

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 531/MP/2020**

Subject: Petition under Section 94 of the Electricity Act, 2003 read with Regulations 79, 111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Regulations 54 and 55 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for recovery of additional O&M expenses incurred against impact of Pay revision of NHDC employees and employees of Kendriya Vidyalaya & Central Industrial Security Force (CISF), impact of wage revision (change in minimum wages) and implementation of Goods and Service Tax (GST) at Indira Sagar Power Station (ISPS) during tariff period 2014-19.

Date of Hearing : 8.4.2021

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

Petitioner : NHDC Limited (NHDC)

Respondents : M.P Power Management Company Limited (MPPMCL) and Anr.

Parties Present : Shri Ravi Sharma, Advocate, MPPMCL  
Shri Anurag Seth, NHDC  
Shri Subhash Pagare, NHDC  
Shri Sushil Kumar Verma, NHDC  
Shri Ravindra Khare, NHDC

**Record of Proceedings**

Case was called out for virtual hearing.

2. The representative of the Petitioner submitted that the instant Petition has been filed, *inter-alia*, for recovery of additional Operation & Maintenance (O&M) expenses incurred against (i) impact of pay revision of the Petitioner's employees (w.e.f.1.1.2017) and employees of Central Industrial Security Force and Kendriya Vidyalaya (w.e.f.1.1.2016), (ii) impact of change in minimum wages (w.e.f.1.4.2017), and (iii) implementation of Goods and Service Tax (w.e.f.1.7.2017) at its Indira Sagar generating station during the tariff period 2014-19. The representative of the Petitioner further submitted that total additional O&M expenses incurred by the Petitioner on account of the above are Rs. 48.14 crore. It was submitted that the Petitioner has already filed its rejoinder to the reply filed by Respondent No.1, MPPMCL.

3. Learned counsel for the Respondent No.1, MPPMCL accepted the notice and submitted that MPPMCL has already filed its reply.



4. After hearing the representative of the Petitioner and learned counsel for the Respondent, MPPMCL, the Commission admitted the Petition.

5. The Commission directed the Petitioner to serve copy of the Petition on the rest of the Respondents, immediately, if not already served. The Respondents were directed to file their reply by 27.4.2021, duly served to the Petitioner, who may file its rejoinder, if any, by 14.5.2021.

6. The Commission further directed the Petitioner to furnish the following details/information on affidavit by 30.4.2021:

(a) Breakup of actual O&M expenditure for the tariff period 2014-19 under various sub-heads (as per Annexure-I enclosed) after including the pay revision impact (employees, CISF and KV), wage revision impact (minimum wages) and impact of pay regularization in the employee cost. (To be provided in both MS Excel and PDF format);

(b) Similar break-up of actual O&M expenses including pay revision impact for Corporate Centre/other offices & breakup of claimed wage revision impact on employee cost, expenses on corporate centre and on salaries of CISF & KV employee of the generating station (as per enclosed Annexure-II and Annexure-III, respectively) for the period 2014-19 along with allocation of the total O&M expenditure to various generating stations under construction, operational stations and any other offices along with basis of allocating such expenditure. (To be provided in both MS Excel and PDF format);

(c) A certificate to be provided to the effect that the employee and any other cost booked to IEDC has not been indicated as a part of actual O&M expenditure;

(d) Basis and rationale for claim on account of impact due to revision of minimum wages; and

(e) With regard to claim on account of pay regularization for financial years from 2007 to 2019, reference of the Petition(s) for the period prior to 2014-19 in which the Petitioner has raised the issue for consideration of the Commission and order of the Commission, if any, in which such liberty to consider the claim, as and when finalized by the Petitioner, has been granted by the Commission.

7. The due date of filing of reply, rejoinder and information should be strictly complied with.

8. The Petition shall be listed for hearing in due course for which separate notice will be issued.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)						
Sl. No.	Items	2014-15	2015-16	2016-17	2017-18	2018-19
1	Consumption of stores & spares					
2	Repair & Maintenance					
3	Insurance					
4	Security					
5	Water Charges					
6	Administrative Expenses					
6.1	Rent					
6.2	Electricity charges					
6.3	Travelling & Conveyance					
6.4	Communication Expenses					
6.5	Advertising					
6.6	Foundation Laying & Inaugration					
6.7	Donation					
6.8	Entertainment					
6.9	Filing fee					
	<b>Subtotal (Administrative Expenses)</b>					
7.0	Employee Cost					
7.1.1	Salaries, Wages & Allowances					
7.1.2	Pension					
7.1.3	Gratuity					
7.1.4	Provident Fund					
7.1.5	Leave Encashment					
7.2	Staff welfare expenses					
7.2.1	-Medical expenses on superannuated employees					
7.2.2	-Medical expenses on regular employees & others					
7.2.3	-Uniform/Livries & safety equipment					
7.2.4	-Canteen expenses					
7.2.5	-Other staff welfare expenses					
	Subtotal (Staff welfare Expenses)					
7.3	Productivity linked Incentive					
7.4	Expenditure on VRS					
7.5	Ex-gratia					
7.6	Performance Related Pay (PRP)					
	Sub Total (Employee Cost)					
8	Loss of Store					
9	Provisions					
10	Prior Period Expenses					
11	Corporate Office expenses allocation					
12	Others					
12.1	Rates & Taxes					
12.2	Water cess					
12.3	Training & recruitment expenses					
12.4	Tender Expenses					
12.5	Guest house expenses					
12.6	Education expenses					
12.7	Community Development Expenses					
12.8	Ash utilisation expenses					
12.9	Books & Periodicals					
12.10	Professional Charges					
12.11	Legal expenses					
12.12	EDP Hire & other charges					
12.13	Printing & Stationery					
12.14	RLDC Fee & Charges					
12.15	Brokerage & Commission					
12.16	Bank charges					
12.17	Claims/advances written off					
12.18	Hiring of vehicle					
12.19	Payment to auditors					
12.20	Misc. Expenses					
	(Break-up Of Misc.)					
12.20.1	-Horticulture					
12.20.2	-Transport- Vehicle Running exp.					
12.20.3	-Hire charges & Operating Exp -Construction Equipment					
12.20.4	-Tree Plantation exp.					
12.20.5	-R&D expenses					
12.20.6	Other Vehicles					

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)						
Sl. No.	Items	2014-15	2015-16	2016-17	2017-18	2018-19
12.20.7	Consumptn-HSD/LDO-(Ind/Imp)-DG Set					
12.20.8	Exp/ Inc frm Inv Diff					
12.20.9	Loss on sale of Investments					
12.20.10	Operating exp of diesel generating sets					
12.20.11	Furnishing Expenses					
12.20.12	Subscription to Trade and Other Assocn.					
12.20.13	Hire Charges - Helicopter/Aircraft					
12.20.14	Visa & Entry Permit Charges - Overseas					
12.20.15	FX Monitoring Terminal Expenses					
12.20.16	Works/Conf.(Excl train R&D CENPEEP)Earlier Non FBT					
12.20.17	Workshop/Conf. Exp (train R&D CENPEEP) Earlier FBT					
12.20.18	Hire charges - Office equipment					
12.20.19	Payment for health club etc					
12.20.20	Gifts liable for Fringe Benefit Tax					
12.20.21	Festival expenses liable Earlier (FBT)					
12.20.22	Miscellaneous Expenses					
12.20.23	Rounding Off Difference					
12.20.24	Regional Power Committee Expenses					
12.20.25	Misc Exp. trf to CSR and IEDC					
12.20.26	Specify other sub head, if any.					
	<b>Sub Total (Others)</b>					
<b>13</b>	<b>(Total 1 to 12)</b>					
14	Revenue / Recoveries					
15	Net Expenses					
	<b>Total O&amp;M Cost</b>					

DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS						
						Amount in Rs. Lakhs
	PARTICULARS/YEAR	2014-15	2015-16	2016-17	2017-18	2018-19
	Total Expenses of CC & RHQs-(A)					
	Transferred to Construction Projects -(B)					
	Transferred to any other business activity - (C)					
	Expenses related to stations under operation (D)=(A)-(B)-(C)					
	<b>Head Wise Details of D</b>					
1	<b>Employee Expenses</b>					
a	Salaries, Wages and Allowance					
b	Staff Welfare Expenses					
c	Productivity Linked Incentive					
d	Expenditure on VRS					
e	Ex-Gratia					
2	<b>Administrative Expenses</b>					
a	Repair and maintenance					
b	Training and Recruitment					
c	Communication					
d	Travelling and Conveyance					
e	Rent					
f	Others -Break Up as per details given below:					
f-1	Advertisement and publicity					
f-2	Books & Periodicals					
f-3	EDP Hire and other charges					
f-4	Education expenses					
f-5	Ent. and hospitality					
f-6	Fin Expenses-IndAS					
f-7	Guest house expenses					
f-8	Hiring of Vehicles					
f-9	Insurance					
f-10	Legal Expenses					
f-11	Miscellaneous Expenses					
f-12	Community develope. Exp.					
f-13	Others.					
f-14	Payment to auditors					
f-15	Power Charges					
f-16	Printing and Stationery					
f-17	Prof chg & cons fees					
f-18	R&D EXPS					
f-19	Rates and taxes					
f-20	Tender expenses					
f-21	Trpt Veh running Exp.					
f-22	Water charges					
f-23	Workshop & Conf. Exp.					
	<b>Sub Total (Administrative Expenses)</b>					
3	Security					
4	Donations					
5	Provisions					
6	Depreciation					
7	Prior period expenses					
8	Total Expenses from 1-7					
	Less Recoveries (if any)					
9	Expenses related to Operation - D					
	<b>ALLOCATION TO OPERATIONAL STATIONS</b>					
S.No	Name of The Unit/Station					
	<b>Operational Station (1)</b>					
	<b>Operational Station (2)</b>					

**FORMAT FOR CLAIMING WAGE REVISION IMPACT****YEAR-WISE IMPACT OF REVISION IN SALARIES AND WAGES PAID TO THE EMPLOYEES AND STAFF OF CISE & KV****1. Wage revision impact on employee cost of the generating station****(Rs. in lakh)**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage rev Impact	Pre Revised	Post Revision	Wage rev	Pre Revised	Post Revision	Wage rev Impact
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									
1.4 Allowances and Perquisites									
1.5 PRP/Ex Gratia									
2.1 Super Annuation Benefits (PF,Pension& PRMS)									
2.2 Gratuity									
2.3 Leave encashment (HPL/EL)									
Total									
Less: EDC									
Net employee cost									

**Wage revision impact on expenses of Corporate Centre of the generating station**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage rev Impact	Pre Revised	Post Revision	Wage rev	Pre Revised	Post Revision	Wage rev Impact
CC Expenses									
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									

1.4 Allowances Perquisites												
1.5 PRP/Ex Gratia												
Total												

**2. Wage revision Impact on Salaries of CISF and KV employees (if applicable)**

Component	2015-16			2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage rev Impact	Pre Revised	Post Revision	Wage rev Impact	Pre Revised	Post Revision	Wage rev Impact	Pre Revised	Post Revision	Wage rev Impact
1.CISF												
2. KV												
Total												

Total Wage revision Impact												
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