

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.718/MP/2020

Subject : Petition for recovery of the impact of enhancement of gratuity limit during the financial year 2017-18 in respect of all the eight power stations of North Eastern Electric Power Corporation Limited (NEEPCO), Shillong.

Petitioner : North Eastern Electric Power Corporation Limited

Respondents : Assam Power Distribution Company Ltd., & 8 ors.

Date of Hearing : **22.11.2022**

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

Parties Present : Shri Rana Bose, NEEPCO
Shri D. Chaudhury, NEEPCO
Ms. Elizabeth Pyrbot, NEEPCO

Record of Proceedings

During the hearing, the representative of the Petitioner submitted that the Ministry of Labour and Employment, Government of India vide notification dated 29.3.2018 has notified the Payment of Gratuity (Amendment) Act, 2018 enhancing the limit on payment of gratuity, due to which it had to bear an additional expenditure of Rs. 6725.64 lakh for 2018-19. The representative also clarified that it has not claimed the said expenditure in its tariff petitions and therefore has filed the present petition.

2. None appeared on behalf of the Respondents.

3. The Commission, after hearing the representative of the Petitioner, directed the Petitioner, to file additional information on the following, on or before **16.12.2022**, after serving copy on the Respondents:

- (i) *Breakup of the actual O&M expenses excluding gratuity impact as claimed in the petition (of all the eight generating stations against which gratuity of Rs.6725.64 lakh has been apportioned and one consolidated statement) for the 2014-19 tariff period, under various subheads (as per **Annexure-A** enclosed) after including the pay revision impact (employees, and Meghalaya Home Guards) (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 along with the allocation of total O&M expenses, to the various generating stations which are under construction, operational stations and any other offices/business activity along with basis of allocating such expenditure (in ~~both~~ MS Excel and PDF format);*



- (iii) *Reconciliation Statement of actual O&M expenses as per audited Balance Sheet and its respective allocation to all stations (as per **Annexure-C** enclosed).*
- (iv) *Comparative statement of the normative O&M expenses as per 2014 Tariff Regulations for respective stations versus the O&M expenses (excluding Gratuity claimed in petition) as allowed in the true-up orders for 2014-19 tariff period (as per **Annexure-D** enclosed);*

4. The Respondents shall file their replies, on or before **23.12.2022** after serving a copy to the Petitioner, who may file its rejoinder, if any, by **30.12.2022**. 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

Name of the Station:

Details of actual O&M expenses						
Amount (Rs. in lakh)						
S. No.	Items	2014-15	2015-16	2016-17	2017-18	2018-19
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)					
7.0	Employee Cost					
7.1.1	Salaries, Wages & Allowances					
7.1.2	Pension					
7.1.3	Gratuity <i>(Excluding Gratuity impact as claimed in the instant petition)</i>					
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/Liveries' & 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 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 Miscellaneous. Expenses)					
	TOTAL					



Annexure B

Details of Corporate Centre Expenses Allocated to Various Operating Stations						
S. No.	Particulars/ Year	2014-15	2015-16	2016-17	2017-18	2018-19
	Total Expenses of CC & RHQs-(A)					
	Transferred to Construction Projects -(B)					
	Transferred to any other business activity - (C)					
	Expenses related to stations under operation (D)=(A)-(B)- (C)					
	Head Wise Details of D					
1	Employee Expenses (Excluding gratuity impact as claimed in the instant petition)					
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 develope. 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.					
	Sub Total (Administrative Expenses)					
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					
	ALLOCATION TO ALL 8 OPERATIONAL STATIONS					
	Name of The Unit/Station					
	Operational Station (1)					
	Operational Station (2)					



Annexure C

Amount (Rs. in lakh)

	Actual O&M Expenses as per Audited Balance Sheet (A)= (B) + (C) + (D)	(B) O&M Expenses Allocated to operational Stations (1 to 8)	(C) Allocated to rest of the Stations / Business Activities, if any (Not covered under B)	Corporate Centre Expenses		
				Expenses Allocated to Operational Station 1 to 8.	Expenses allocated to rest of the Stations/ Business Activities, if any	Total
2014-15						
2015-16						
2016-17						
2017-18						
2018-19						

Remarks, if any:

Annexure D**Amount (Rs. in lakh)**

S. No.	Name of the Generating Station	Normative O&M Expense as per 2014 Tariff Regulations	O&M Expenses (excluding Gratuity claimed in instant petition) as allowed by the Commission in True-up orders*	Remarks, if any

*Please mention the O&M expenses as claimed in the petition, if order in petition for truing up is to be issued, by the Commission.

