

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri. Pramaod Deo, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri R. Krishnamoorthy, Member**
- 4. Shri. S.Jayaraman, Member**

**I.A. 32/2008 in
Petition No. 53/2008**

In the matter of

Approval of provisional tariff for Mejia Thermal Power Generating Station, Unit Nos.5 & 6 (250 MW each) of Damodar Valley Corporation.

And in the matter of

Damodar Valley Corporation, Kolkata

... **Petitioner**

Vs

1. West Bengal State Electricity Distribution Co. Ltd, Kolkata
2. Jharkhand State Electricity Board, Ranchi
3. Madhya Pradesh Power Trading Company Ltd., Jabalpur ... **Respondents**

ORDER

This interlocutory application has been made for extension of time for submission of final tariff petition in respect of Mejia Thermal Power Generating Station, Units 5 & 6 (250 MW each) (hereinafter referred to as “the generating station”).

2. The petitioner had filed the main petition for approval of provisional tariff in respect of Unit 5 of the generating station. The Commission by its order dated 22.8.2008 while disposing of the petition directed the petitioner to file the petition for approval of final tariff by 31.10.2008, *inter alia*, observing that:

"9. Since the Commission has already approved single part provisional tariff of Rs.2.90/kWh in the order dated 30.4.2008 ibid, we confirm the same as the provisional tariff for sale of power from Unit 5 of the generating station, subject to the adjustment after approval of final tariff by the Commission. This is particularly so, when neither of the original respondents (on whose behalf none was present) has filed any objection to the provisional tariff claimed by the petitioner, based on agreement. It is also pertinent that approval of provisional tariff will not adversely impact any party since it will give way to the regular tariff to be approved in due course of time.

10. The learned counsel for the petitioner explained that there were practical difficulties in filing of the petition for approval of regular tariff for Unit 5 of the generating station since Unit 6 with which Unit 5 is to share certain common facilities was still under construction. He further submitted that audited accounts by C & AG would only be available by the end of the year only, thereby causing delay in making of application for approval of regular tariff.

11. We are not convinced with the explanation of the petitioner in this regard. Since the actual expenditure on common facilities can be apportioned among the different Units of the generating station, there should not be any difficulty for the petitioner to work out the capital expenditure of Unit 5 of the generating station on the date of its commercial operation. The petitioner should file actual expenditure details of Unit 5 within 30 days of the date of commercial operation of Unit 6. The petitioner is further directed to maintain separate accounts for Unit 5 and Unit 6 by ring fencing with the accounts of Units 1 to 4 and submit the reconciliation of accounts between (a) Units 1 to 4 and Units 5 & 6, and (b) between Unit 5 and Unit 6 separately, along with the petition for determination of regular tariff. We accordingly direct the petitioner to file fresh petition for approval of regular tariff latest by 31.10.2008, impleading all beneficiaries of those generating units.

3. The petitioner in the present application has submitted that it is maintaining accounts manually and there is no system for compilation of station-wise accounts. The petitioner has further submitted that in the past, tariff determination was based on the approved budget on overall basis and not station-wise. It has been stated that the accounts generated from about three hundred and fifty drawing and disbursing officers are subsequently compiled and consolidated centrally at its headquarters for which two and half months processing time is allowed in terms of Section 45 (4) of the DVC Act, 1948 for finalization of provisional accounts before approval by its Board and the Comptroller and Auditor General of India. The petitioner has, accordingly, prayed for extension of time upto 24.12.2008, for submission of fresh tariff petition.

4. Considering the submissions of the petitioner, time is allowed till 30.11.2008 to file the fresh petition for final determination of tariff in accordance with the directions contained in the order dated 22.8.2008 in the main petition.

5. The Commission's regulations on terms and conditions for determination of tariff provide for fixation of tariff unit-wise, stage-wise and station-wise. It should be possible for the petitioner to segregate and maintain unit-wise, stage-wise and station-wise accounts of income and expenditure while finalizing its annual accounts and also separate accounts for the transmission assets. The petitioner is accordingly directed to put in place appropriate internal mechanism for maintenance of unit-wise, stage-wise and station-wise accounts of its generating stations and also the transmission assets separately and file petitions for determination of tariff, in future, on the basis of such segregated capital cost, based on separate accounts.

6. I. A. No.32/2008 is disposed of as above.

Sd/-	Sd/-	Sd/-	Sd/-
(S.JAYARAMAN)	(R. KRISHNAMOORTHY)	(BHANU BHUSHAN)	(PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON

New Delhi dated the 17th November, 2008