

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 575/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 Raghunathpur Thermal Power Station (RTPS), Phase-I, Units-1 and 2 (2 x 600 MW).

Petitioner: Damodar Valley Corporation

Respondents: Haryana Power Purchase Centre (HPPC) and 3 others

Date of Hearing: **15.3.2022**

Coram: Shri I.S Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas kumar Singh, Member

Parties present: 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  
Ms. Suparna Srivastava, Advocate, PSPCL  
Shri Tushar Mathur, Advocate, PSPCL  
Ms. Soumya Singh, Advocate, PSPCL  
Shri Rajiv Yadav, Advocate, DVPCA

**Record of Proceedings**

The case was 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 the matter. At the request of the learned counsel, the Commission permitted the Petitioner to upload the note of arguments.

3. The leaned counsel for the Respondent, PSPCL made oral submissions in the matter and submitted that the detailed reply filed by the Respondent may be considered while determining the tariff of the generating station.

4. The learned counsel for the Objector, Damodar Valley Power Consumer Association (DVPCA) made oral submissions and stated that the submissions filed by it in Petition No. 577/GT/2020, may be considered at the time of determination of tariff of the generating station. The Commission directed the Objector to submit a comprehensive note covering its submissions on the issues of Sinking Fund and P&G expenses, with copy to the Petitioner, who may file its response, to the same.

5.



6. The Petitioner is directed to submit the following additional information, after serving copy to the Respondents and the Objector, on or before 22.4.2022:

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

- i. *In Form 7, the interest type for PFC Loan is mentioned as “Floating”, which is mentioned as 12.50% from 1.4.2013 and subsequently reduced to 10.10% wef 20.1.2017 (Also refer PFC Letter as Annexure 7 to the Petition). The Petitioner may explain as to why reduction of a ‘floating interest rate’ be considered as refinancing of loan and benefit of savings under Regulation 26(7) of 2014 Tariff Regulations be allowed to the Petitioner. In case, refinancing of loan was done, all relevant details of the same, including, date of refinance, amount of refinanced loan, terms and conditions of refinanced loan, financing and other charges incurred for refinancing, etc.;*
- 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 generating station-wise claims and utilization of Sinking Fund and Depreciation*
- iv. *Allocation/Reconciliation statement of sinking fund (Plant-wise/ Unit-wise) for the period 2014-19 duly reconciled with the audited accounts and certified by the Auditor.*
- v. *Details of loan “ECB from SBI” as mentioned in Appendix 17 (Summary of Loan) is not reflected in Form 7 (Details of Project Specific Loan). Clarify the reason for the same and submit revised forms (if required).*
- vi. *Reasons for variance in Interest rate of “Guaranteed DVC Bonds (Series 14)” and “Guaranteed DVC Bonds (Series 15)” as mentioned in Appendix 17 with the interest rate as mentioned in Form 7.*
- vii. *Detailed calculation of FERV duly certified by auditor.*
- viii. *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.*
- ix. *Justification for claims for CISF Security, Mega insurance, Pension & Gratuity etc, over and above the normative O&M expenses.*
- x. *Segregated audited head wise actual O & M expenses incurred as per the annexure A for various activities such as Generation, T & D, Flood Control, Navigation;*
- x. *The year wise expenditure incurred on account of rebate given to the consumers and the details of head under which such rebate has been booked and consideration of the same in the computation of generation tariff’*



- x. *P&G trust audited accounts (with bank passbook extracts showing the actual contributions) alongwith allocation/Reconciliation of P&G trust statement for the period 2014-19 (Plant-wise/ Unit-wise) duly reconciled with audited accounts and with details submitted in O&M forms Annexure A, B, C, certified by Auditor.*
- xii. *Allocation/Reconciliation statement (Plant/unit wise) for the period 2014-19 duly reconciled with audited accounts and certified by the Auditor for Common Cost – Director, Central, R&D, IT, Subsidiary, Other Office etc.*
- xiii. *Basis in raising bonds for amount specified and the loan amount availed against such bonds, the methodology adopted for apportionment of this loan amount raised among various activities taken up by DVC. In case of any activity of is excluded from such apportionment, the reason thereof.*
- xiv. *The plant wise assets identified with the above loan availed and submit an undertaking that these are not covered under either capital cost or capital spares.*
- xv. *The month wise DC declared from COD of Unit I and II to 31.03.2019.*
- xvi. *Justification for not claiming any decapitalization against the additional capitalization claimed.*
- xvii. *The quantity against each of the capital spares claimed.*

**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 additional capital expenses on account of ESP upgradation, SAS upgradation etc, particularly, in view the COD of the plant is 31.03.2016.*

7. The Respondents/ Objector are directed to file their response by 4.5.2022, with advance copy to the Petitioner, who may file its response to the same, if any, by 11.5.2022. Pleadings shall be completed by the parties within the due dates mentioned and no extension of time shall be granted.

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

**By order of the Commission**

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

