paid by petitioner and PBT as per audited financial accounts (E) [(E) = ((A)/(D))X100]										
(vii)	Interest Paid to the Income tax department										
(vii) (a)	Interest paid other than interest on additional tax demand (specify section wise details)										
	(I) Section 234 (A)										
	(II) Section 234 (B)										
	(III)										
	(IV)										
(vii) (b)	Interest Paid on additional tax demand										
(viii)	Details about appeals filed with regard to interest payments on additional tax demand, as specified above										
	(I) Appeal filed and allowed in favour of petitioner										
	(II) Appeal filed and disallowed										
	(III) Appeal is pending										
	(IV) Interest on additional tax demand for which appeal not filed										
(ix)	Effective tax rate based on (tax paid plus interest paid on additional tax demand excluding for which appeal filed and allowed in favour of petitioner) divided by PBT as per audited financial accounts										

Note:
 1. Above data shall be certified by the auditor .
 2. In case the corporate tax rate is applicable and if the effective tax rate reported above is more than the applicable corporate tax rate, the auditor shall specify the reason for such variances. The Auditor shall verify and certify that the reasons for such variances have been checked and found correct from the accounting point of view as well as the provisions of the Income Tax Act. The Auditor shall specify adjustment needed in books of accounts, if any, observed during varification and reconciliaiton of above variances.