

**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
- Date of Hearing** : 27.4.2021
- Coram** : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
- Review Petitioner** : Damodar Valley Corporation (DVC)
- Respondents** : West Bengal State Electricity Distribution Company Ltd. (WBSEDCL) and another
- Parties present** : Shri M.G Ramachandran, Senior Advocate, DVC
Ms. Anushree Bardhan Advocate, DVC
Shri Rajiv Yadav, Advocate, DVPCA
Shri Manik Rakshit, DVC
Shri Subrata Ghosal, DVC
Shri Samit Mandal, DVC

Record of Proceedings

Learned senior counsel for the Review Petitioner submitted that the instant review petition has been filed for review of order dated 9.8.2019 in Petition No. 150/TT/2018 wherein the Commission approved the tariff for transmission and distribution network of DVC for the 2014-19 tariff period. He submitted that in the impugned order dated 9.8.2019 the Commission observed that COD of the existing transmission and distribution network of DVC will be 1.4.2004 and that after completion of 12 years i.e. from 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. Being aggrieved by the above findings of the Commission regarding COD of the assets besides other findings DVC has filed the instant Review Petition.

2. Learned senior counsel submitted that the decision of the Commission to consider the commercial operation date of the entire Transmission & Distribution Network of the Petitioner as 1.4.2004 will deprive the Review Petitioner of the benefit of claiming depreciation at the higher rate in terms of Section 40 of the DVC Act, 1948



beyond 2016 till it reaches 90% of the depreciable value. Placing reliance on Section 40 of the DVC Act, 1948 , the learned senior counsel submitted that the decision of the Commission of approving the deemed COD of subject assets as 1.4.2004 and thereafter recovery of the balance depreciable value of the asset, after 12 years i.e. 1.4.2016, spread over the balance useful life of the asset from 2016-17 is contrary to the depreciation rate allowed to DVC in terms of Section 40 of the DVC Act, 1948 and upheld by the Hon'ble Supreme Court in the matter of Bhaskar Shraichi Alloys Ltd. v. Damodar Valley. He further submitted that while computing the interest on loan component, the adjustment in repayment of loan due to decapitalization of assets was added inadvertently to the 'cumulative repayment of loan' head by the Commission instead of reducing the same. While computing the 'cumulative repayment up to previous year' i.e. upto 31.3.2014, the Commission in place of Rs.103819.4 lakh has considered Rs.104300.74 lakh. The common office expenses allowed by the Commission in the order dated 9.8.2019 needs to be included in the final AFC table at para 70.

3. Learned counsel appearing on behalf consumers sought a copy of the petition and time to file its objections in the matter.

4. The Commission directed the Petitioner to provide a copy of the petition and all related documents to the learned counsel for DVPCA to enable him to file their objections. The Commission further directed DVPCA to file their objections by 15.5.2021 and the petitioner to file its comments by 30.5.2021. The Commission also directed the parties to comply with above directions within the specified timeline and no extension of time shall be granted.

5. The next date of hearing will be intimated to the parties in due course of time

By order of the Commission

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

