

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 434/GT/2020

Subject : Petition for revision of tariff of Ratnagiri Power Station (1967.08 MW) for the period from 1.4.2014 to 31.3.2019 after truing up exercise

Petition No. 410/GT/2020

Subject : Petition for approval of tariff of Ratnagiri Power Station (1967.08 MW) for the period from 1.4.2019 to 31.3.2024.

Petitioner : Ratnagiri Gas and Power Private Ltd.

Respondent : Maharashtra State Electricity Distribution Company Ltd & 3 ors

Date of hearing : **13.8.2020**

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

Parties present : Shri Shankar Saran, RGPPL
Shri Arvind Jhalani, RGPPL
Shri Arshad Jilani, RGPPL

Record of Proceedings

These Petitions were taken up for hearing through Video Conferencing.

2. During the hearing, the representative of the Petitioner submitted that Petition No. 434/GT/2020 has been filed for revision of tariff of Ratnagiri Power Station (1967.08 MW) (in short 'the generating station') for the period 2014-19 based on truing-up exercise, in terms of the 2014 Tariff Regulations and that Petition No. 410/GT/2020 has been filed for determination of tariff of the generating station for the 2019-24 tariff period, in terms of the 2019 Tariff Regulations. The representative mainly submitted that with limited availability of funds, the miscellaneous expenditure on purchase of equipment for office, laboratories, hospital etc., could not be completed within the 2009-14 tariff period and hence extended to the 2014-19 tariff period. He accordingly prayed that the Commission may allow the entire additional capitalization claimed, including the Miscellaneous Bought out Assets (MBOA) and capital spares. He further submitted that additional O&M expenses due to revision of wages/ salary of the employees with effect from 1.1.2017 on account of the Office Memorandum of Department of Public Enterprise dated 3.8.2017 containing recommendations of the 3rd Pay Revision Committee for Central Public Sector Units and that of Central Industrial Security Force (CISF) staff with effect from 1.1.2016 due to implementation of the 7th Pay Commission recommendations, has been claimed. The representative of the Petitioner added that the impact of GST with



effect from 1.7.2017 may be allowed under Change in law. He further stated that liberty may be granted to the Petitioner to claim water charges as and when paid to the State Govt./ agency.

3. None appeared on behalf of the Respondents despite notice.

4. On a specific query by the Commission as to whether any Respondent is scheduling the power from the generating station, the representative of the Petitioner clarified that power is being scheduled by the Respondents, DD & DNH and the said Respondents are billed in terms of the tariff determined by this Commission.

5. The Commission directed the Petitioner to file additional information on the following, with advance copy to the Respondents, on or before **14.9.2020**:

- (a) *Documentary evidence in respect of the floating rate of interest as considered in Form-13;*
- (b) *Auditor certified statement in respect of claim under the head 'Impact of Goods and Services Tax' along with detailed calculations;*
- (c) *Detailed reasons for adding 'capital spares capitalized out of inventory' amounting to ₹24365.57 lakh to arrive at the Gross Block as per IGAAP as on 1.4.2016, in Form-9C;*
- (d) *Briefly explain the various IND-AS adjustments as stated in Form-9C;*
- (e) *The additions (as per IGAAP) in Form-9CB vary with the details as in Form-9C. This difference shall be clarified or the respective forms may be revised;*
- (f) *The information contained in Form-9C duly certified by the Auditor;*
- (g) *The opening balance of loan (both gross and net) as on 1.4.2014 as considered in Form-13 in the present petition varies with the closing balance of loan (both gross and net) as on 31.3.2014 as considered in Commission's order dated 21.6.2016 in Petition No. 258/GT/2014. The reconciliation along with detailed reasons including the details of restructuring of loans shall be furnished;*
- (h) *The additional capital expenditure claimed in Form-9A for the year 2016-17 varies with the net additional capital expenditure claimed in Form-9C. This difference may be clarified or the respective forms may be revised;*
- (i) *Year-wise computation of water charges claimed for the 2014-19 and 2019-24 tariff periods, including the:*
 - (i) *Actual quantity of water consumed;*
 - (ii) *Rate (₹/M³) charged by the State authorities;*
 - (iii) *Any other charges included in the Water charges in addition to the charges calculated based on the (i) & (ii) above;*
 - (iv) *Auditor certificate to the effect that such other charges as in (iii) above were booked under the head 'Water charges' during the period from 2008-09 to 2012-13;*
- (j) *An exclusion entry of ₹593.89 lakh has been indicated for the year 2017-18 in Form 9-C. For this, the details as required in Form-9D shall be furnished;*
- (k) *Detailed break-up of the actual O&M expenses incurred for the 2014-19 tariff period (including any arrears paid after 31.3.2019 towards wage revision) in the format which was issued by Commission to all the generating stations for furnishing the actual O&M expenditure data for the period 2008-09 to 2012-13;*



(l) A Comparative table indicating the actual O&M expenses incurred versus the normative O&M expenses allowed to the generating station for the 2014-19 tariff period;

(m) Auditor certified statement with respect to wage revision impact, including the employee cost prior to the wage revision and the employee cost after wage revision;

(n) Detailed justification for each asset/ work for which projected Additional Capital Expenditure has been claimed along with the basis for arriving at such projected expenditure;

(o) Justification for the security expenses claimed for the 2019-24 tariff period based on the assessment of the security requirement along with the actual expenses incurred as security expenses for the year 2018-19.

6. The Respondents are directed to file their replies by **28.9.2020**, with advance copy to the Petitioner, who may file its rejoinder, if any, by **6.10.2020**. Pleadings shall be completed by the parties within the due dates mentioned and no extension of time shall be granted.

7. Subject to the above, order in the Petitions were reserved.

By order of the Commission

Sd/-

(B. Sreekumar)
Deputy Chief (Law)

