

केन्द्रीय विद्युत विनियामक आयोग

CENTRAL ELECTRICITY REGULATORY COMMISSION

6th, 7th & 8th Floor, Tower-B, World Trade Centre, Nauroji Nagar, New Delhi-110029

Phone: 011-23353503; Fax-23753923

Petition No. 129/GT/2025

Date: 2nd May 2025

To

General Manager (Commercial)
NHPC Office Complex, Sector-33,
Faridabad (Haryana) - 121 003

Subject: Petition for truing up of tariff for the period 2019-24 and for determination of tariff for the period 2024-29 in respect of Salal Power Station.

Sir,

With reference to above subject, and under Regulation 28(10) of the CERC Conduct of Business Regulations, 2023, following additional information is required to be submitted on an affidavit, with an advance copy to the Respondents, on or before **9.5.2025**:

2019-24:

Capital Cost

(a) Provide details of proportionate cost of land of the existing project which is being used for generating power based on renewable energy as per Reg 19 (5) (d) of the 2019 Tariff Regulations.

Additional Capital Expenditure (ACE)

- (b) Relevant documents in support of ACE claimed under various sub-clauses of Regulation 25 and 26 of the 2019 Tariff Regulation with clear linking of the amount claimed to the relevant pages/para of the submitted supporting document.*
- (c) Auditor certified statement showing reconciliation of ACE claimed with the audited books of accounts.*
- (d) Date on which asset has been put to use for schemes which have spilled to multiple years.*
- (e) Wherever applicable, detailed reasons justifying the increase in the claimed amount as compared approved amount, along with work completion certificate clearly depicting completion cost incurred along with date of completion.*
- (f) In case of ACE claimed proposed under 25(2)(c) of the 2019 Tariff Regulations, Certificate of obsolescence for existing asset by the OEM or in absence of the same, Certificate from the competent authority regarding the obsolescence of the equipment.*

- (g) The existing arrangement, if any, for meeting the purposes/requirement for which ACE is claimed under various sub-clauses of Regulation 26 of the 2019 Tariff Regulations.
- (h) The Petitioner shall certify that the ACE being claimed for the tariff period does not include any depreciation, corresponding to assets earning tariff at any of the generating station, by way of IEDC.
- (i) Specific clarification for following Additional Capitalization claimed:

Sr. No.	Head of Work /Equipment	Additional Information / Clarification	Reference line item from Tariff forms
1	410601/ Flap Type Gate	Decapitalization of Rs. 159.58 lakh was claimed in 229/GT/2020 (Page 74) but now Rs. 52.49 lakh is claimed as decap. Justification to be submitted.	Form 9A_2019-20 Sr. No. A3
2	410601/ Replacement of Instruments for concrete Dam & Rockfill dam against installed instruments.	a. Change in scope of work, if any b. Reason for mentioning it as a no replacement item even though new item has been installed. c. Decapitalization amount for old asset	Form 9A_2019-20 Sr. No. B2 & Form 9A_2021-22 Sr. No. B4
3	410701/ Restoration of Installed Capacity (Price Variation i.r.o. Runners Purchased)	Detailed response regarding the reasons for variation in price.	Form 9A_2019-20 Sr. No. C1
4	410707/ New Bay for Captive Power 220 KV switchyard	a. Reason for non-inclusion of the spares amount as part of the scheme approval submitted during FY17-18. b. Rationale for claiming capital spares as part of ACE	Form 9A_2019-20 Sr. No. C2
5	410713/ 03 No. Design & Supply Of Carbon Dust Collector (CDCS) Stage-II	Similar capitalization was allowed in 229/GT/2020 for 2018-19 for exact same amount. Clarification regarding how the current claim is different from the one approved for 2018-19.	Form 9A_2019-20 Sr. No. C4
6	410807/ 245Kv, 3150A, Outdoor Type SF6 Gas Circuit Breaker	Similar capitalization was allowed in 229/GT/2020 for 2015-16 (Para 17, Page 13-14). Clarification regarding how the current claim is different from the one approved for 2015-16.	Form 9A_2019-20 Sr. No. C5
7	410101/ Land Case Appeal CIA No 06 /2006 Titled NHPC & Others V/S Baldev Singh (Warhal II)	Establish clear linking of the amount claimed to relevant para from the relevant Order	Form 9A_2021-22 Sr. No. C3
8	412503/ Organic Waste Composting Machine, Mod: Compost ECO-100, Semiautomatic, Capcity:100-400Kg/Day	Clarification if the waste composting machine is installed for plant or township	Form 9A_2021-22 Sr. No. C5
9	410707/ New Bay for Captive Power 220 KV switchyard	a. Justification for delay in payment of these amounts and clarification if this amount includes any interest. b. Reason for claiming under ACE and not under discharge of liabilities	Form 9A_2021-22 Sr. No. C6
10	412503 Purchase of Technical Security Gadgets/Security Devices etc	Clarification if the expenditure is towards safety of plant or township	Form 9A_2022-23 Sr. No. C2 & Form 9A_2023-24 Sr. No. C6

Form 9Bi: Exclusion from deletions

- (j) Submit 'Revised Form 9Bi' as mentioned in the column for 'remarks' in Form 9Bi.
- (k) Linkage to relevant para/page nos. from the previous tariff order/review order for the items for which assumed deletions were already considered earlier.

- (l) FY 2019-20: Certain values have been claimed under exclusion in row no. 18-19 in Form 9Bi for FY 2019-20. Same was claimed as Rs. 0 lakhs in Petition No. 229/GT/2020. Petitioner shall clarify the discrepancy.
- (m) Reason for mentioning claiming accumulated depreciation as 0 in row no. 14-20 of Form 9Bi for FY 2019-20.
- (n) In Form 9Bi for FY 2020-21 an amount of Rs. 209.25 lakh is claimed in row no. 14. However, in the Order in Review Petition No. 11/RP/2023 (Sr. No. 3, Page No. 36) the amount considered is Rs. 197.76 lakhs. Justification for the difference shall be provided.
- (o) In Form 9Bi for FY 2022-23, in row 14-19, Petitioner has mentioned about decapitalisation of 9 nos. of surge arrestors out of the 45 nos. for which assumed deletion has been considered earlier. Clarification shall be submitted regarding the decapitalisation of the remaining 36 nos. and their amount.

Form-2: Income Tax Return

- (p) Copy of Assessment Orders (ITR in case Assessment Order is not issued) for the FY 2019-20 to FY 2023-24.

Form-12: Freehold land

- (q) Justification for increase in land cost to Rs. 651.50 lakhs in FY 2019-20 from Rs. 600.20 lakhs as per true-up Order for FY 2018-19.

Annex to Form-17: O&M expenses

- (r) Submit the actual amount for impact of pay revision for NHPC and KV Staff and impact of GST along with supporting documents like wage revision manual/ HR policy, etc.
- (s) Break-up of actual O&M expenditure for the tariff period 2019-24 under various sub-heads (as per Annexure-A enclosed) after including the pay revision impact (employees, and CISF and KV staff) (To be provided in both MS Excel and PDF format).
- (t) Similar break-up of actual O&M expenses including pay revision impact for Corporate Centre/other offices & breakup of claimed wage revision impact on employee cost, expenses on corporate centre and on salaries of CISF and KV staff and employee of the generating station (as per enclosed Annexure-B and Annexure- C, respectively) for the period 2019-24. (To be provided in both MS Excel and PDF format).
- (u) Justification for non-consideration of decapitalization corresponding to Capital spares and clarification that the same were Approves/not approved as part of Capital cost.
- (v) The security assessment report, man-power deployed, auditor-certified actual expenditure incurred etc, along with supporting documents, for further consideration in terms of Regulation 35(6) of the 2019 Tariff Regulations. Further, submit the documentary evidence for Security expense, break-up of same in CISF and non-CISF, along with justification and documentary evidence for additional capital expenditure claimed under power to relax/additional works.

Form-18: Water Cess:

- (w) Status of the appeal under the J&K and Ladakh High Court in the OWP No. 604 /2011.

Additional Capital Expenditure (ACE):

- (x) Detailed justification for reasons for spill over of items from 2019-24 to 2024-29.
- (y) Wherever applicable, detailed reasons justifying the increase in the projected amounts as compared to the amount approved by the Commission earlier.
- (z) Certificate of obsolescence from OEM and in case the same is not available then obsolescence certificate duly signed by the competent authority of the Petitioner for ACE projected under Regulation 25(2)(c) of the 2024 Tariff Regulations.
- (aa) Submit advisory/direction from appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal security for ACE projected under Regulation 26(1)(d) of the 2024 Tariff Regulations.
- (bb) Submit the cost benefit analysis in line for additional capital expenditure projected under Regulation 26(1)(i) of the 2024 Tariff Regulations.
- (cc) The existing arrangement, if any, for meeting the purposes/requirement for which additional capital expenditure is claimed under various sub-clauses of Regulation 26 of the 2024 Tariff Regulations.
- (dd) Specific clarification for following ACE claimed:

Sr. No.	Head of Work /Equipment	Query	Reference line item from Tariff forms
1	411109/ Supply Installation and Commissioning of 45 Ton Gantry Crane for operation of Draft Tube Gates	Copy of the relevant award of arbitration or order or directions of any statutory authority, or order or decree of any court of law to be submitted.	Form 9A_2025-26 Sr. No. A2
2	410328/ Construction of an Observatory cum Office Building at TRT outlet site of Salal Power Station	Recommendation letter from CISF to be submitted	Form 9A_2025-26 Sr. No. C1

Arbitration between M/s Karam Chand Thapar & Bros (CS) Ltd. and NHPC:

- (ee) Excel computation of the amount claimed.
- (ff) Justification for the delay in payment leading to accumulation of interest amount.
- (gg) Details and corresponding computation of reversal on account of excess provision of Rs. 40.80 lakh.

Arbitration between Gammon and NHPC:

- (hh) Excel computation of the amount claimed.
- (ii) Submit a copy of CCEA & OM no. 14070/14//2016-PPPAU dated 05.09.2016 along with a copy of the operating procedure to implement the directions of the above letter, if any.
- (jj) Clarification if the OM referred is advisory or directional in nature.
- (kk) Complete facts, justification and documentary evidence which necessitated the deposit of BG amount.
- (ll) Justification for claiming notional interest of Rs. 15.46 Cr under the 2019 Tariff Regulations though the entire claim is under the 2024 Tariff Regulations, along with excel computation for the amount.

(mm) Justification for the overall delay in payment after the award leading to accumulation of interest amount and further delay after issuance of OM.

2. The Respondents shall file their replies by **16.5.2025** after serving copy to the Petitioner, who may file its rejoinder, if any, on or before **22.5.2025**. The due date for filing the additional information and reply/rejoinder shall be strictly complied.
3. The Petition shall be listed for hearing on **27.5.2025**.

Yours sincerely,

Sd/
(Deepak Pandey)
Assistant Chief (Law)

Copy to:
All Parties

Annexure A

Details of actual O&M expenses (Common for Hydro /Thermal Generating Station)

Amount (₹ in lakh)

Sl. No.	Items	2019-20	2020-21	2021-22	2022-23	2023-24
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					
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					
	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 utilisation expenses					
12.9	Books & Periodicals					
12.10	Professional Charges					
12.11	Legal expenses					

Amount (₹ in lakh)						
Sl. No.	Items	2019-20	2020-21	2021-22	2022-23	2023-24
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

DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS						
		Amount (₹ in lakh)				
	PARTICULARS/YEAR	2019-20	2020-21	2021-22	2022-23	2023-24
	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					
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 develop. 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 OPERATIONAL STATIONS					

DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS						
	<i>Amount (₹ in lakh)</i>					
	PARTICULARS/YEAR	2019-20	2020-21	2021-22	2022-23	2023-24
S.No	Name of The Unit/Station					
	Operational Station (1)					
	Operational Station (2)					

FORMAT FOR CLAIMING WAGE REVISION IMPACT
YEARWISE IMPACT OF REVISION IN SALARIES & WAGES PAID TO THE
EMPLOYEES AND SECURITY PERSONNEL

Wage revision impact on employee cost of generating station

Amount (₹ in lakh)

Component	2019-20					2023-24		
	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)									
Total									
Less: EDC									
Net employee cost									

Wage revision impact on Corporate Centre cost of generating station

Amount (₹ in lakh)

Component	2019-20					2023-24		
	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									
Total									

Wage revision Impact on Salaries of CISF & Other Security Personnel (if applicable)

Amount (₹ in lakh)

Component	2019-20					2023-24		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
1.CISF									
2. Others									
Total									

Total Wage revision Impact									
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