

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 59/GT/2022

Subject : Petition for determination of tariff for Nabinagar Thermal Power Project (1000 MW) for the period from 1.4.2019 to 31.3.2024.

Petitioner : Bhartiya Rail Bijlee Company Limited

Respondents : East Central Railway and 2 others

Date of Hearing : **18.3.2024**

Coram : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member

Parties Present : Shri Anand K Ganesan, Advocate, BRBCL
Ms. Swapana Seshadhari, Advocate, BRBCL
Ms. Ritu Apurva, Advocate, BRBCL
Shri Arjun Agarwal, Advocate, ECR
Ms. Rohini Prasad, Advocate, Bihar Discoms
Shri Anup Kashyap, Advocate, Bihar Discoms
Ms. Shaoni Das, Advocate, Bihar Discoms

Record of Proceedings

At the outset, the learned counsel for the Petitioner, mentioned that they needed time to file the additional information sought by ROP of the hearing dated 6.12.2023.

2. The learned counsel of Respondents Bihar Discoms submitted that they have filed a reply dated 7.3.2024 and sought additional time to file further reply to the additional information to be filed by the Petitioner.

3. The Commission, after hearing the parties, directed the Petitioner to submit the complete and relevant information to all points mentioned in ROP of hearing dated 6.12.2023 and The Petitioner was also directed to ensure that the information and all documents submitted are legible. In addition, the Petitioner is further directed to submit the following additional information, on or before **13.5.2024**, after serving copy to the Respondents:

- a) *Inspite of the successful trial run been completed on 30.10.2021, the reasons for declaration of COD of the unit as 1.12.2021 and the IEDC and IDC incurred during such period and activities carried out, particularly, associated with COD of unit, during the said period.*
- b) *The reasons for claiming capitalization of 'ERV charged to revenue' and detailed computation of Rs. 615.46 lakh against subject head.*



- c) Year-wise, the actual ash transportation expenses incurred along with the details of bidding, quantity of ash transported, distance, vendors of ash transportation, utility to whom ash was supplied etc.
- d) Year-wise, the detailed break up of security charges claimed, particularly, CISF security charges and non CISF security charges, along with the supporting documents, including bills, and security assessment made and man power deployed thereof, in terms of Regulation 35 (6) of 2019 Tariff Regulations.
- e) Year-wise, the detailed computation of water charges claimed based on the consumption and rate along with bills and actual PLF.
- f) The detailed break up of Rs. 620665.66 lakh claimed as on COD of Unit 3, Rs. 647438.73 lakh claimed as on 31.03.2019 and Rs. 867046.74 lakh as on CoD of unit 4 in the following format:

(Rs. in lakh)

	Head	Expenditure incurred as on COD of unit 3	Expenditure incurred from COD of unit 3 to 31.03.2019	As on 31.03.2019	From 01.04.2019 to till COD of unit 4	Expenditure incurred as on COD of unit 4
Unit 1, 2 and 3 (a)	P & M Cost					
	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Unit 4 (b)	P & M Cost					
	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Common Facilities (c)	P & M Cost					
	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Total (a+b+c)	P & M Cost					
	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					

- g) Though it is noted that the IEDC for unit 1 was Rs. 22121.48 lakh and the same from COD of unit 3 to COD of unit 4 is Rs. 10601.20 lakh, the reasons for claiming capitalization of Rs. 68492.51 lakh as IEDC during the same period.



- h) The detailed methodology followed in the apportionment of IEDC and IDC against each package specified in form D.
- i) The detailed break up of actual O & M expenses as on COD of unit 3, from COD of unit 3 to 31.03.2019, 01.04.2019 to 31.03.2020, 01.04.2020 to 31.03.2021 and 01.04.2021 to COD of unit 4 as per the format enclosed at **Annexure – A** (excel with links and formulae shall be enclosed) and the apportionment of these expenses towards unit 1, 2 & 3 and unit 4.
- j) The auditor certified expenses incurred under various heads as on COD of Unit 3, from COD of Unit 3 to 31.03.2019, from 01.04.2019 to 31.03.2020, from 01.04.2020 to 31.03.2021 and from 01.04.2021 to COD of unit 4 in the following format (excel with links and formulae shall be enclosed)

(Rs. In lakh)

S. No.	Head	Expenditure incurred as on COD of unit 3	Expenditure incurred from COD of unit 3 to 31.3.2019	As on 31.3.2019	From 1.4.2019 to COD of unit 4
Towards Units 1, 2 and 3	Notional IDC				
	FERV charged to revenue				
	Coal				
	Oil				
Towards unit 4	Notional IDC				
	FERV charged to revenue				
	Coal				
	Oil				
Plant	Notional IDC				
	FERV charged to revenue				
	Coal				
	Oil				

- k) As the IDC claimed w.r.t. various additional capitalizations is as high as 75 % of the actual cost of the item, the petitioner shall furnish the reasons for such higher IDC and item-wise (for each item, wherein, IDC claimed is more than 10 % of the actual cost) and year-wise, the detailed computation of IDC (excel sheet with formulae and links) in the following format:

(Rs. in lakh)

S. No.	Item	Year of put to use	Year	Actual Cost incurred	IDC claimed	Duration	Interest rate
			2019 – 20				
			2020 – 21				
			2021 – 22				
			2022 – 23				
			2023 - 24				
			Total				

- l) The reasons for withholding payments to contactors and claiming high amount of IDC w.r.t. to various items mentioned under additional capitalizations along with following details:



(Rs.in lakh)

Item	Awarded Cost	Actual Cost	IDC	Total Cost	Scheduled Date		Actual Date		Reasons for delay	Penalty recovered / to be recovered
					Start date	End date	Start date	End date		

- m) Year-wise total quantity of coal procured, amount paid to coal company, amount paid towards transportation, GCV (billed) as per the coal company, GCV (billed) claimed by petitioner and GCV (Received) claimed by the Petitioner.
- n) Year-wise total quantity of oil procured, amount paid to oil company, amount paid towards transportation.
- o) The list of items along with the cost, pertaining to unit 4, decapitalized as on COD of unit 4.
- p) Furnish list of initial spares capitalized along with cost and year of procurement, over and above spares provided by the vendors under various packages awarded.
- q) The Petitioner has not submitted the details of the IDC claimed as per Form-14 in the IDC reconciliation statement from 1.4.2021 to 1.12.2021 (COD of Unit-4) and same is requested to be submitted along with Auditor's certificate for IDC claimed as per Form-B
- r) The Petitioner is requested to submit the Audited accounts for 2021-22.
2. The Respondents are permitted to file a reply, on or before **29.5.2024**, after serving a copy to the Petitioner, who may file its rejoinder, if any, till **10.6.2024**.
3. The matter will be listed for hearing on **20.6.2024**.

By order of the Commission

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



Sl. No.	Items	As on COD of Unit 3	from COD of unit 3 to 31.03.2019	01.04.2019 to 31.03.2020	01.04.2020 to 31.03.2021	01.04.2021 to till COD of unit 4
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 & Inauguration					
6.7	Donation					
6.8	Entertainment					
6.9	Filing fee					
	Subtotal (Administrative Expenses)					
7	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					
12.1	Professional Charges					
12.11	Legal expenses					
12.12	EDP Hire & other charges					

12.13	Printing & Stationery					
12.14	RLDC Fee & Charges					
12.15	Brokrage & Commisiion					
12.16	Bank charges					
12.17	Claims/advances written off					
12.18	Hiring of vehicle					
12.19	Payment to auditors					
12.2	Misc Expenses					
	(Break-up Of Misc.)					
12.20.1	Horticulture					
12.20.2	Transport- Vehicle Running exp.					
12.20.3	Hire charges & Operating exp - Construction Equipment					
12.20.4	Tree Plantation exp.					
12.20.5	R&D expenses					
12.20.6	Cons-HSD/LDO-(Ind/Imp)-Other Vehicles					
12.20.7	Consmpn-HSD/LDO-(Ind/Imp)-DG Set					
12.20.8	Exp/ Inc frm Inv Diff					
12.20.9	Detailed Project Report exp-Written off					
12.20.10	Other Losses Written off					
12.20.11	Temporary Works Written off					
12.20.12	Loss on sale of Investments					
12.20.13	Operating exp of diesel generating sets					
12.20.14	Furnishing Expenses					
12.20.15	Subscription to Trade and Other Assocn.					
12.20.16	Hire Charges - Helicopter/Aircraft					
12.20.17	Visa & Entry Permit Charges - Overseas					
12.20.18	FX Monitoring Terminal Expenses					
12.20.19	Works/Conf.(Excl train R&D CENPEEP)Earlier Non FBT					
12.20.20	Workshop/Conf. exp (train R&D CENPEEP) Earlier FBT					
12.20.21	Hire charges - Office equipments					
12.20.22	Payment for health clubm etc					
12.20.23	Gifts liable for Fringe Benefit Tax					
12.20.24	Festival expenses liable Earlier (FBT)					
12.20.25	Miscellaneous Expenses					
12.20.26	Rounding Off Difference					
12.20.27	CENPEEP Expenses					
12.20.28	Regional Power Committee Expenses					
12.20.29	Other Compensation					
12.20.30	Capital Exp Not Represented by Assets					
12.20.31	Demurrage Charges (Force Majeure)					
12.20.32	Workshop/Conf Expenses- Without ITC					
12.20.33	Misc exp trf to CSR and IEDC					
	Sub Total (Others)					
13	(Total 1 to 12)					
14	Revenue / Recoveries					
15	Net Expenses					