

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**New Delhi**

**Review Petition No. 21/RP/2019 in Petition No. 150/TT/2018**

- Subject** : Review Petition No. 21/RP/2019 seeking review of order dated 9.8.2019 in Petition No. 150/TT/2018
- Petitioner** : Damodar Valley Corporation
- Respondent** : West Bengal State Electricity Distribution Co. Ltd. & Another
- Date of Hearing** : 20.7.2021
- Coram** : Shri P. K. Pujari, Chairperson  
Shri I. S. Jha, Member
- Parties Present** : Shri M. G. Ramachandran, Senior Advocate, DVC  
Ms. Anushree Bardhan, Advocate, DVC  
Ms. Srishti Khindaria, Advocate, DVC  
Shri Manik Rakshi, DVC  
Shri Subrata Ghosal, DVC  
Shri Subrata Ganguly, DVC  
Shri Srikanta Pandit, DVC  
Shri Samit Mandal, DVC  
Shri Debasish Mondal, DVC

**Record of Proceedings**

The Review Petition was called out for virtual hearing.

2. Learned senior counsel for the Review Petitioner made the following submissions:
- a) Instant matter was last argued on 27.4.2021, when Damodar Valley Power Consumer Association (DVPCA) sought time to file objections in the matter. As per the directions given on 27.4.2021, Review Petitioner had served copy of the instant review petition and related documents on DVPCA to enable it to file its objections. However, no reply has been filed by DVPCA and DVPCA is not represented;
  - b) Issues submitted with respect to the instant review petition have already been recorded by the Commission in RoP dated 27.4.2021;
  - c) The Commission has considered COD of DVC's existing Transmission and Distribution System as 1.4.2004 and had classified DVC's transmission assets for the purpose of tariff into three categories: existing (up to 1.4.2014), deemed ISTS line, and new transmission asset (after 1.4.2014). For the purpose of existing assets upto 1.4.2014, the Commission had considered COD as 1.4.2004. After completion of 12 years on 1.4.2016, depreciable value of the asset will be spread over the balance useful life of the asset from the financial year 2016-17 onwards. The Commission while doing so kept the asset value at 1.4.2014 but did not take into consideration the additional assets from 1.4.2004 to 31.3.2013;



- d) The Tariff Regulations provide for consideration of the depreciation as per Section 40 of the Damodar Valley Act, 1948 (DVC Act) which has been approved by the Hon'ble Supreme Court and the Commission has incorporated this in the Tariff Regulations;
- e) Under the DVC Act, the depreciation specified is 7.72% as per CAG and the Commission has applied 7.72% up to 31.3.2016 but thereafter the Commission has spread over the depreciation as per the Tariff Regulations and not as per Section 40 of the DVC Act;
- f) Referred to Bhaskar Shrachi Alloys Ltd. vs. DVC (2018) 8 SCC 281 to buttress his submissions regarding allowance of depreciation rate in terms of Section 40 of the DVC Act;
- g) Mega Insurance pertaining to protection of equipment has been claimed as per the Government's directions/ mandate because of prevalent situation; and
- h) Additional written submissions/reply will be filed in the matter.

3. In response to query of the Commission regarding Additional Capital Expenditure (ACE) after 2004, learned senior counsel for DVC submitted that ACE is already in the books and have been filed but only in the computation, it has been missed inadvertently.

4. In response to another query of the Commission regarding the basis of claim of Mega Insurance as per Government's mandate, the learned senior counsel submitted that the document will be filed alongwith the written submissions in the matter.

5. The Commission observed that the Review Petitioner has already filed Petition No. 466/TT/2020 for truing up of the transmission tariff of the 2014-19 period, allowed vide order dated 9.8.2019 in Petition No. 150/TT/2018, and for determination of tariff for the 2019-24 period in respect of the subject assets. The Petition No. 466/TT/2020 was heard by the Commission on 13.7.2020 and 27.4.2021. Accordingly, the issues raised in the instant Review Petition shall be dealt in Petition No. 466/TT/2020.

6. The Commission directed the Review Petitioner to file written submissions in the matter by 16.8.2021.

7. Subject to the above the Commission reserved order on admissibility of the Review Petition.

**By order of the Commission**

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(V. Sreenivas)  
Deputy Chief (Law)

