CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 59/GT/2022

Subject : Petition for determination of tariff for Nabinagar Thermal Power Project

(1000 MW) for the period from 1.4.2019 to 31.3.2024.

Petitioner : Bhartiya Rail Bijlee Company Limited

Respondents : East Central Railway and 2 others

Date of Hearing: 18.3.2024

Coram : Shri Jishnu Barua, Chairperson

Shri Arun Goyal, Member

Shri Pravas Kumar Singh, Member

Parties Present: Shri Anand K Ganesan, Advocate, BRBCL

Ms. Swapana Seshadhari, Advocate, BRBCL

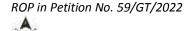
Ms. Ritu Apurva, Advocate, BRBCL Shri Arjun Agarwal, Advocate, ECR

Ms. Rohini Prasad, Advocate, Bihar Discoms Shri Anup Kashyap, Advocate, Bihar Discoms Ms. Shaoni Das, Advocate, Bihar Discoms

Record of Proceedings

At the outset, the learned counsel for the Petitioner, mentioned that they needed time to file the additional information sought by ROP of the hearing dated 6.12.2023.

- 2. The learned counsel of Respondents Bihar Discoms submitted that they have filed a reply dated 7.3.2024 and sought additional time to file further reply to the additional information to be filed by the Petitioner.
- 3. The Commission, after hearing the parties, directed the Petitioner to submit the complete and relevant information to all points mentioned in ROP of hearing dated 6.12.2023 and The Petitioner was also directed to ensure that the information and all documents submitted are legible. In addition, the Petitioner is further directed to submit the following additional information, on or before **13.5.2024**, after serving copy to the Respondents:
 - a) Inspite of the successful trial run been completed on 30.10.2021, the reasons for declaration of COD of the unit as 1.12.2021 and the IEDC and IDC incurred during such period and activities carried out, particularly, associated with COD of unit, during the said period.
 - b) The reasons for claiming capitalization of 'ERV charged to revenue' and detailed computation of Rs. 615.46 lakh against subject head.



- c) Year-wise, the actual ash transportation expenses incurred along with the details of bidding, quantity of ash transported, distance, vendors of ash transportation, utility to whom ash was supplied etc.
- d) Year-wise, the detailed break up of security charges claimed, particularly, CISF security charges and non CISF security charges, along with the supporting documents, including bills, and security assessment made and man power deployed thereof, in terms of Regulation 35 (6) of 2019 Tariff Regulations.
- e) Year-wise, the detailed computation of water charges claimed based on the consumption and rate along with bills and actual PLF.
- f) The detailed break up of Rs. 620665.66 lakh claimed as on COD of Unit 3, Rs. 647438.73 lakh claimed as on 31.03.2019 and Rs. 867046.74 lakh as on CoD of unit 4 in the following format:

(Rs. in lakh)

					(110.	III Iakii)
	Head	Expenditure	Expenditure	As on	From	Expenditure
		incurred as	incurred from	31.03.2	01.04.2019 to	incurred as
		on COD of	COD of unit 3	019	till COD of	on COD of
		unit 3	to 31.03.2019		unit 4	unit 4
Unit 1, 2	P & M Cost					
and 3 (a)	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Unit 4 (b)	P & M Cost					
	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Common	P & M Cost					
Facilities	BoP Cost					
(c)	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					
Total	P & M Cost					
(a+b+c)	BoP Cost					
	Civil Works					
	Others					
	IEDC					
	IDC					
	Sub total					

g) Though it is noted that the IEDC for unit 1 was Rs. 22121.48 lakh and the same from COD of unit 3 to COD of unit 4 is Rs. 10601.20 lakh, the reasons for claiming capitalization of Rs. 68492.51 lakh as IEDC during the same period.

- h) The detailed methodology followed in the apportionment of IEDC and IDC against each package specified in form D.
- i) The detailed break up of actual O & M expenses as on COD of unit 3, from COD of unit 3 to 31.03.2019, 01.04.2019 to 31.03.2020, 01.04.2020 to 31.03.2021 and 01.04.2021 to COD of unit 4 as per the format enclosed at **Annexure A** (excel with links and formulae shall be enclosed) and the apportionment of these expenses towards unit 1, 2 & 3 and unit 4.
- j) The auditor certified expenses incurred under various heads as on COD of Unit 3, from COD of Unit 3 to 31.03.2019, from 01.04.2019 to 31.03.2020, from 01.04.2020 to 31.03.2021 and from 01.04.2021 to COD of unit 4 in the following format (excel with links and formulae shall be enclosed)

(Rs. In lakh)

0.47					
S. No.	Head	Expenditure	Expenditure incurred	As on	From
		incurred as on	from COD of unit 3 to	31.3.2019	1.4.2019 to
		COD of unit 3	31.3.2019		COD of unit 4
Towards	Notional IDC				
Units 1,	FERV charged				
2 and 3	to revenue				
	Coal				
	Oil				
Towards	Notional IDC				
unit 4	FERV charged				
	to revenue				
	Coal				
	Oil				
Plant	Notional IDC				
	FERV charged				
	to revenue				
	Coal			_	
	Oil				

k) As the IDC claimed w.r.t. various additional capitalizations is as high as 75 % of the actual cost of the item, the petitioner shall furnish the reasons for such higher IDC and item-wise (for each item, wherein, IDC claimed is more than 10 % of the actual cost) and year-wise, the detailed computation of IDC (excel sheet with formulae and links) in the following format:

(Rs. in lakh)

S. No.	Item	Year of put to use	Year	Actual Cost incurred	IDC claimed	Duration	Interest rate
710.		par to acc	2019 – 20	mounta	Olaimoa		7410
			2020 – 21				
			2021 – 22				
			2022 – 23				
			2023 - 24				
			Total				

I) The reasons for withholding payments to contactors and claiming high amount of IDC w.r.t. to various items mentioned under additional capitalizations along with following details:

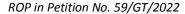
(Rs.in lakh)

Item	Awarded	Actual	IDC	Total	Scheduled		Actual Date		Reasons	Penalty
	Cost	Cost		Cost	Date		į		for delay	recovered
					Start	End	Start	End		/ to be
					date	date	date	date		recovered

- m) Year-wise total quantity of coal procured, amount paid to coal company, amount paid towards transportation, GCV (billed) as per the coal company, GCV (billed) claimed by petitioner and GCV (Received) claimed by the Petitioner.
- n) Year-wise total quantity of oil procured, amount paid to oil company, amount paid towards transportation.
- o) The list of items along with the cost, pertaining to unit 4, decapitalized as on COD of unit
- p) Furnish list of initial spares capitalized along with cost and year of procurement, over and above spares provided by the vendors under various packages awarded.
- q) The Petitioner has not submitted the details of the IDC claimed as per Form-14 in the IDC reconciliation statement from 1.4.2021 to 1.12.2021 (COD of Unit-4) and same is requested to be submitted along with Auditor's certificate for IDC claimed as per Form-B
- r) The Petitioner is requested to submit the Audited accounts for 2021-22.
- 2. The Respondents are permitted to file a reply, on or before **29.5.2024**, after serving a copy to the Petitioner, who may file its rejoinder, if any, till **10.6.2024**.
- 3. The matter will be listed for hearing on **20.6.2024**.

By order of the Commission

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



Si. No. Items	O4.2021 to till OD of unit 4
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 & Inaugration 6.7 Donation 6.8 Entertainment 6.9 Filing fee Subtotal (Administrative Expenses) 7 Employee Cost 7.1.1 Salaries, Wages & Allowances 7.1.2 Pension 7.1.3 Gratuity 7.1.4 Provident Fund	
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7.1.2 Pension	
7.1.3 Gratuity 7.1.4 Provident Fund	
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7.1.5 Leave Encashment	
7.2 Staff welfare expenses	
-Medical expenses on superannuated	
7.2.1 employees	
employees & others	
7.2.3 -Uniform/Livries & safety equipment	
7.2.4 -Canteen expenses	
7.2.5 -Other staff welware 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	
12.5 Guest house expenses	
12.5 Guest house expenses 12.6 Education expenses	
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10.40	Drinting 9 Ctations	· · · · · · · · · · · · · · · · · · ·	1	1	1	
	Printing & Stationery			ļ		
	RLDC Fee & Charges					
	Brokrage & Commisiion			ļ	ļ	
	Bank charges			<u> </u>		
12.17	Claims/advances written off			<u> </u>		
	Hiring of vehicle			ļ		
	Payment to auditors					
12.2	Misc Expenses			ļ 	ļ	
10.00.4	(Break-up Of Misc.)			ļ		
	Horticulture					
12.20.2	Transport- Vehicle Running exp.			 		
12.20.3	Hire charges & Operating exp -					
12.20.4	Construction Equipment Tree Plantation exp.	1				
	R&D expenses		1	 	 	
	Cons-HSD/LDO-(Ind/Imp)-Other					
12.20.6	Vehicles					
	Consmptn-HSD/LDO-(Ind/Imp)-DG					
12.20.7	Set					
12.20.8	Exp/ Inc frm Inv Diff				<u> </u>	
	Detailed Project Report exp-Written					
12.20.9	loff					
	Other Losses Written off					
	Temporary Works Written off					
	Loss on sale of Investments					
	Operating exp of diesel generating					
12.20.13	sets					
	Furnishing Expenses					
	Subscription to Trade and Other					
12.20.15	Assocn.					
12.20.16	Hire Charges - Helicopter/Aircraft					
	Visa & Entry Permit Charges -					
12.20.17	Overseas		<u> </u>		<u></u>	<u> </u>
12.20.18	FX Monitoring Terminal Expenses					
	Works/Conf.(Excl train R&D					
12.20.19	CENPEEP)Earlier Non FBT					[
12.20.20	Workshop/Conf. exp (train R&D					
	CENPEEP) Earlier FBT			<u> </u>		[
12.20.21	Hire charges - Office equipments					
12.20.22	Payment for health clubm etc					
	Gifts liable for Fringe Benefit Tax					
	Festival expenses liable Earlier (FBT)			<u> </u>		<u> </u>
	Miscellaneous Expenses					
12.20.26	Rounding Off Difference					
	CENPEEP Expenses					
12 20 29	Regional Power Commitee Expenses					
	ı ı					<u> </u>
12.20.29	Other Compensation					
12 20 30	Capital Exp Not Represented by					
12.20.30	Assets					<u> </u>
12.20.31	Demurrage Charges (Force Majeure)					
	Workshop/Conf Expenses- Without					
12.20.32	ITC					
	 -					
12.20.33	Misc exp trf to CSR and IEDC					
20.00	III DIP III IO GOIT GIIG IEDO					
	Sub Total (Others)					
13	(Total 1 to 12)					
14	Revenue / Recoveries					
15	Net Expenses			<u> </u>	 	
	, <u></u>					