

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 576/GT/2020**

Subject : Petition for revision of tariff of Vallur Thermal Power Station (1500 MW) after the truing up exercise for the period from 1.4.2014 to 31.3.2019.

**Petition No. 411/GT/2020**

Subject : Petition for determination of tariff of Vallur Thermal Power Station (1500 MW) for the period from 1.4.2019 to 31.3.2024.

Petitioner : NTPC Tamil Nadu Energy Company Limited

Respondents : A.P. Transmission Corporation Limited & 14 ors

Date of Hearing : **30.11.2021**

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

Parties Present : Ms. Swapna Seshadri, Advocate, NTECL  
Shri Anand K. Ganesan, Advocate, NTECL  
Ms. Ritu Apurva, Advocate, NTECL  
Shri Jai Dhanani, Advocate, NTECL  
Shri S. Vallinayagam, Advocate, TANGEDCO  
Ms. B. Rajeswari, TANGEDCO  
Ms. R. Ramalakshmi, TANGEDCO  
Ms. R. Alamelu, TANGEDCO

**Record of Proceedings**

These petitions were called out for virtual hearing.

2. During the hearing, the learned counsel for the Petitioner circulated note of arguments and made detailed oral submissions in these matters.

3. The learned counsel for the Respondent No. 14, TANGEDCO circulated note of arguments and made elaborate submissions in these matters. In response, the learned counsel for the Petitioner pointed out that since the issues raised by the Respondent could not be found in the reply filed by the respondent, the Petitioner may be permitted to file its rejoinder to the note of arguments circulated by the Respondent.



4. The Commission, after hearing the parties, directed the learned counsel for the Respondent No. 14, TANGEDCO to upload the note of arguments by 13.12.2021, after serving copy to the Petitioner.

5. The Petitioner is directed to submit the following additional information in Petition No.576/GT/2020, after serving copy to the Respondents, on or before 22.12.2021:

- (a) *Detailed breakup of capital cost as per Form-5B (clearly stating the Plant and Machinery Cost) as on cut-off date and as on 31.3.2019;*
- (b) *Details of actual additional capital expenditure claimed asset wise/work wise included in the original scope of work along with estimate and actual expenditure, liabilities recognized to be payable at a future date and the works deferred for execution along with actual work of execution under the same package heads as provided in Form-5B;*
- (c) *Detailed breakup of initial spares capitalized as on the cut-off date;*
- (d) *Reasons for capitalization of spares (Rs.32.23 crore) after cut-off date for the year 2018-19 in addition to capital spares consumption claimed (Rs.30.36 crore) under Form 17 for the year 2018-19;*
- (e) *Break-up of the actual O&M expenses of the generating station for the period from COD of the first unit to 31.3.2019 tariff period, under various subheads (as per **Annexure-A** enclosed) after including the pay revision impact (employees, and Security personnel, as applicable/claimed) (in both MS Excel and PDF format);*
- (f) *Break-up of the actual O&M expenses of Corporate Centre/other offices including pay revision impact (as per **Annexure-B** enclosed) of the generating station for the 2014- 19 tariff period along with the allocation of total O&M expenses to the various generating stations which are under construction, operational stations and any other offices/business activity along with basis of allocating such expenditure (in both MS Excel and PDF format);*
- (g) *Break-up of the pay revision impact claimed in respect of employees of the Petitioner and Security Personnel stationed at the generating station and Corporate Centre/other offices employee cost allocated to the generating station (as per **Annexure-C** enclosed);*
- (h) *The breakup of the O&M expenses (as above) shall also contain the additional O&M expenses incurred towards desalination plant;*
- (i) *Comparative table indicating the actual O&M expenditure incurred versus the normative O&M allowable/allowed to the generating station from COD of the unit-I to 31.3.2019;*
- (j) *Details of liquidated damages and insurance proceeds, if any, recovered for the delay under the contracts executed for different packages;*
- (k) *Detailed calculation of interest during construction and penal charges, if any;*
  - (l) *Reconciliation of the discharge of liabilities as per Form 1(l) and Form 18;*
- (m) *Reconciliation of the amounts of assets decapitalized as per Form 1(l) and Form 9B(i).*

6. The Respondents shall file their replies by 3.1.2022 with advance copy to the Petitioner, who shall file its rejoinder, if any, including its response to the note of arguments of the Respondent TANGEDCO by 13.1.2022. 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. Subject to the above, order in the petitions were reserved.

**By order of the Commission**

**Sd/-**  
(B. Sreekumar)  
Joint Chief (Law)



**Annexure A**

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)						
						<i>Amount (Rs.in lakh)</i>
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					



**Details of actual O&M expenses  
(Common for Hydro /Thermal Generating Station)**

		<i>Amount (Rs.in lakh)</i>				
<b>Sl. No.</b>	<b>Items</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
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.)					



**Annexure B**

<b>DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS</b>						
		<i>Amount (Rs. in lakh)</i>				
	<b>PARTICULARS/YEAR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	Total Expenses of CC & RHQs-(A)					
	Transferred to Construction Projects -(B)					
	Transferred to any other business activity - (C)					
	Expenses related to stations under operation <b>(D)=(A)-(B)- (C)</b>					
	<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 development 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	Trot 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>					



DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS						
		<i>Amount (Rs. in lakh)</i>				
	PARTICULARS/YEAR	2014-15	2015-16	2016-17	2017-18	2018-19
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**  
**YEARWISE IMPACT OF REVISION IN SALARIES**

**Wage revision impact on employee cost of generating station**

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 on Corporate Centre cost of generating station**

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 Expenses									
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									
1.4 Allowances & Perquisites									



1.5	PRP/Ex									
Gratia										
Total										

