

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 364/MP/2019**

Subject : Increase in Operation and Maintenance expenses incurred by NLC Tamil Nadu Power Limited (NTPL) on account of Pay Revision to Executives w.e.f. 1.1.2017, Non-Executives & workmen w.e.f. 1.1.2017 & CISF w.e.f. 1.1.2016 posted to NTPL and other hikes like gratuity ceiling increase & GST impact etc. and to allow the recovery of the same from the beneficiaries of NTPL Power Station for the period 1.4.2014 to 31.3.2019.

Petitioner : NLC Tamil Nadu Power Limited

Respondents : TANGEDCO & 14 ors.

Date of hearing : **27.9.2022**

Coram : Shri I.S. Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas Kumar Singh, Member

Parties Present : Ms. Anushree Bardhan, Advocate, NLCIL  
Ms. Surbhi Kapoor, Advocate, NLCIL  
Shri Anukirat Singh, Advocate, NLCIL  
Ms. Srishti Kindaria, Advocate, NLCIL  
Shri Aneesh Bajaj, Advocate, NLCIL  
Shri D. Tulasi Kumar, NLCIL  
Shri J. Subbiah, NTPL  
Shri K. Srujan Babu, NTPL  
Shri S. Vallinayagam, Advocate, TANGEDCO

**Record of Proceedings**

During the hearing, the learned counsel for the Petitioner submitted that the present petition has been filed for grant of additional O&M due to increase in the O&M expenses on account of Pay/Wage Revision to Executives w.e.f. 1.1.2017, Non-Executives & workmen w.e.f. 1.1.2017 & CISF w.e.f. 1.1.2016 and other hikes like gratuity ceiling increase & GST impact etc. for the period 1.4.2014 to 31.3.2019. Further, the claim should not be considered in totality, whereas it must be taken on year to year basis.

2. The learned counsel for the Respondent, TANGEDCO circulated note of arguments and mainly submitted that the 2014-19 Tariff Regulations do not contain any proviso for grant for such reliefs. He also submitted that the claim of the Petitioner towards (a) Pension and (b) Post- Retirement Medical Assistance (PMRA) and (c) GST may be disallowed.

3. The Commission, after hearing the parties, directed the Petitioner to file the following additional information, after serving copy to the Respondents, by **20.10.2022**:



- (i) *Details of O&M expenses as per norms and on actuals duly audited (bifurcating for Executives with effect from 1.1.2017, Non-Executives & workmen & CISF w.e.f. 1.1.2016 and other hikes including terminal benefits like gratuity etc.,) for the period 1.4.2014 to 31.3.2019 (as per **Annexure-A** enclosed) after including the pay revision impact (employees, and Security personnel, as applicable/claimed) (in both MS Excel and PDF format);*
  - (ii) *Break-up of the actual O&M expenses of Corporate Centre/other offices including pay revision impact (as per **Annexure-B** enclosed) of the generating station for the 2014-19 tariff period (in both MS Excel and PDF format);*
  - (iii) *Break-up of the pay revision impact claimed in respect of employees of the Petitioner and Security Personnel stationed at the generating station and Corporate Centre/other offices employee cost allocated to the generating station (as per **Annexure-C** enclosed);*
  - (iv) *Comparative table indicating the actual O&M expenditure incurred versus the normative O&M allowable/allowed to the generating station for the period from 1.4.2014 to 31.3.2019;*
4. The Respondents are permitted to file their replies, on or before **4.11.2022** after serving copy to the Petitioner, who may file its rejoinder, if any, by **11.11.2022**. The parties shall ensure the completion of pleadings within the due dates mentioned and no extension of time shall be granted for any reason.
5. Subject to the above, order in the petition was reserved.

**By order of the Commission**

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



**Annexure A**

<b>Details of actual O&amp;M expenses (Common for Hydro /Thermal Generating Station)</b>						
<i>Amount (Rs.in lakh)</i>						
<b>Sl. No.</b>	<b>Items</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
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					
	<b>Subtotal Administrative Expenses</b>					
7.0	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					
	<b>Subtotal (Staff welfare Expenses)</b>					
7.3	Productivity linked Incentive					
7.4	Expenditure on VRS					
7.5	Ex-gratia					
7.6	Performance Related Pay (PRP)					
	<b>Sub Total (Employee Cost)</b>					
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 utilization expenses					
12.9	Books & Periodicals					
12.10	Professional Charges					
12.11	Legal expenses					
12.12	EDP Hire & other charges					
12.13	Printing & Stationery					
12.14	RLDC Fee & Charges					
12.15	Brokerage & Commission					
12.16	Bank charges					
12.17	Claims/advances written off					
12.18	Hiring of vehicle					
12.19	Payment to auditors					
12.20	Misc. Expenses					
	(Break-up of Misc.)					

### **Annexure B**

<b>Details of corporate center expenses allocated to various operating stations</b>						
<b>Amount (Rs. in lakh)</b>						
	<b>PARTICULARS/ YEAR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	Total Expenses of CC & RHQs-(A)					
	Transferred to Construction Projects -(B)					
	Transferred to any other business activity - (C)					
	Expenses related to stations under operation <b>(D)=(A)-(B)- (C)</b>					
	<b>Head Wise Details of D</b>					
1	Employee Expenses					
A	Salaries, Wages and Allowance					
B	Staff Welfare Expenses					
C	Productivity Linked Incentive					
D	Expenditure on VRS					
E	Ex-Gratia					
2	Administrative Expenses					
A	Repair and maintenance					
B	Training and Recruitment					
C	Communication					
D	Travelling and Conveyance					
E	Rent					
F	Others -Break Up as per details given below:					
f-1	Advertisement and publicity					
f-2	Books & Periodicals					



f-3	EDP Hire and other charges					
f-4	Education expenses					
f-5	Ent. and hospitality					
f-6	Fin Expenses-IndAS					
f-7	Guest house expenses					
f-8	Hiring of Vehicles					
f-9	Insurance					
f-10	Legal Expenses					
f-11	Miscellaneous Expenses					
f-12	Community development Exp.					
f-13	Others.					
f-14	Payment to auditors					
f-15	Power Charges					
f-16	Printing and Stationery					
f-17	Prof chg & cons fees					
f-18	R&D EXPS					
f-19	Rates and taxes					
f-20	Tender expenses					
f-21	Trpt Veh running Exp.					
f-22	Water charges					
f-23	Workshop & Conf. Exp.					
	<b>Sub Total (Administrative Expenses)</b>					
3	Security					
4	Donations					
5	Provisions					
6	Depreciation					
7	Prior period expenses					
8	Total Expenses from 1-7					
	Less Recoveries (if any)					
9	Expenses related to Operation - D					
	<b>ALLOCATION TO OPERATIONAL STATIONS</b>					
<b>DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS</b>						
		<b>Amount (Rs. in lakh)</b>				
	<b>PARTICULARS/YEAR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>S.No</b>	<b>Name of The Unit/Station</b>					
	Operational Station (1)					
	Operational Station (2)					

### Annexure C

### FORMAT FOR CLAIMING WAGE REVISION IMPACT YEARWISE IMPACT OF REVISION IN SALARIES

#### **Wage revision impact on employee cost of Generating Station**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									



1.4 Allowances Perquisites									
1.5 PRP/Ex Gratia									
2.1 Super Annuation Benefits (PF, Pension & PRMS)									
2.2 Gratuity									
2.3 Leave encashment (HPL/EL)									
<b>Total</b>									
<b>Less: EDC</b>									
<b>Net employee cost</b>									

**Wage revision impact on Corporate Centre cost of Generating Station**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
CC Expenses									
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									
1.4 Allowances & Perquisites									
1.5 PRP/Ex Gratia									
<b>Total</b>									