

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

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

- Subject : Petition for truing up of annual fixed charges for the period 2014-19 and for determination of tariff for the period 2019- 24 in respect of the Koderma Thermal Power Station (KTPS), Units-I and II (2 x 500 MW).
- Petitioner : Damodar Valley Corporation
- Respondents : BSES-Rajdhani Power Ltd and 9 others
- Date of Hearing : **31.3.2022**
- Coram: Shri I.S Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas kumar Singh, Member
- Parties present : Shri M.G. Ramachandran, Senior Advocate, DVC  
Ms. Anushree Bardhan, Advocate, DVC  
Ms. Srishti Khindaria, Advocate, DVC  
Shri Manik Rakshi, DVC  
Shri Sandip Pal, DVC  
Shri Samit Mandal, DVC  
Shri Arnab Kr. Sinha, DVC  
Shri Rajiv Yadav, Advocate, DVPCA

**Record of Proceedings**

The case was called out for virtual hearing.

2. During the hearing, the learned Senior counsel for the Petitioner circulated note of arguments and made detailed oral submissions in the matter. At the request of the learned Senior counsel, the Commission permitted the Petitioner to upload the note of arguments.

3. The learned counsel for the Objector, Damodar Valley Power Consumer Association (DVPCA) made oral submissions. He also sought permission to file a short summary to the note of arguments of the Petitioner.

4. The Petitioner is directed to submit the following additional information, after serving copy to the Respondents/Objector, on or before 18.5.2022:

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

- i. *Detailed reasons for each of the negative entries in Form-9A showing additional capital expenditure, consisting of substantial amounts mentioned as 'Rectification entry. Reversal of excess amount earlier booked under this head';*



- ii. *Reconciliation of the figures mentioned in Form 13 (i.e. Calculation of Weighted Average Rate of Interest on actual loans), with the audited accounts of respective financial years;*
- iii. *Details of the generating station-wise claims and utilization of Sinking Fund and Depreciation;*
- iv. *Orders/findings of the CAG with regard to the portion of Sinking fund contribution allocated amongst the different components.*
- v. *Detailed calculation of FERV duly certified by auditor;*
- vi. *Reasons for claiming both Initial Spares and Capital Spares simultaneously; rationale for claiming Capital Spares in a relatively new generating station and also reasons for not providing any corresponding decapitalization;*
- vii. *The quantity against each of the capital spares claimed;*
- viii. *Justification for additional claims w.r.t. CISF Security, Mega insurance, Pension & Gratuity etc, over and above the normative O&M expenses;*
- ix. *Detailed bifurcation of number of employees employed under various activities such as Generation, Transmission, Distribution, Flood Control, Irrigation and Subsidiary Activities;*
- x. *Segregated audited head wise actual O & M expenses incurred as per the annexure 'A' for various activities such as Generation, Transmission, Distribution, Flood Control, Irrigation etc;*
- xi. *The year wise expenditure incurred on account of rebate given to the consumers in the form of subsidy by distribution segment of DVC and the details of heads under which such rebate has been booked and consideration of the same in the computation of generation tariff;*
- xii. *P&G trust audited accounts (with bank passbook extracts showing the actual contributions) along with allocation/Reconciliation of P&G trust statement for the period 2014-19 (Plant-wise/ Unit-wise);*
- xiii. *The year wise no. of serving and retired employees and the pension contribution made by serving employees and pension paid to retired employees during 2009-14 period. Further, the segregation of P & G claim amongst Power, Irrigation, Flood Control and Subsidiary activities;*
- xiv. *Allocation/Reconciliation statement (Plant/unit wise) for the period 2014-19, duly reconciled with audited accounts and certified by Auditor for expenses associated with Common Offices – Director Office, Central office, R&D, IT, Other Offices etc.;*
- xv. *Basis in raising bonds for amount specified and the loan amount availed against such bonds, the methodology adopted for apportionment of this loan amount among various activities taken up by DVC. In case of any activity is excluded from such apportionment, the reasons thereof;*



- xvi. *The plant-wise assets identified with the above loan availed through bonds and submit an undertaking that these are not covered under either capital cost or capital spares;*
- xvii. *The month wise DC declared from COD of Unit I and II to 31.3.2019;*
- xviii. *The plant wise detailed bifurcation of the quantity of ash utilized under different heads such as mine stowing, manufacturing of bricks, construction roads etc. and the revenue / expenses associated with each such utilization long with the distance up to which the same is transported;*
- xix. *Year wise detailed bifurcation of CISF expenses and Mega Insurance for various activities of DVC such as Generation, Transmission Distribution, Flood Control, Irrigation and Subsidiary activities;*
- xx. *Year wise actual gratuity amounts claimed;*
- xxi. *The head wise segregated O & M expenses of subsidiaries;*
- xxii. *The reasons for large variation in year on year of Salaries, Wages and Allowances associated with Corporate Centre.*

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

- i. *Basis of projection of water charges, share of common office expenditure, expenses due to Mega insurance, security expenses and expenditure for subsidiary activity, along with the actual claim for 2019-20, 2020-21;*
- ii. *Actual PAF of plant during 2019-20, 2020-21 and 2021-22 and the projected PAF for 2022-23 and 2023-24 along with quantity of ash generated;*
- iii. *Justification for envisaged substantial additional capital expenses on account of replacement and spare items etc. in AHP CHP, TG & Auxiliaries, etc., particularly, in view the COD of the plant is in the year 2014.*

5. The Respondents/ Objector shall file their reply/objections on or before 30.5.2022, with advance copy to the Petitioner, who may file its rejoinder/ response, if any, by 8.6.2022. Pleadings shall be completed by the parties within the due dates mentioned and no extension of time shall be granted.

6. Subject to the above, the order in the Petition is reserved.

**By order of the Commission**

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

