DAMODAR VALLEY CORPORATION
COMMERCIAL DEPARTMENT
DVC TOWERS: V I P ROAD
KOLKATA- 700 054

No. Coml. / Tariff/ 1543 **Dated-20.02.2024**

To

The Secretary

Central Electricity Regulatory Commission

3rd and 4th Floor,

Chanderlok Building, 36, Janpath, New Delhi - 110 001.

Subject: Comments on Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024

Reference: - Public Notice vide no. L-1/268/2022/CERC dated 4 January 2024.

Dear Sir,

This has reference to the public notice /communication File No. L-1/268/2022/CERC dated 4 January 2024, on the above subject posted on the CERC website, wherein comments /suggestions of the stakeholders were solicited.

The following concerns pertaining to 'operational norms' are placed before Hon'ble Commission for kind consideration of the Commission:

1) **Normative O&M for Transmission System**:
The Hon'ble Commission determines AFC for the Transmission and Distribution System in totality. Respective SERCs, while determining retail tariffs for DVC consumers, do not allow any additional O&M cost.
DVC is the only distribution utility under the ambit of CERC whose O&M recovery for distribution activities is decided based on norms fixed for the 'Transmission' system by the Hon'ble Commission. The proposed norm shall reduce normative O&M further for the same DVC T&D Network, in comparison with the 2014-19 / 2019-24 Tariff Regulation, contrary to natural increase due to inflationary and other factors.
Therefore, the O&M for the T&D network needs to be treated separately by providing relief for extra expenditure to maintain 'Distribution infra' since O&M for the distribution system is much more than the transmission system for a similar type of Network.

2) **Normative O&M for Maithon Hydel Station (MHS) and Tilaya Hydel Station (THS)**: The norm proposed for O&M of MHS and THS shall be reduced in comparison with 2019-24 Tariff Regulation, which is in contrary as O&M is likely to increase due to inflationary and other factors.

3) **Normative O&M for 500 MW Units of Thermal Generating Station**: The norm proposed for O&M of 500 MW is provided with very small increment in comparison with increase allowed for 200/600/800 MW series units.
Further, the operational norms fixed on Heat Rate (for old 200 MW & 500 MW Units) and APC may be relooked based on our technical data.

4) **Separate provision towards recovery of liability owing to Pension Fund contribution:** The norm has been fixed by the Hon'ble Commission based on data of Utilities in which expenditure on account of employees are not at par with DVC as DVC has to maintain separate funds for its employees to cover CCS (Central Civil Service) pension liability.
Therefore, a separate provision needs to be provided to DVC to generate a level playing ground with other utilities.

Comments/suggestions in detail, on the Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2024, are enclosed herewith in three copies as mentioned below for your kind perusal and consideration please:

Appendix-I:- DVC Comments on Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024

As advised, the soft copy of the above documents has been mailed **to secy@cercind.gov.in and tariff-reg@cercind.gov.in** and the same has also been uploaded through the e-Regulation link in SAUDAMINI Portal.

We also crave leave to submit at a future date further materials on the subject that may be available to us in the event we think that the same would render meaningful assistance to the Hon'ble Commission in the matter.

It is our earnest hope and humble prayer that the Hon'ble Commission will recognize our concerns and make necessary modifications.

Thanking you,

Yours faithfully

Executive Director (Commercial)

Enclosure: - As stated above