

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION**

**ITANAGAR**

**Petition No.TP-07 OF 2024**

Subject : Hearing on Petition for approval of Annual Performance Review for FY 2021 -22 & FY 2022-23 and Annual Revenue Requirement & Determination of Tariff for FY 2023-24 & FY 2024-25 as per APSERC MYT Regulation, 2018.

Petitioner : Devi Energies Pvt. Ltd

Respondent : Department of Power, Govt. of Arunachal Pradesh & Anr.

Date of Hearing : 21.8.2024

Coram : Shri R. K. Joshi, Chairperson  
Shri Nich Rika, Member (Law)

Parties Present : Shri A.L. Nagaraju, Devi Energies Pvt. Ltd.  
Shri C.M. Jain, Devi Energies Pvt. Ltd.  
Shri A.K. Maggu, Devi Energies Pvt. Ltd.  
Shri Dorjee W. Thungon, Devi Energies Pvt. Ltd  
Er. Nido Taka, Department of Power (PIng.)  
Er. Zomba Nacho, Department of Power (Com.)

**Record of Proceeding**

The representative of the Petitioner, i.e. Devi Energies Pvt. Ltd. submitted that the instant petition has been filed for approval of Annual Performance Review (true up) of 2021-22 and 2022-23 period and for determination of tariff for 2023-24 and 2024-25 as per the Arunachal Pradesh State Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2018. He submitted that expenditure of Rs. 0.37 crore towards installation of PLCC equipment in 2021-22 and Rs.0.7462 crore towards removal of muck, construction of retaining wall, strengthening of road to the sub-station and strengthening of towers in 2022-23 as additional capital expenditure in the respective years. He requested to true-up the tariff of the 2021-23 period and approve the tariff of 2023-24 and 2024-25 petition as claimed by the Petitioner in the petition.

2. The Commission in Record of Proceedings dated 23.2.2024, while disposing of the Petition No.TP-03 of 2022 filed by the Petitioner, directed the Petitioner to implead STU as a party to the proceedings. However, the Petitioner has not impleaded the STU as a Respondent in the matter. We direct the Petitioner to implead Chief (Engineer) (TPMZ), Chief (Engineer) (Commercial) and the STU as Respondent No.1, 2 and 3 respectively and file a revised Memo of Parties and also serve copy of the petition on them, if not already served.

3. The Petitioner is required to claim true up of the tariff of the 2019-20, 2020-21, 2021-22 period approved by the Commission vide order dated 20.12.2019 in Petition No. TP-7 of 2018. However, the Petitioner has claimed true up of the tariff of the 2021-22, 2022-23 period in the instant petition. Therefore, the Petitioner is directed to submit the information required for truing up the tariff of the 2019-20, 2020-21, 2021-22 period

  
Secretary

approved vide order dated 20.12.2019 in Petition No.TP-07 of 2018. The Petitioner is further directed to update the information submitted in the petition, if there is any change in the facts and figures because of the true up of the tariff of the 2019-20, 2020-21, 2021-22 period, for determination of tariff for the 2022-23, 2023-24, 2024-25 period, on an affidavit by 9.9.2024 with a copy to the Respondents.

4. In response to a query, the Petitioner submitted that the 32 km transmission line consists of 95 towers and there were few instances of theft in some of the towers. To prevent theft in towers, the Petitioner is erecting barbed wire and welding the bolts of the towers. He submitted that 10 towers are being taken up annually for this purpose.

5. In response to our observation regarding the FIR/Complaints filed by the Petitioner with the Police, the representative of the Petitioner submitted that he will check whether their complaint was acknowledged by the Police Department and if any acknowledgement is received, he would submit the same to the Commission.

6. In response to our query regarding recovery of any amount from the insurance company, the representative of the Petitioner submitted that the landslides are classified as an Act of God and the minimum amount of claim towards an Act of God as per the insurance policy is Rs.1.25 crore. As the amount of expenditure involved is less than Rs.1.25 crore no claim has been made with the insurance company.

7. In response to our query regarding initial cost approved for the evacuation system, the Petitioner submitted that evacuation system from its generating station was not envisaged by the Petitioner and the Petitioner was not responsible for construction of the evacuation system. However, because of certain difficulties, the Petitioner was forced to construct the evacuation system. He further submitted that he would submit the approval of the Department of Power and the correspondence made by the Petitioner with the Department of Power in this regard.

8. The representative of the Petitioner submitted that the capacity of the transmission line is 75 MW and 24 MW peak power is evacuated through the transmission line for 3 to 4 months in a year. He submitted that the transmission system of the Petitioner is at present being utilized by the Department of Power for providing reliable and quality power supply to some of the districts of the State. In response to our observation regarding underutilisation of the evacuation system till as late as in 2024, i.e. five years of its commissioning, he submitted that the transmission line was approved by the Department of Power keeping in view the future evacuation requirements.

9. We direct the Respondents to confirm/comment on the submissions made by the Petitioner, which are recorded in paragraph 8 above in their reply.

10. The Petitioner is directed to comply with the direction given in paragraph 2 and 3 above and submit the information given in the Annexure to this RoP and the documents in support of the submissions made by the Petitioner, which are recorded in paragraphs 5 to 8 above on an affidavit by 9.9.2024 with a copy to the Respondents. The Respondents are directed to file their reply by 30.9.2024 and the Petitioner to file its rejoinder, if any, by 16.10.2024.

---

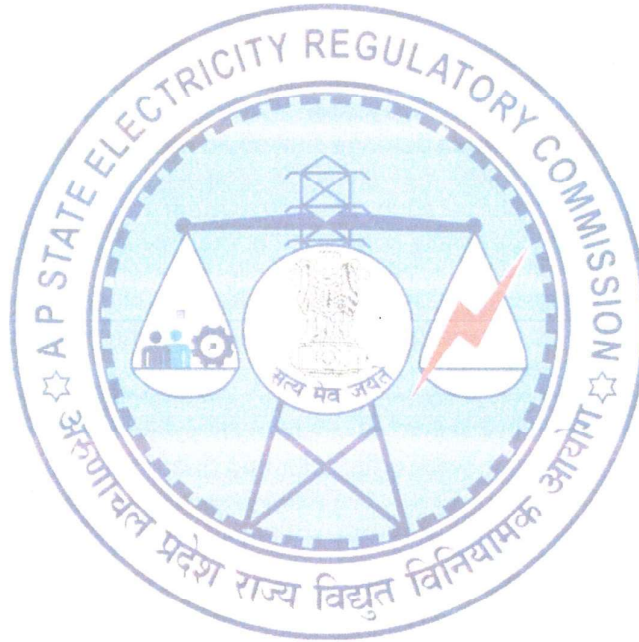



Secretary

11. The matter shall be listed for final arguments on 23.10.2024.

S/d-  
(Nich Rika)  
Member (Law)

S/d-  
(R. K. Joshi)  
Chairperson



  
Secretary

State Electricity Regulatory Commission  
Arunachal Pradesh

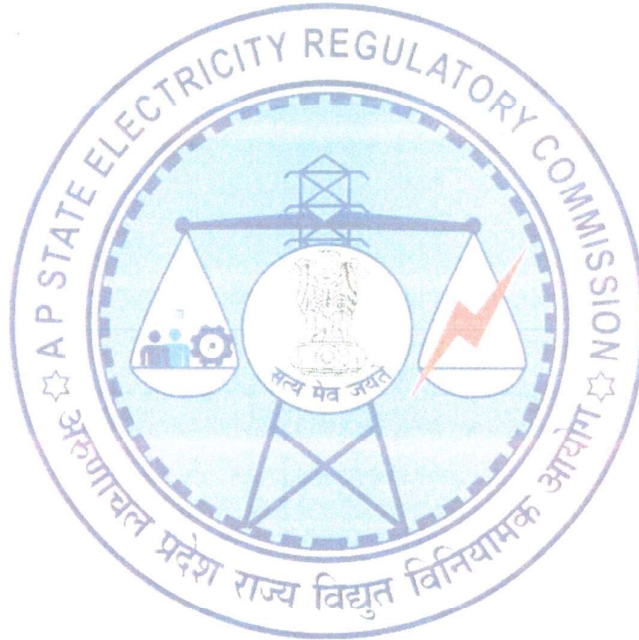
## Annexure

Submit the following information and clarifications:

Sl. No.	Query
1	Depreciation of Rs.3.99 crore for 2021-22 and Rs.3.77 crore for 2022-23 is claimed. The depreciation claimed in the petition is not in line with that approved by the Commission. Give reasons for claiming higher depreciation along with supporting documents.
2	The depreciation allowed by the Commission is not being fully paid to the lenders as the loan conditions have been modified. Give reasons for retaining the depreciation and not fully paying up the loan.
3	Rs 18.06 lakh has been spent on clearance of slide muck and additional foundation protection. i) Separate items of work in respect of foundation strengthening are not available in the work order. Furnish the same. ii) The section drawing submitted are not clear and quantities cannot be calculated. Provide the details and clear drawing. iii) The rates as per order dated 5.9.2022 issued to Pema Dema for 3840 Cum @ of Rs. 500 per cubic meter is far higher than those mentioned in schedule of rates. Give justification. iv) The insurance should have been taken for the transmission line separately due to which minimum damage limit could have been less and the claim could have been made with the insurance company. Give reasons.
4	Regarding ADCAP on account of control room wall, it has been confirmed by DEPL that wall was partially completed at the time of commissioning. i) The approval was to be taken at the time when original petition for tariff determination was submitted and not later when Commission was not functional as contended. Construction seems to be an afterthought and needs to be clarified. ii) The rates may be justified with exact description of item executed.
5	Regarding balance of Rs.47.43 crore claimed on account of Strengthening of Towers through 5 nos. work order following queries may be addressed: i) The replacement of stolen members is a repair job and is not justified under ADCAP. Reasons for covering it under ADCAP may be given. ii) The order does not have break-up of the cost of stolen members, cost of tack welding and installation of barbed wire. The quantity of stolen members needs to be substantiated with photographs. iii) The order lacks clarity regarding procurement of Galvanised stolen members as per drawing which may be clarified. iv) The barbed wire is an anti-climbing arrangement and not for the purpose of preventing theft. Give reasons for not doing it initially. v) The cost of barbed wire and tack welding per tower should not be more than Rs.35000 to Rs.40000 considering the lead involved, and cost claimed as ADCAP is very high and needs to be justified. vi) The letter dated 8.6.2022 to the Police Department is only in respect of tower 87. The letter mentions that all the towers were inspected and theft was noted in case of tower 87. As such the theft on other towers has happened afterwards. Petitioner had sufficient time to weld the tower bolts and prevent further thefts and needs justification. vii) Since the area is theft prone, give reasons for not doing tack welding on all the towers simultaneously. viii) Since it is theft prone, the tack welding of bolts and installation of barbed wire of other towers should also have been done to prevent theft in future.

  
Secretary

6	NEEPCO line /Sub-station is not marked in the line diagram submitted. Provide the same.
7	The O&M staff deployed is considerably higher than industry norms. Give reasons for the same.
8	The Form 3 is still incomplete. No dates of capitalisation for ADCAP have been filled and may be submitted and substantiated.
9	The Form 8 has been corrected and it is certified that non-tariff income does not pertain to transmission business. This may be substantiated.
10	The Form 11 has been filled and availability is 100 %. Certificate from SLDC needs to be provided.
11	The Form 12 has been modified but item wise deliberation as controllable or uncontrollable has not been given.



*[Signature]*  
Secretary