

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**New Delhi**

**Petition No. 655/TT/2025**

Subject : Petition under Sections 62 and 79 of the Electricity Act, 2003, read with Regulation 15(a) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 seeking truing up of the transmission tariff for the period FY 2019-20 to FY 2023-24 under Regulation 13 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 and Regulation 12 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for Existing Transmission and Distribution System (excluding 400 kV lines).

Petitioner : Damodar Valley Corporation

Respondents : West Bengal State Electricity Distribution Company Limited & Jharkhand Bijlee Vitran Nigam Limited

Date of Hearing : 22.7.2025

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member  
Shri Ravinder Singh Dhillon, Member

Parties Present : Shri Ashutosh Kumar Srivastava, Advocate, DVC  
Shri Aniket, Advocate, DVC  
Shri Nihal Bhardwaj, Advocate, DVC

The instant Petition has been filed by the Petitioner for the truing-up of transmission tariff for the T&D network (excluding the 400 kV network) for the financial years 2019-20 to 2023-24 under Regulation 13 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and Regulation 12 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, for the existing Transmission and Distribution System (excluding 400 kV lines).

2. In response to a Commission's query regarding the fourfold increase in the claimed ACE concerning the existing T&D network, compared to the ACE allowed by the Commission vide its order dated 10.6.2022 in Petition No. 482/TT/2020, the learned counsel for the Petitioner requested six weeks' time to submit a detailed justification.

3. After hearing the learned counsel for the Petitioner, the Commission directed that notice be issued to the Respondents in the matter.



4. The Commission further directed the Petitioner to submit the following information on an affidavit within six weeks, with an advance copy to the Respondents:

4A. The Commission vide order dated 10.6.2022 in Petition No. 482/TT/2020 at para no. 162, 164 and 165, directed the petitioner to submit certain information. The petitioner is again directed to submit the same.

4B. Approval procedure followed by the Petitioner/DVC for the implementation of Renovation and Augmentation of the existing T&D system and any modifications to the existing T&D system.

4C. Complete schematic diagram of DVC T&D system, voltage-wise.

4D. The commission vide order dated in Petition No. 482/TT/2020 has allowed ACE of ₹11851.94 lakh on a provisional basis for the 2019-24 Tariff period. The petitioner in the instant true-up petition has claimed an amount of ₹49712.09 lakh, which consists of fresh ACE claimed in the 2019-24 period and actual ACE of already approved items.

**(a) Newly proposed ACE in 2019-24 Tariff Period:**

- (i) The Petitioner issued sanction orders for the newly proposed items prior to 1.4.2019. However, the Petitioner did not include these items when submitting the true-up Petition for the 2014-19 period and the tariff for 2019-24. The reasons for not claiming these items in the true-up Petition for the 2014-19 tariff period and the tariff for 2019-24. The petitioner also submits the details of the Letter of Award (LoA), the start and completion schedule as per LoA, the actual date of completion, along with reasons for delays in the implementation. The soft cost of the newly proposed items claimed under ACE.
- (ii) It is noted that the Petitioner has claimed an amount of ₹898.16 lakh towards R&A work related to the non-PSDF grant. Submit the details of additional or modified works carried out by it for which the PSDF grant was awarded.
- (iii) The Commission vide its Order dated 10.10.2017 against Petition No 386/TT/2014 directed DVC to submit a separate tariff petition for 'New Transmission & Distribution Elements', as is reproduced below:  
*".... the Petitioner is directed to file a revised petition for determination of tariff for 2014-19 period separately for the new transmission elements (transmission lines and substations) for individual project clearly identifying separate capital cost, initial spares, loan allocation and debt:equity ratio etc."*

As per the above direction of the Commission, the petitioner needs to file a fresh petition for newly commissioned assets. However, the Petitioner has sought ACE for capacity augmentation at different substations and power house switchyards, and transformer capacity augmentation at various substations. According to the Petitioner's submissions, these are newly commissioned assets, and the reasons for claiming as ACE under the T&D system, instead of filing a separate tariff.



- (iv) The reasons for claiming procurement of new laptops and computers under ACE instead of O&M Expenses.
- (v) The Petitioner has implemented the islanding scheme at Chandrapura TPS. Has the Petitioner obtained any approval for implementing this scheme? The reasons for claiming this under T&D instead of claiming it as part of the generating system.
- (vi) Details of power houses/switchyards where the said R&A works have been carried out by the Petitioner.
- (vii) The sanction Orders submitted by the Petitioner against installation/Replacement of communication equipments were approved in previous years, ranging from 2007 to 2013, and did not depict the original estimated cost of Communication systems considered in the respective sanction order. Submit the details of sanctioned cost against the communication system considered in the respective order against which ACE has been claimed in the instant Petition.
- (viii) It is noted that after decommissioning the units of CTPS, BTPS, and DTPS, the CEA has given its consent for the transfer of switchyard infrastructures to the T&D system vide letter dated 24.2.2023, whereas the Petitioner has claimed the ACE of ₹15060.44 lakh in FY 2019-20 and FY 2020-21. Submit the justification for claiming the capital cost as ACE before the approval or consent from the CEA. Details of equipments along with voltage levels, which are transferred after de-commissioning of BTPS, CTPS, and DTPS switchyards to the T&D system. Also submit the original Gross Block at the time of Capitalisation, Net Block value and cumulative depreciation recovered as on the date of transfer of said infrastructures to the T&D system.

**(b) Actual ACE of already approved items**

- a) Submit the soft cost of the approved items claimed under ACE, along with the schedule completion date as per LoA and the actual completion date.
- b) Submit the DPR of the R&A works related to PSDF works. As compared with the DPR, detail the additional items or modifications carried out by the Petitioner. Confirm whether the Petitioner has completed the R&A works related to the PSDF works. If so, submit the completion date of the same.
- c) The details of different schemes approved & implemented or to be implemented for Energy metering and accounting in compliance with CEA (Installation and Operation of Meters) Regulations, 2006 and amendments thereof. The petitioner is further directed to submit the total cost incurred towards the replacement of existing meters with 0.2S class meters.
- d) The sanction order concerning Remote Metering related to power supply was issued on 6.3.2013. However, the Petitioner did not present any ACE during the tariff determination for the 2019-24 Tariff Period in Petition No. 482/TT/2020 and now claims the actual ACE for FY 2020-21, approximately seven (07) years after the aforesaid sanction order. Submit the reasons for this, including the original estimated time for completing the work, the actual start date, the actual completion date, and any delays incurred.



- e) Justification for claiming the expenditure incurred on the procurement of testing equipment under actual ACE for the 2019-24 tariff period, as it appears to be O&M Expenses in nature.

4E. The Petitioner is directed to provide the details regarding de-capitalisation claimed for the 2019-24 tariff period, including the details of old equipment or conductors that were replaced by it under different R&A works and schemes at various power houses, switchyards, and transmission lines.

4F. The Petitioner is directed to provide the following details regarding O&M expenses for the 2019-24 tariff period:

- a) The associated elements of the 220 kV and 132 kV & Below bays at different substations.
- b) The Petitioner has claimed the O&M Expenses for various voltage cables in accordance with O&M norms for S/C (Single Conductor) transmission lines under the 2019 Tariff regulations. Justification for this claim.

4G. The Petitioner is directed to furnish the following information:

- a) Form 10-B (Statement of decapitalization) for the 2019-24 tariff period.
- b) Auditor's Certificate for the capital cost of the existing T&D System, including Additional Capital Expenditure claimed for the 2019-24 tariff period.
- c) Actual O&M Expenses for the existing T&D system for the 2019-24 tariff period, duly certified by the Auditor, as directed by the Commission in its para 198 of the order dated 10.6.2022 in Petition No. 482/TT/2020.
- d) The Petitioner has claimed an effective tax rate of 25.17% for the 2019-24 tariff period. The Petitioner is directed to submit Income Tax Returns/supporting document(s) for the period under consideration, i.e., 2019-24 tariff period.

5. The Commission directed the Respondents to file their respective replies, if any, within four weeks, with a copy to the Petitioner, who may file its rejoinder, if any, within two weeks thereafter.

6. The Petition will be listed for further hearing on **16.9.2025**.

**By order of the Commission**

**sd/-  
(T. D. Pant)  
Joint Chief (Law)**

