

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 537/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 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 Central Industrial Security Force (CISF), impact of wage revision (change in minimum wages) and implementation of Goods and Service Tax (GST) at Omkareshwar Power Station (OSPS) during the tariff period 2014-19.

Date of Hearing : 5.3.2021

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 Prabhakar Rai, NHDC
Shri Ravindra Khare, MPPMCL

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 (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 Omkareshwar Power Station during the tariff period 2014-19. The representative of the Petitioner further submitted that the total additional O&M expenses incurred by the Petitioner on account of the above are to tune of Rs. 32.14 crore.

3. At the outset, learned counsel for the Respondent No. 1, MPPMCL objected to the representations being made by the non-practitioner of law. Learned counsel

submitted that as per the practice of law, no one but the licenced practitioner of law ought to be allowed to make the representation before the Commission.

4. The Commission observed that Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 permits a person either to appear himself or to authorise any of his employees to appear before the Commission and to act and plead on his behalf. The representative, being an employee and permitted to appear and represent the Petitioner Company, the objection raised by learned counsel for MPPMCL is not sustainable. Accordingly, the Commission admitted the Petition and directed to issue notice to the Respondents.

5. The Commission directed the Petitioner to serve copy of the Petition on the Respondents, immediately, if not already served. The Respondents were directed to file their reply by 20.4.2021, with advance copy to the Petitioner, who may file its rejoinder, if any, by 7.5.2021.

6. The Commission directed the Petitioner to furnish the following details/information on affidavit by 16.4.2021:

(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 and CISF), 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 (as per Annexure-II enclosed) for the period 2014-19 along with allocation of the total O&M expenditure to various 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;

(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.

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

7. 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 (Legal)**

| 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 | | | | | |
| | Subtotal (Administrative Expenses) | | | | | |
| 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 | | | | | |

| 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 |
| 12.20.6 | Other Vehicles | | | | | |
| 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. | | | | | |
| | Sub Total (Others) | | | | | |
| 13 | (Total 1 to 12) | | | | | |
| 14 | Revenue / Recoveries | | | | | |
| 15 | Net Expenses | | | | | |
| | Total O&M Cost | | | | | |

| 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) | | | | | |
| | Head Wise Details of D | | | | | |
| 1 | Employee Expenses | | | | | |
| a | Salaries, Wages and Allowance | | | | | |
| b | Staff Welfare Expenses | | | | | |
| c | Productivity Linked Incentive | | | | | |
| d | Expenditure on VRS | | | | | |
| e | Ex-Gratia | | | | | |
| 2 | Administrative Expenses | | | | | |
| 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 develop. 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. | | | | | |
| | Sub Total (Administrative Expenses) | | | | | |
| 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 | | | | | |
| | ALLOCATION TO OPERATIONAL STATIONS | | | | | |
| S.No | Name of The Unit/Station | | | | | |
| | Operational Station (1) | | | | | |
| | Operational Station (2) | | | | | |