

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 482/TT/2020

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of Order: 23.07.2022

In the matter of:

Corrigendum to order dated 10.06.2022 in Petition No. 482/TT/2020

AND

In the Matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing up of transmission tariff of 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of "Existing Transmission and Distribution (T&D) System Network" of Damodar Valley Corporation in Eastern Region.

And in the matter of:

Damodar Valley Corporation,
DVC Towers, VIP Road,
Kolkata-700054.

.... Petitioner

Versus

1. West Bengal State Electricity Distribution Company Limited,
(Previously West Bengal State Electricity Board),
Vidyut Bhawan, Block `DJ`, Sector-11, Salt Lake City,
Kolkata-700091.
2. Jharkhand Bijlee Vitran Nigam Limited,
Engineer's Building, Dhurwa,
Ranchi-834004.

...Respondent(s)



CORRIGENDUM

The Commission vide order dated 10.6.2022 in Petition No. 482/TT/2020 has trued-up the tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determined tariff for 2019-24 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations in respect of “Existing Transmission and Distribution (T&D) System Network” of Damodar Valley Corporation in Eastern Region.

2. It is observed that certain inadvertent errors have crept in the order dated 10.6.2022 in respect of debt-equity ratio allowed as on 1.4.2019, O & M Expenses allowed for transformer capacity and sub-station bays for 2019-24 Period.

3. Therefore, in terms of the Regulation 111 read with Regulation 103A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, the said inadvertent errors are being corrected as under.

4. The debt-equity allowed as on 1.4.2019 in paragraph 173 of the order dated 10.6.2022 is corrected and be read as follows:

Funding	Capital Cost (as on 1.4.2019) (In ₹ Lakh)	(in %)	Capital Cost (as on 31.3.2024) (In ₹ Lakh)	(in %)
Debt	112242.60	67.45%	120325.37	67.66%
Equity	54167.48	32.55%	57509.48	32.34%
Total	166410.08	100.00%	177834.85	100.00%

5. Consequent upon rectification as above, Interest on Loan allowed for 2019-24 tariff period in paragraph 179 of the order dated 10.6.2022 is corrected and be read as follows:

Particular	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	112242.60	115532.39	118529.78	119593.81	119896.26
Cumulative Repayments up-to Previous Year	105184.81	105184.81	106063.45	108954.42	109921.83
Net Loan-Opening	7057.79	10347.58	12466.33	10639.40	9974.42
Addition due to ACE	3354.19	3102.67	1101.05	302.72	435.72



Particular	2019-20	2020-21	2021-22	2022-23	2023-24
De-Capitalisation	-64.41	-105.28	-37.02	-0.28	-6.61
Repayment during the year	0.00	878.65	2890.96	967.42	475.21
Net Loan-Closing	10347.58	12466.33	10639.40	9974.42	9928.33
Average Loan	8702.69	11406.95	11552.86	10306.91	9951.38
Weighted Average Rate of Interest on Loan (in %)	10.12%	10.15%	10.15%	10.15%	10.15%
Interest on Loan	880.71	1157.81	1172.62	1046.15	1010.06

6. Consequent upon the above rectification, Return on Equity allowed for 2019-24 tariff period in paragraph 181 of the order dated 10.6.2022 is corrected and be read as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	54167.48	55540.59	56765.02	57199.89	57329.34
Addition due to ACE	1437.51	1329.72	471.88	129.74	186.74
DE-Capitalisation	-64.41	-105.28	-37.02	-0.28	-6.61
Closing Equity	55540.59	56765.02	57199.89	57329.34	57509.48
Average Equity	54854.03	56152.80	56982.45	57264.62	57419.41
Return on Equity (Base Rate) (in %)	15.50%	15.50%	15.50%	15.50%	15.50%
Tax Rate applicable (in %)	0.000%	0.000%	0.000%	0.000%	0.000%
Rate of Return on Equity (Pre-tax)	15.500%	15.500%	15.500%	15.500%	15.500%
Return on Equity (Pre-tax)	8502.38	8703.68	8832.28	8876.02	8900.01

7. The table under paragraph 189 of the order dated 10.6.2022 allowing O & M Expenses for the 2019-24 tariff period is corrected and be read as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Transmission Line claimed	1623.46	1681.19	1739.63	1802.18	1863.75
Transmission Line allowed	1623.46	1681.19	1739.63	1802.18	1863.75
Sub-station bays claimed	31107.46	32192.58	33332.25	34493.50	35711.39
Sub-station bays allowed	24946.25	25815.82	26730.36	27661.20	28638.32
Transformer Capacity claimed	3040.67	3151.99	3263.31	3377.13	3497.20
Transformer Capacity allowed	2144.05	2221.75	2301.60	2380.27	2467.78
Communication claimed	1176.41	1212.31	1249.40	1287.72	1327.31
Communication allowed	1176.41	1212.31	1249.40	1287.72	1327.31



Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total O&M Expenses for Existing T&D system claimed	36948.00	38238.07	39584.59	40960.53	42399.65
Total O&M Expenses for Existing T&D system Allowed	29890.17	30931.07	32020.99	33131.37	34297.16

8. Consequent upon rectification as above, Interest on Working Capital allowed in paragraph 203 of the order dated 10.6.2022 is corrected and be read as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Maintenance Spares (Maintenance Spares @15% of O&M Expenses)	4,483.53	4,639.66	4,803.15	4,969.71	5,144.57
O&M Expenses (O&M Expenses for one month)	2,490.85	2,577.59	2,668.42	2,760.95	2,858.10
Receivables (Receivables equivalent to 45 days of annual fixed cost)	5,006.18	5,311.32	5,708.31	5,599.81	5,670.26
Total Working Capital	11,980.56	12,528.57	13,179.88	13,330.47	13,672.93
Rate of Interest on working capital (in %)	12.05	11.25	10.50	10.50	10.50
Interest on Working Capital	1,443.66	1,409.46	1,383.89	1,399.70	1,435.66

Annual Fixed Charge

9. The Annual fixed charges approved for the 2014-19 tariff period in paragraph 218(a) and additional expenses allowed in paragraph 218(b) of order dated 10.6.2022 have been merged into one table in paragraph 218. Accordingly, paragraph 218(a) and 218(b) stands deleted. The modified table under paragraph 218 be read as follows:

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
A. Annual Fixed Charges:-					
Depreciation	13876.32	14200.21	14439.27	12245.73	231.41
Interest on Loan	1035.75	342.06	44.38	336.83	670.25
Return on Equity	9041.97	9213.14	9334.60	8910.16	8384.88
Interest on Working Capital	3137.32	3238.79	3358.63	3433.83	3278.22
O&M Expenses	46810.53	48729.98	50873.13	53203.42	55472.47



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sub-Total(A)	73901.89	75724.18	78050.01	78129.97	68037.23
B. Additional Expenses Allowed: -					
Common office expenses apportioned to T&D network	105.10	99.82	99.43	107.37	112.07
Sinking fund for T&D assets of DVC	2394.71	2394.71	2394.71		
DVC's share of savings in interest cost due to loan restructuring				72.32	108.02
Sub-Total(B)	2499.81	2494.53	2494.14	179.69	220.09
Total (A+B)	76401.70	78218.71	80544.15	78309.66	68257.32

10. The revised Annual fixed charges approved for the 2019-24 tariff period in paragraph 220 and additional expenses allowed in paragraph 221 of order dated 10.6.2022 stands, corrected and merged into one table in paragraph 220 and paragraph 221 stands deleted. The modified table under paragraph 220 be read as follows:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
A. Annual Fixed Charges:-					
Depreciation	0.00	878.65	2890.96	967.42	475.21
Interest on Loan	880.71	1157.81	1172.62	1046.15	1010.06
Return on Equity	8502.38	8703.68	8832.28	8876.02	8900.01
Interest on Working Capital	1,443.66	1,409.46	1,383.89	1,399.70	1,435.66
O&M Expenses	29890.20	30931.07	32020.99	33131.37	34297.16
Sub Total (A)	40716.95	43080.67	46300.74	45420.66	46118.10
B. Additional Expenses Allowed: -					
Common office expenses apportioned to T&D network	113.35	121.65	123.18	105.93	96.56
DVC's share of savings in interest cost due to loan restructuring	12.85	17.13	11.09	5.84	4.27
CISF & Other Security Expenses	2060.08	2132.27	2206.99	2284.32	2364.37
SubTotal (B)	2186.28	2271.05	2341.26	2396.09	2465.20
Total (A+B)	42903.23	45351.72	48642.00	47816.75	48583.30

11. Except for the above, all other terms contained in the order dated 10.6.2022 in Petition No.482/TT/2020 remains unchanged.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

