

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
New Delhi**

**Petition No. 564/GT/2020**

Subject: Petition for truing up of annual fixed charges for the 2014-19 tariff period and for determination of tariff for the 2019-24 tariff period in respect of Units-I & II of Koderma Thermal Power Station

**Petition No. 573/GT/2020**

Subject: Petition for truing up of annual fixed charges for the 2014-19 tariff period and for determination of tariff for the 2019-24 tariff period in respect of the Durgapur Steel Thermal Power Station (1000 MW).

Date of Hearing : **13.4.2021**

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

Petitioner : Damodar Valley Corporation

Respondents : BRPL and 9 others

Parties Present : Ms. Anushree Bardhan, Advocate, DVC  
Ms. Srishti Khindaria, Advocate, DVC  
Shri Manik Rakshit, DVC  
Shri Subrata Ghosal, DVC  
Shri Samit Mandal, DVC  
Shri Rajiv Yadav, Advocate, DVPCA

**Record of Proceedings**

These Petitions were called out for virtual hearing.

2. The learned counsel for the Petitioner submitted that Petition No. 564/GT/2020 and Petition No. 573/GT/2020 have been filed for truing-up of tariff for the 2014-19 tariff period and for determination of tariff for the 2019-24 tariff period in respect of Koderma Thermal Power Station and Durgapur Steel Thermal Power Station respectively. It was further submitted that copy of the petitions has been served on the respondents, but no reply has been received from any respondents till date.

3. The learned counsel appearing for Damodar Valley Power Consumer Association (DVPCA) submitted that DVPCA has filed Interlocutory Application (IA No. 10/2021 in

Petition No.205/GT/2020) seeking impleadment as 'respondents' in the tariff petitions filed by the Petitioner, including these petitions, and the same is pending. He accordingly submitted that the Commission may direct the Petitioner to array DVPCA as respondents in these matters and serve copies of the petition to enable DVPCA to file reply. The learned counsel for the Petitioner submitted that copy of the petition which has been uploaded in the website of the Petitioner, may be availed by DVPCA.

4. With regard to the prayer of DVPCA for impleadment, the Commission clarified that DVPCA, instead of being impleaded as Respondent, is at liberty to file its objections/comments and participate in the hearing of these petitions before the Commission. Accordingly, the Commission directed the learned counsel for the Petitioner to serve copy of the petition on DVPCA and file proof of service. In terms of this, I.A.No.10/2021 filed by DVPCA stands disposed of.

5. The Commission also directed the Petitioner to file the following additional information, on or before 18.5.2021:

**In both Petition Nos. 564/GT/2020 and 573/GT/2020**

**A. For the 2014-19 Tariff Period**

- i. Documentary evidence for considering the MAT rate as effective tax rate for grossing up of Return on Equity;*
- ii. Audited financial statements along with station-wise reconciliation;*
- iii. Reconciliation of GFA as per financial statement with that indicated in Form 9-E;*
- iv. Reconciliation of additional capital expenditure and additions in GFA as per financial statement;*
- v. Reconciliation of the figures mentioned in Form 13 (ie. Calculation of Weighted Average Rate of Interest on actual loans), with the audited accounts of the respective financial years;*
- vi. Break-up of the actual O&M expenses of the generating station under various subheads (as per **Annexure-A** enclosed) after including the pay revision impact (employees, CISF, KV and Corporate Centre) and wage revision impact (minimum wages), if applicable. (in both MS Excel and PDF format);*
- vii. Break-up of the actual O&M expenses of Corporate Centre/other offices including pay revision impact (as per **Annexure-B** enclosed) for the generating station along with the allocation of the total O&M expenses to the various generating stations under construction, operational stations and any other offices/business activity, along with basis of allocating such expenditure (in both MS Excel and PDF format);*
- viii. Breakup of the pay revision impact claimed in respect of employees of the Petitioner Company, CISF & KV, stationed in the generating station and Corporate Centre/other offices employee cost allocated to the generating station. (as per **Annexure-C** enclosed)*
- ix. Gross Calorific Value (GCV) details on 'as received' basis for the months of January 2014 to March 2014 in Form-15, in terms of Third amendment to 2009*

*Tariff Regulations, effective from 1.1.2013, as uploaded in the website of the Petitioner and shared with the beneficiaries;*

- x. Documentary evidence of Mega Insurance claimed in the petition;*
- xi. Year-wise audited computation of the actual water charges claimed, including the actual quantity of water consumed; rate (₹/M3) charged by the State Authorities; Any other charges included in the water charges, in addition to the charges calculated based on the above; and Auditor certificate to the effect that such other charges above were booked under the head 'Water charges' during the said period;*
- xii. Details of the actual water charges paid to the Water Resource Department/ State Government duly certified by Auditor with justification for any variation in the allocated quantity of water vis-à-vis the actual consumption;*

**B. For the 2019-24 Tariff Period**

- i. Approval of the competent authority for the additional capital expenditure proposed to be incurred during this tariff period and a note on the procedure adopted for approval of such proposals;*
- ii. Certificate to the effect that all assets under gross block claimed for the purpose of tariff as on 1.4.2019 are in use for generation of power. If any asset has been taken out from the gross block till date or in case of any such plan in the upcoming years, then the actual /probable date of taking out of the asset from useful service along with the depreciation recovered till the date of taking out from service;*

**In Petition Nos. 564/GT/2020**

**For the 2014-19 Tariff Period**

- i. Clarification for the claim of un-discharged liabilities of Rs.814.43 lakh for the period from 1.4.2014 to 13.6.2014, without any corresponding additional capital expenditure;*
- ii. Flow of un-discharged liabilities from the actual expenditure with effect from approved capital cost as on 31.3.2014;*
- iii. Date of capitalization of 'reversal of excess amounts' earlier booked under this head' as reversal entry with justification for the same;*
- iv. Reason for the difference in cumulative repayment amounting to Rs.19.39 lakh in Form-13A, considered as on 14.6.2014 (Rs.29080.03 lakh) from the cumulative repayment from 1.4.2014 to 13.6.2014 (Rs.29060.64 lakh).*
- v. Detailed reason for drawl of higher amount of loan as compared to the additional capitalization and to reconcile the drawl amount of loan with Form-7 or Form 8;*
- vi. Documentary evidence in respect of the interest rate considered for SBI Loan in Form-13;*
- vii. The weighted average rate of depreciation allowed in Commission's order dated 28.2.2017 in Petition No. 296/GT/2015 is 7.0599%, while the rate of 6.695%, 6.660%, 6.659% and 6.448% has been claimed for the years 2015-16, 2016-17, 2017-18 and 2018-19 respectively. In this regard, provide copy of the CAG order based on which depreciation rate has been applied.*

**In Petition No. 573/GT/2020**

**For the 2014-19 Tariff Period**

- (i) Detailed reason for the drawl of higher amount of loan as compared to the additional capital expenditure for the year 2017-18;*
- (ii) Documentary evidence in respect of the interest rates considered for REC Loan in Form-13 and the reason for the interest rate of 10.24% considered in 2018-19 for PFC Loan in Form-13, when the rate of interest is fixed at 10.30% in Form-7;*
- (iii) Form-9A for 2016-17 and correct/complete Form-9A for 2018-19, duly reconciled with the additional capital expenditure claimed in Form-1(l) in the petition (pdf version);*
- (iv) The weighted average rate of depreciation allowed in order dated 17.3.2017 in Petition No. 205/GT/2015 is 7.337%, while the rate of 6.917%, 6.917%, 6.868%, 6.864% and 6.843% has been claimed for the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 respectively. In this regard, provide copy of the CAG order based on which depreciation rate has been applied.*
- (v) Any other information/documents as considered necessary in support of the various claims for the 2014-19 and 2019-24 tariff periods;.*

6. The Respondents and the Objector, DVPCA shall file their replies/objections, by 1.6.2021 with advance copy to the Petitioner, who shall file its rejoinder, if any, by 8.6.2021. The parties shall ensure the completion of pleadings within the due dates mentioned and no extension of time shall be granted for any reason.

7. These petitions shall be listed for hearing in due course for which separate notice shall be issued to the parties.

By order of the Commission

Sd/-  
B. Sreekumar  
Joint Chief (Law)

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)						
Amount (₹ in lakh)						
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					

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)						
		Amount (₹ in lakh)				
Sl. No.	Items	2014-15	2015-16	2016-17	2017-18	2018-19
12.17	Claims/advances written off					
12.18	Hiring of vehicle					
12.19	Payment to auditors					
12.20	Misc. Expenses					
	(Break-up Of Misc.)					

## Annexure B

DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS						
		Amount (₹ in lakh)				
	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 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.					
	<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>					

**Annexure C**

**Format for Claiming Wage Revision Impact in Respect Of Employees of the Station,  
Employees of Corporate Centre and Employees of CISF &,KV.**

**1. Wage revision impact in respect of employees of generating station**

*Amount (₹ in lakh)*

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									
1.4 Allowances & 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 in respect of Corporate Centre/Other offices employee cost allocated to generating station**

*Amount (₹ in lakh)*

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
CC Employee									
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 in respect of CISF personnel & KV employee (if applicable)**

Amount (₹ in lakh)

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

Total Wage revision Impact												
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