

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 295/GT/2015

Subject: Truing-up of capital expenditure and tariff for the period 2013-14 in respect of Koderma Thermal Power Station, Unit-I.

Petition Nos. 296/GT/2015

Subject: Approval of tariff for Koderma Thermal Power Station Unit I and Unit II (2x500) for the period 2014-19.

Petitioner : DVC

Respondents : Delhi Transco Ltd and others

Date of hearing : **16.2.2016**

Coram : Shri Gireesh. B. Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Parties present : Shri D. K Aich, DVC
Shri A. Biswas, DVC
Shri B.P. Kazal, DVC

Record of Proceedings

These petitions were taken up today for hearing.

2. During the hearing, the representative for the petitioner made detailed submissions in the matter and prayed that tariff of the generating stations may be revised for 2009-14 after truing-up and tariff may be approved for the period 2014-19 as claimed in the petitions.
3. None appeared on behalf of the respondents. The Commission directed the petitioner to file the following additional information on affidavit, by 22.3.2016 with advance copy to the respondents as detailed under:
4. In respect of both the petitions above, additional information shall be submitted as under:
 - (i) Clarification as to why MAT rate has been claimed on ROE when no tax has been paid during the years 2013-14 and 2014-15,
 - (ii) Form-8 in relation to weighted average rate of interest in Form-13;
 - (iii) Audited Accounts, along with the audit certificate of the project for the years 2013-14 and 2014-15;
 - (iv) Statement showing capital cost claimed for the period 2009-14 duly certified by Auditor;
 - (v) It is noticed that the amount of ₹7009.87 lakh towards contribution to Sinking fund in AFC for 2013-14, also includes the amount of ₹2634.39 lakh relating to 2012-13 (in the working sheet). Justification for the same shall be furnished.



5. In addition to above, specific information on the following petitions shall be submitted as detailed under:

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- (i) The actual additional capital expenditure of ₹323.17 lakh in 2013-14 has been made without any asset-wise break-up and regulation under which claimed. Form-9 complete in all respects, indicating the asset-wise break-up of the claim, duly certified by Auditors along with the relevant provisions of the regulations under which the same is claimed;
- (ii) Break-up of capital cost of ₹241750.50 lakh capitalized to Unit-I & II and common facilities;
- (iii) List of deferred works under original scope of work as on COD of the Unit-I;
- (iv) Reconciliation statement of actual additional capital expenditure incurred in 2013-14 with apportionment of capital cost in different units duly certified by Auditor;
- (v) Certificate to the effect that all the assets under Gross Block as on 18.7.2013 are in use for generation of power. If any asset is taken out from Gross Block then the date of taking out the asset from useful service along with the depreciation recovered till the date of taking out the asset from service;
- (vi) With regard to additional O&M expenses claimed on account of CISF Security, Mega Insurance and share of Subsidiary Activities, the following shall be furnished:
 - (a) Reasons for not claiming the additional O&M expenses in original tariff petition;
 - (b) Documentary evidence for requirement of additional CISF security for the plant;
 - (c) Details of expenditure on subsidiary activity indicating the name of all subsidiary activities with justification for each activity;
 - (d) Actual O&M expenditure of the generating station for the period from COD of Unit-I to 31.3.2014.
- (vii) Annual audited accounts for the period 2013-14 as on COD of Unit-I and as on 31.3.2014.

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- (i) In Form-9A of the petition, claim towards actual additional capital expenditure of ₹1751.86 lakh in 2014-15 (14.6.2014-31.3.2015), projected additional capital expenditure of ₹10800.00 lakh in 2015-16, ₹43400.00 lakh in 2016-17, ₹21100.00 lakh in 2017-18 and ₹15500.00 lakh in 2018-19 does not contain the details of assets. In this regard, detailed break-up of additional capital expenditure year-wise and item-wise with justification and under which provision of Regulation 14 it has been claimed;
- (ii) No details of liabilities have been furnished in respect of the liabilities discharged of ₹22321.48 lakh in 2014-15. Hence, details of the liability discharged during 2014-15;
- (iii) Basis/ criteria of the revised cost of ₹7831.28 crore along with the copy of Agenda Note submitted to the Board of the Petitioner Company;
- (iv) Reasons and the justification for time overrun (45.5 months) from the schedule COD to the actual COD of Unit-II and the agency responsible for the delay of each activity, along with PERT and Bar charts of the project commissioning activities;



- (v) The implication of time overrun on cost, if any, separately indicating the details of increase in prices of different packages, increase in IDC & IEDC from the scheduled COD to the actual COD of Unit-II;
- (vi) The amount of IDC & IEDC included in the Auditor certified capital cost of ₹241750.50 lakh as on 31.3.2014 and capital cost of ₹528173.14 lakh as on 14.6.2014 (COD of Unit-II);
- (vii) Bifurcation of cost of Unit-I and Unit-II including common facilities as on 31.3.2014 and as on 14.6.2014 (COD of Unit-II);
- (viii) Details of revenue earned (excluding fuel cost) from the sale of infirm power as on the COD of Unit-II
- (ix) Details of LD recovered under different packages.
- (x) Form - 5Ei (in case of cost overrun), Form -5Eii (in case of time overrun), Form -13D (IEDC upto scheduled COD and upto actual/ anticipated COD), Form -13E (Expenditure under different packages upto scheduled COD and upto actual/anticipated COD);
- (xi) Details of initial spares capitalized as on COD and as on cut-off date of the generating station;
- (xii) Audited accounts of the generating station for the year 2014-15;
- (xiii) With regard to additional O&M expenses sought on account of CISF Security, Mega Insurance and share of Subsidiary Activities, the following shall be furnished:
 - (a) Reasons for not claiming the additional O&M expenses in original tariff petition;
 - (b) Documentary evidence for requirement of additional CISF security for plant;
 - (c) Justification for undertaking Mega insurance along with a copy of Mega insurance taken for plant;
 - (d) Details of expenditure on subsidiary activity mentioning name of all subsidiary activities with justification for each activity;
 - (e) The actual O&M expenditure of the generating station during the tariff period 2014-19 from the COD of Unit-I along with the details of actual water charges included in the actual O&M expenses.

6. The respondents shall file their replies, if any by 4.4.2016 and the petitioner shall file the rejoinder, if any, by 12.4.2016. No extension of time shall be granted for any reason whatsoever. In case the additional information/ reply/ rejoinder is not filed within the said date, the matter shall be decided as per the available records.

7. Subject to the above the orders in the petitions were reserved.

By Order of the Commission

-Sd/-
(T. Rout)
Chief (Legal)

