

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 221/MP/2024

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 17th December, 2024

In the matter of:

Petition under Section 79(1)(a) of the Electricity Act, 2003 read with Regulation 72 and Regulation 11 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for seeking 'in principle' approval of additional capital expenditure for Implementation of Enterprise Resource Planning (ERP) Solution Project in DVC.

And

In the matter of:

Damodar Valley Corporation
DVC Towers, VIP Road,
Kolkata – 700 054

.....**Petitioner**

Vs

1. Jharkhand Bijli Vitran Nigam Limited
Registered Office: Engineering Building, H.E.C
Dhurwa RANCHI-834004, Jharkand
2. West Bengal State Electricity Distribution Company Limited
Vidyut Bhawan (5th Floor, 'B' Block)
Salt Lake City, Block-D, Sector II
Kolkata-700091

.....**Respondents**

Parties present:

Shri Venkatesh, Advocate, DVC
Shri Ashwyn Singh, Advocate, DVC
Shri Nihal Bharadwaj, Advocate, DVC
Shri Kshitij Pandey, Advocate, DVC

ORDER

This Petition has been filed by the Petitioner under Section 79(1)(a) of the



Electricity Act, 2003, read with Regulation 72 and Regulation 11 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (in short '2019 Tariff Regulations') seeking the following relief(s):

- (a) *Allow the present Petition.*
- (b) *Grant 'in principle' approval for the additional capitalisation cost of Rs. 195.00 crores towards implementation of Enterprise Resource Planning (ERP) Solution to the Petitioner in terms of Regulation 72 of the 2019 Tariff Regulations.*
- (c) *Pass any other and further reliefs as this Hon'ble Commission deems just and proper in the nature and circumstances of the present case.*

Submissions of the Petitioner

2. In support of the above prayers, the Petitioner, in the Petition, has mainly submitted that the said capital expenditure is proposed to be incurred for improving the overall process efficiency, streamlining processes, and improving data accuracy, thereby resulting in improved customer satisfaction, better decision making, stronger security, and effective regulatory compliance. The Petitioner has further submitted that at present, the Petitioner's operations are supported by several standalone digital platforms, and now the Petitioner envisages adopting an industry standard Enterprise Resource Planning (ERP) Solution to provide an integrant and efficient platform. In this regard, the Petitioner has further clarified that the implementation of the ERP Project is proposed to be implemented covering all the establishments, including power plants, T&D system, and offices of the Petitioner. It has been added that the various core modules of the ERP Project that is to be implemented will cover all the business verticals as under:

- i) Human Resource & Payroll module will be covering HR activities and pay roll of employees and pensioners.



- ii) Finance & Accounts module will cover all the activities related to Finance, Treasury, Accounts etc.
- iii) Contract & Material Management module will cover all the activities related to purchase goods and services and material management.
- iv) Quality Control & Assurance module will cover the activities related to Quality, Inspection related to materials and services.
- v) Plant Maintenance & Operation module will cover plant maintenance and operation related activities.
- vi) Project & Engineering module will cover the activities ongoing/upcoming projects of the petitioner.
- vii) Sales & Billing will cover the billing activities for the consumers and beneficiaries.
- viii) Customer Relationship Management will cover the customer grievance redressal and customer service-related matters.

3. In addition to the above core modules, the Petitioner has submitted that there will be other ancillary modules covering the activities of Fuel Management activities, SLDC Activities, Hospital Management Activities, Environment Health and Safety Activities, Linear Asset Maintenance Activities for covering maintenance activities of linear assets like T&D system networks, Work Clearance Management activities, Contract and Bid Process Management activities covering the process between the Purchase requisition to Purchase order, Document Management System activities covering Document store, transfer, revision.

4. The Petitioner has further stated that a Vulnerability Assessment and Penetration Testing (VAPT) audit was conducted by an empanelled auditor, which revealed that the framework that is being used in the existing application has vulnerabilities and, therefore, a more secure application like ERP is envisaged to fulfil the business needs of the Petitioner. The Petitioner has further emphasized in detail that the proposed ERP project will also bring in several advantages for the consumers being served by the



Petitioner, e.g. addressing the consumer grievances and complaints in a more structured manner, ensuring follow-up and timely resolution, thereby ensuring early disposal of customer-centric issues and customer satisfaction, etc. The Petitioner has further clarified that this expenditure would lead to an overall increase in the annual fixed charges by Rs.40 crores after completion of the project on the timeline of 2025-26, and the said expenditure will not only enable the Petitioner to submit the data in compliance with the directions of the Regulatory Commissions, but would also enhance the efficiency and effectiveness of the Petitioner, in terms of enhanced power supply quality and the improved customer satisfaction.

Hearing dated 6.11.2024

5. During the hearing on 6.11.2024 on 'admission,' the learned counsel for the Petitioner sought time to seek certain instructions in the matter. Accordingly, the hearing was adjourned.

Hearing dated 13.12.2024

6. During the hearing, the learned counsel for the Petitioner, while pointing out that the claim of the Petitioner for additional capital expenditure is permissible under Regulation 25 of the 2019 Tariff Regulations, submitted that since the Petitioner has filed the truing-up petition in respect of its generating stations, for the period 2019-24 along with the approval of tariff for the period 2024-29, in terms of Regulation 12 of the 2024 Tariff Regulations, it may be granted liberty to claim the additional capital expenditure for Implementation of Enterprise Resource Planning Solution for the



periods 2019-24 and 2024-29 respectively. The learned counsel prayed that the Petition may be disposed of in terms of the above.

7. In view of the submissions of the Petitioner above and considering the fact that the petition(s) for truing-up of the tariff of the generating stations of the Petitioner for the period 2019-24 along with the approval of tariff for the period 2024-29, has been filed by the Petitioner, in terms of Regulation 12 of the 2024 Tariff Regulations, we find no reason to consider the prayer of the Petitioner, in this petition, for the grant of 'in-principle' approval of the additional expenditure towards the Implementation of Enterprise Resource Planning solution. However, liberty is granted to the Petitioner to claim the said additional expenditure on this count in the tariff petition for the said periods, and the same will be considered in accordance with law. Petition No. 221/MP/2024 is disposed of in terms of the above.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

