

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 366/MP/2023

Coram:

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

Date of Order: 28th October, 2024

In the matter of:

Petition for seeking in principle approval of additional capital expenditure for setting up of the Administrative Building of the Petitioner.

And

In the matter of

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

.....Petitioner

Vs

1. Tata Power Delhi Distribution Limited
Grid Substation Building, Hudson Lines,
Kingsway Camp, New Delhi- 110 009.
2. BSES-Yamuna Power Limited.
Shakti Kiran Building,
Karkardooma, New Delhi- 110072
3. BSES-Rajdhani Power Limited.
2nd Floor, B-Block, BSES Bhawan,
Nehru Place, Delhi- 110 019.
4. West Bengal State Electricity Distribution Company Limited
Block 'DJ' Sector-11, Salt Lake City,
Kolkata-700 091.
5. Punjab State Power Corporation Limited,
Office of Engineer-in-Charge /PP & R/Inter State Billing,
TI-A-Patiala -147001, Punjab.
6. Haryana Power Purchase Centre,
and Uttar Haryana Bijli Vitan Nigam Limited,
4th floor, Plot No. IP- 3& 4, Sector-14,
Panchkula-134113, Haryana.
7. Kerala State Electricity Board Limited
KSEB Limited, 8th Floor, Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram - 695004, Kerala.



8. India Power Corporation Limited
Plot X1-2 &3 Block-EP, Sector-V,
Salt Lake City, Kolkata – 700091, West Bengal.
9. Northern Railway
DRM office, Behind ICICI Bank,
Hazratganj, Lucknow -226001.
10. North Central Railway
Electrical (TRD) DRM Office, Nawab Yusuf Road
Prayagraj-211001, Uttar Pradesh.
11. North Western Railway
Headquarters Office, Near Jawahar Circle, Jayapura -302017,
Jaipur, Rajasthan.
12. Western Railway
PCEE Office, 5th Floor,
Church gate new station building,
Mumbai- 400020, Maharashtra
13. MP Power Management Company Limited.
Shakti Bhavan, Vidyut Nagar,
Jabalpur – 482008, Madhya Pradesh
14. East Central Railway
ECR Head Quarter
Hajipur, Vaishali, Bihar-844101.
15. Tata Steel Limited
P.O. Bistupur, Jamshedpur - 831 001.
Jharkhand, India
16. Bangalore Electricity Supply Company
Corporate office, BESCOM
K.R.Circle, Bangalore-560001.
17. Hubli Electricity Supply Company Navanagar,
Corporate Office, HESCOM, Navanagar,
P.B Road, Hubballi-580025.
18. Gulbarga Electricity Supply Corporation
Corporate office, Station Road,
Kalaburagi, Gulbarga-585102, Karnataka.
19. Mangalore Electricity Supply Company
1st Floor, MESCOM Bhavan,
Corporate Office, MESCOM, Kavour Cross Road,
Bejai, Mangalore – 575 004.
20. Chamundeshwari Electricity Supply Corporation
CESC Mysore, Corporate Office, #29, Vijayanagara,
2nd Stage, Hinkal, Mysuru-570017.
21. Jharkhand Bijli Vitran Nigam Limited
Engineering Building,



Parties present:

Shri Venkatesh, Advocate, DVC
Shri Ashutosh K Srivastava, Advocate, DVC
Shri Sachin Dubey, Advocate, BRPL

ORDER

This Petition has been filed by the Petitioner under Section 79(1)(a) of the Electricity Act, 2003, read with Regulation 72 of the Central Electricity Regulatory Commission (Terms and Conditions of tariff) Regulations, 2019 (in short, 'the 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. 165.84 Crores (Total Hard Cost) to the Petitioner towards setting up of the Administrative Building of the Petitioner at the Newtown Action Area-III, Kolkata, West Bengal as per provision of Regulation 72 of the Tariff Regulations, 2019;*
- (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. The Petitioner, in support of the above prayers, has mainly submitted that the additional capital expenditure of Rs. 165.84 crore (total hard cost) is proposed to be incurred for setting up of B+G+VIII storeyed Administrative building along with a 400-Seater Auditorium at 3.0 Acres of DVC land at Newtown Action Area-III, Kolkata, West Bengal. It has further submitted that there is a necessity for setting up a new Administrative Building in the land of the Petitioner at New Town for accommodating the SLDC Control Room with storeroom, Record room, UPS room with Battery, Auxiliary Power Supply Room (ACDB), SLDC Office with Transit Rest room, Video Conferencing room, Communication Server room, PLCC, Despatcher Training Room, Energy Management Centre, Office of Training & Development Wing, Office of New & Renewable Energy & Energy Efficiency Cell, Facility



Management Services–IT, Communication, Civil, Electrical, Field Hostel under the control of Training & Development Department, Chambers of Chairman, Members, Chief Vigilance Officer etc., for better management and functioning. The Petitioner has pointed out that Regulation 72 of the 2019 Tariff Regulations, 2019 provides for a Special Provision for the Petitioner towards the determination of Tariff which includes treatment of capital cost for common offices of the Petitioner’s Project, i.e., the head office, regional offices, administrative and technical centres of the Petitioner. The Petitioner has stated that the Petitioner’s Board in its 666th meeting on 14.7.2023 has accorded its approval to the proposed new Administrative building and on 4.8.2023, the approval was granted by the Management of the Petitioner for the commencement of the proposed works. The Petitioner has added that since the ‘land cost’ has already been allowed by this Commission vide order dated 17.2.2023 in Petition No. 577/GT/2020, the ‘building cost’ may be allowed so that the land that has been already procured in this regard is utilized for its very purpose. The Petitioner has further submitted the annual fixed charges for the Common Offices, worked out by the Commission, had been apportioned to the generating stations owned by the Petitioner and T&D systems of the Petitioner, based on the approved capital cost as on 31.3.2014 and the same was subject to truing-up for the period 2019-24.

Hearing dated 13.3.2024

3. Pursuant to the hearing of the learned counsel for the Petitioner ‘on admission’ on 13.3.2024, the Commission ‘admitted’ the Petition and directed the Petitioner to implead all the Respondent beneficiaries and to file a revised memo of parties. In compliance with the same, the Petitioner vide



affidavit dated 28.3.2024 has filed the revised memo of parties. The parties were also directed to complete their pleadings in the matter.

Hearing dated 8.10.2024

4. During the hearing of the Petition on 8.10.2024, the learned counsel for the Petitioner made detailed oral submissions seeking the 'in principle' approval of the additional capital expenditure of Rs. 165.84 crores for setting up of the Administrative Building of the Petitioner. The learned counsel for the Respondent BRPL submitted that since the Petitioner has not incurred any additional expenditure on this count, the same may be considered in the tariff Petitions to be filed in terms of Regulation 13(1) of the 2019 Tariff Regulations. However, on a specific query by the Commission as to why the said expenditure should not be considered in the Petition to be filed by the Petitioner, in terms of Regulation 13(1) of the 2019 Tariff Regulations, the learned counsel for the Petitioner pointed out that the proposal for in-principle approval involves an additional expenditure of about Rs. 165.84 crores. He, however, submitted that in case the Commission intends to dispose of this Petition, liberty may be granted to the Petitioner to approach the Commission seeking the additional capitalization of the cost incurred on this count for the periods 2019-24 and 2024-29 respectively, in the tariff petition to be filed in terms of Regulation 13(1) of the 2019 Tariff Regulations.

5. In view of the above and considering the fact that the petition(s) for truing-up of tariff of the generating stations for the period 2019-24 along with the approval of tariff for the period 2024-29, is to be filed by the Petitioner in terms of Regulation 13(1) of the 2019 Tariff Regulations by 30.11.2024, we find no



reason to consider the relief(s) claimed by the Petitioner in the present Petition. Accordingly, we dispose of the present Petition with liberty to the Petitioner to approach the Commission, seeking additional capitalization of the expenditure incurred for setting up the Administrative Building of the Petitioner in the tariff petition(s) to be filed by the Petitioner for its generating stations in terms of the Regulation 13(1) of the 2019 Tariff Regulations. We direct accordingly

6. Petition No. 366/MP/2023 is disposed of in terms of the above.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

