

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 464/GT/2014

Subject: True-up of generation tariff of Maithon Hydel Power station Unit No. 1 to 3 (2 x 20 + 1 x 23.2 MW) for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 465/GT/2014

Subject: True-up of generation tariff of Mejia Thermal Power Station Unit 1 to 3 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 466/GT/2014

Subject: True-up of generation tariff of Mejia Thermal Power Station Unit 4 (1 x 210) for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 467/GT/2014

Subject: True-up of generation tariff of Panchet Hydel Power station Unit No. 1 and 2 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 468/GT/2014

Subject: True-up of generation tariff of Tilaiya Hydro Power Station Unit 1 and 2 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 469/GT/2014

Subject: True-up of generation tariff of Bokaro Thermal Power Station Unit 1 to 3 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.



Petition No. 470/GT/2014

Subject: True-up of generation tariff of Chandrapura Thermal Power Station Unit 1 to 3 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Petition No. 471/GT/2014

Subject: True-up of generation tariff of Durgapur Thermal Power Station Unit 3 and 4 for the tariff period 2009-14 under the terms of the (Central Electricity Regulatory Commission) Tariff Regulations, 2009.

Date of Hearing : 18.5.2016

Coram : Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member

Petitioner : Damodar Valley Corporation

Respondents : West Bengal State Electricity Distribution Company Limited and
Jharkhand Bijli Vitaran Nigam Limited

Parties present : Shri Subrata Ghosal, DVC
Shri Pulak Bhattacharya, DVC
Shri Bishnu Pada Kayal, DVC
Shri Shubham Arya, DVC
Shri Sanjay Sen, Senior Advocate, Damodar Valley Power Consumers' Association
Shri Rajiv Yadav, Advocate, Damodar Valley Power Consumers' Association

Record of Proceedings

The representative of the petitioner submitted that these petitions are filed for determination of tariff of its projects for the 2009-14 tariff period. He submitted that it has filed the rejoinder to all the replies filed by the respondents in all the petitions mentioned above on 17.5.2016. He submitted that it has claimed P&G fund, sinking fund and additional O&M as per Hon'ble APTEL's judgment dated 19.2.2016 in Appeal No. 184 of 2013.



2. The learned counsel for Damodar Valley Power Consumers' Association submitted that:-

- (i) Out of 11,000 employees, 24 employees are allocated to irrigation and flood control division and 98.90% of employee salary is allocated to power business. The salary allocation to each employee working in irrigation and flood control division works out to ₹1.4 crore to ₹1.5 crore, which is on a higher side.
- (ii) To implead them as respondents in all the petitions filed by DVC.
- (iii) One bond of ₹400 crore was retired after 5 years. The petitioner should give the reasons and justification for fixing the tenure of bonds of 5 years, 10 years and 15 years.
- (iv) They would like to go through the rejoinder filed by the petitioner before making its submissions. They would like to have certain clarification on some of the claims made by the petitioner and hence sought one more hearing in the matter.

3. As regards impleadment of Damodar Valley Power Consumers' Association as respondents, the Commission observed that they are at liberty to file their reply, written submissions and also make submissions during the oral hearing of the matters instead of impleading them as respondents. The Commission observed that the petitioner should clearly spell out the basis of its claim towards contribution to P&G fund, sinking fund, additional O&M and common office expenses. The Commission also observed that there is substantial variation in central office expense and additional O&M over the years and do not follow certain pattern.

4. The Commission directed the representatives of the petitioner to clarify the discrepancies in the computation of claims alongwith the variation under various heads. The Commission also directed the representatives of the petitioner and the respondents to be present for a meeting with the staff of the Commission on 13.6.2016 along with the computations of the claims made.

5. The Commission after hearing the parties directed the petitioner to file the following additional information on affidavit, by 10.6.2016, with advance copy to the respondents:-

- (i) The terms and conditions of the bonds issued.
- (ii) Legible copy of Actuarial Valuation of Pension Liability as on 31.3.2011 along with complete Actuarial Valuation report for 2009-10, 2011-12, 2012-13 and 2013-14.
- (iii) Reconciliation of pension and gratuity with the audited accounts along with basis of allocation of P&G trust to power (Generation and T&D), irrigation and flood control for period 2009-14. Further, basis of allocation of P&G



(Generation) onto entire DVC generating stations both old and new stations for period 2009-14. Year Wise detail of total number of employees and allocation of employees on different generating stations for the period 2009-14.

(iv) Methodology followed for allocation of sinking fund, common office expense, CISF security, share of subsidiary activity and mega insurance cost into irrigation, power (Generation and T&D) and flood control. Further allocation of power (Generation) component into different generating stations and reconciliation of the same with Audited Accounts.

(v) The petitioner to submit additional capitalization details for all the years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 in the following format:-

2009-10					
Approved Cost centre/Item wise/works with amount	Additional capitalization incurred which was approved	Additional capitalization not incurred which was allowed	Additional capitalization incurred which was not allowed	Total Additional capitalization incurred	Justification for variation from approved

6. The Commission further directed to list the petition on 27.6.2016 and the parties to complete the pleadings by the said date. The Commission also directed the parties to stick to the timeline specified, failing which the matter would be decided on the basis of the information already available on record.

By order of the Commission

sd/-
V. Sreenivas
Dy. Chief (Law)

