

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**CORAM:**

**Shri K.N. Sinha, Member**

**Petition No.66/2005**

**In the matter of**

Tariff for sale of electricity by Damodar Valley Corporation and the Inter-State  
Transmission of Electricity

**And in the matter of**

Damodar Valley Corporation ..... **Petitioner**

**Vs**

1. Department of Energy, Govt. of West Bengal, Kolkata
2. Department of Energy, Govt. of Jharkhand, Ranchi
3. West Bengal State Electricity Board, Kolkata
4. Jharkhand State Electricity Board, Ranchi
5. Ministry of Power, New Delhi ..... **Respondents**

**The following were present:**

1. Shri S.N. Choudhuri, CE, DVC
2. Shri A. Biswas, DVC
3. Shri A.K. Ghosh, DVC
4. Shri Taruna Singh Boghal, DVC
5. Shri A.K. Mukherjee, SE(T), DVC
6. Shri T.K. Gupta, DVC
7. Shri Arulraj Solomon, DVC
8. Shri G. Ramachandran, DVC
9. Shri A. Biswas, DVC
10. Shri M. Dhar, DVC
11. Shri P. Roy, DVC
12. Shri S.B. Srivastava, DVC
13. Shri G. Mukherjee, DVC
14. Ms. Saumya Sharma, DVC.
15. Shri Sitiesh Mukherjee, Advocate, JSEB
16. Shri K.P. Ray, Bhaskar Shrachi Alloys Ltd.
17. Shri Gautam Shroff, Bhaskar Shrachi Alloys Ltd.
18. Shri Debnath Ghosh, Bhaskar Shrachi Alloys Ltd.
19. Shri M. Prahladka, Bhaskar Shrachi Alloys Ltd.
20. Shri Shyamal Sarkar, Advocate,

**ORDER**  
**(DATE OF HEARING: 13.2.2006)**

Heard the representatives of the parties present at the hearing. Hearing concluded. The one-member Bench will make its recommendations to the Commission.

2. The petitioner is directed to place on record, on affidavit, the following details latest by 5.3.2006 with a copy to the respondents/objectors:

**(A) O&M Expenses (Common to Thermal, Hydro & Transmission)**

- (a) Detailed break-up of O&M expenses for the year 1998-99.
- (b) Actual and sanctioned employee strength as on 31.3.2004, separately for each of the generating stations, Thermal & Hydro, and for transmission and distribution systems separately.
- (c) Proper explanation for the expenses on the following items, and the nature and purpose of these items:
  - (i) Difference between Bonus & Bonus equivalent,
  - (ii) Underwriting, Brokerage & Royalty charges,
  - (iii) Unit Linked Insurance and its purpose,
  - (iv) Deposit linked Insurance and its purpose,
  - (v) Chargeable expense,
  - (vi) Festival advance,
  - (vii) Arrears of pay and allowances,
  - (viii) Ad hoc to staff / officers,
  - (ix) Productivity Linked Incentive,

- (x) Loss of stock /fixed assets,
- (xi) Cess on air / water pollution (Rs. 1572 lakh) during 2001-02 in case of Maithon Hydro station,
- (xii) Recovery on strike, and
- (xiii) Payment on Corp Cont.

(d) A certificate that the 'spares' under different heads i.e. general stores, normal maintenance, break-down, and consumables etc. were actually consumed for O&M.

(e) The following information in connection with creation of pension fund:

(i) Detailed note giving timeframe, year-wise fund requirement allocable to power, investment plan, assets management plan etc. with basis and computation, separately for the existing and future pensioners.

(ii) Break-up of 'general overheads' for 1998-99 to 2004-05.

(f) Detailed note on soil conservation activity associated with power generation along with allocation of its share towards each thermal and hydro generating station during 1998-99 to 2002-03, year-wise.

**(B) Thermal**

**(a) Capital Cost**

List of major items constituting "Miscellaneous expenses and expenditure pending allocation" in the break-up of asset-wise

depreciation in Form-13 of respective thermal generating stations namely Bokaro TPS, Chandrapur TPS, Durgapur TPS and Mejia TPS.

(b) **Other Information**

**Bokaro TPS**

- (i) Reasons for abnormal increase in salary and wages for the year 2002-03 under repair and maintenance.
- (ii) Reasons for abnormal increase in administrative expenses for the year 2002-03.
- (iii) Reasons for abnormal increase in share of operating expenses of fuel in 2002-03.
- (iv) High other chargeable expenditure in 2001-02.

**Chandrapur TPS**

- (i) Reason for abnormal increase in salary and wages for the year 2002-03 under operation
- (ii) Reasons for abnormal increase in boiler & plant and equipment and Turbine & Generator for the year 2002-03 under repair & maintenance.
- (iii) Reasons for abnormal increase in administrative expenses for the year 2002-03.
- (iv) High other chargeable expenditure in 1998-99.
- (v) Reasons for abnormal increase in share of O&M expenses of fuel in 1999-2000.

### **Durgapur TPS**

- (i) Reasons for high other chargeable expenditure in 2000-01 & 2001-02.
- (ii) Reasons for high boiler plant & equipment and Turbine & Generators in 1998-99 and 2001-02.
- (iii) Reasons for high administrative expenses in 2001-02 and 2002-03.

### **Megia TPS**

- (i) Reasons for high salary and wages in operation for 2002-03.
- (ii) Reasons for high administrative services in 2002-03.
- (iii) Reasons for increase in share of operating expenses of fuel in 1999-2000, 2000-01 & 2001-02.

### **(C) Hydro**

- (1) In the context of affidavit dated 24.11.2005 filed by the petitioner, the clarifications in respect of the following items included in the gross block as on 31.3.2004:

#### **Panchet Hydel**

	<i>(Amount Rs.)</i>
(i) Plantation Colony	18940
(ii) Boiler & Aux. Equipments	340536168
(iii) Transformer	741009
(iv) Transformer	399126
(v) Misc. Assets	443649

#### **Tilaiya Hydel**

(i) Plantation Colony	428
(ii) Misc. Assets	145935

### **Maithan Hydel**

(i)	Share of common Dept Building	295044
(ii)	Plantation Colony	131215
(iii)	Transformer	1934818
(iv)	Transformer	4129515
(v)	Misc Assets	1588013

- (i) Details of “plantation colony” and reasons for its inclusion.
  - (ii) Reasons for inclusion of boiler and auxiliary equipment in Hydroelectric station,
  - (iii) Reasons for two entries in the name of transformer in case of Maithan Hydel,
  - (iv) Details of major items constituting miscellaneous assets,
  - (v) Details of share of common deptt building.
- (2) Month-wise break-up of design energy for Maithon, Panchet and Tilaiya hydel stations.

### **(D) Transmission**

- (1) Break-up of “other assets” of Rs.8.71 crore included in the total capital cost under transmission and distribution of Rs.564.43 crore.
- (2) Year-wise details of general overhead charges and flood warning station expenses for the period 1999-2000 to 2003-2004.
- (3) Justification for including Flood Warning Station expenses in the calculation of O&M charges.

(4) Information in respect of actual O&M expenses and reconciliation of the total with claim made in Form-18, Part-III (Page-283 of the petition).

(Rs. In lakh)

	1999-00	2000-01	2001-02	2002-03	2003-04
T&D					
Communication					
Flood Warning Station					
CLD					
Total					

(5) Quantum of energy handled in MUs at the petitioner's transmission system during the year 2004-05.

3. The respondents/objectors may file their reply, if any, to the details furnished by the petitioner, latest by 25.3.2006 with a copy to the petitioner.

4. It is made clear that above time schedule shall be strictly adhered to and in case the information is not filed by the specified date, I will finalise my recommendations based on the available record.

Sd/-  
**(K.N. SINHA)**  
**MEMBER**

**New Delhi, dated 17<sup>th</sup> February, 2006**