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TARIFF ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
FOR THE YEAR 2022 – 23
IN
CASE NO: TP – 90 / 20 - 21

IN REGARD TO THE MUTLI YEAR TARIFF APPLICATION UNDER SEVENTH CONTRL PERIOD OF THE WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEARS 2020 – 21, 2021 – 22 AND 2022 – 23 UNDER SECTION 64 (3) (a) READ WITH SECTION 62 (1) OF THE ELECTRICITY ACT, 2003.

DATE: 30.07.2022



CHAPTER – 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”), has been authorized in terms of the section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 The West Bengal State Electricity Transmission Company Limited (in short ‘WBSETCL’) is deemed to be a licensee under the jurisdiction of the Commission in terms of fifth proviso to Section 14 of the Act. The area of operation for WBSETCL covers the whole of the State of West Bengal. In exercise of powers conferred under Sub-section 1 of Section 39 of the Act, the Govt. of West Bengal has notified and authorized West Bengal State Electricity Transmission Company Limited vide No.89-PO/O/III/3R-5/2007 dated 26.03.2007 to function as State Transmission Utility with effect from 01.04.2007. Subsequently, in terms of the Government of West Bengal Notification No. 328/PO/O/C-IV/1E-60/13 (Part-VA) dated 26.12.2018 and order of the Commission in Case No. A-6/14 dated 31.12.2018 the entire transmission business and activities under the Durgapur Projects Limited (DPL) along with all associated assets and liabilities were transferred to WBSETCL with effect from 01.01.2019.
- 1.3 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the ‘Tariff Regulations’), each control period after third control period shall be normally for a period of five ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time. The Commission vide its order dated 28.05.2019 in case no. SM-19/19-20 decided that the seventh control period shall be for three



Tariff Order of WBSETCL for the year 2022-23

years consisting of 2020 – 21, 2021 – 22 and 2022 – 23. The Commission extended the last date of filing tariff petition for 7th control period up to 31.08.2020 considering repeated prayer of the utilities of the State in view of issuance of 3rd amendment of the Tariff Regulations and continuing lockdown conditions as per direction of the Government in view of the then prevailing pandemic situation of COVID -19.

- 1.4 WBSETCL submitted the petition for determination of tariff for the seventh control period consisting of the years 2020 – 21, 2021 – 22 and 2022 – 23 on 28.08.2020. After receiving the tariff petition for seventh control period of WBSETCL, the Commission on scrutiny observed that some of the forms as prescribed to be annexed with the Petition in terms of regulation 2.7.2 of the Tariff Regulations, were not submitted along with tariff application. Accordingly, WBSETCL was requested to submit all the required forms in the format specified in the Tariff Regulations. WBSETCL vide their letter no Dir(Opr)/WBSETCL/ACE/RAC/2(iv)/259 dated 14.10.2020 submitted the required forms and vide letter no. Dir(Opr)/WBSETCL/ACE/RAC/2(iv)/260 dated 04.11.2020 submitted a revised gist for consideration of the Commission.
- 1.5 The application for tariff determination for the years 2020 – 21, 2021 – 22 and 2022 – 23 submitted on 28.08.2020 and the additional information / data furnished on 14.10.2020 and 04.11.2020 (collectively termed as 'tariff application') were admitted by the Commission in Case No. TP-90/19-20 with the direction to publish the gist of their tariff application, as approved by the Commission, in the newspapers and also in the website of WBSETCL as per provisions of the Tariff Regulations. The gist was, accordingly, published simultaneously on 25.11.2020 in the newspapers - (i) 'Anandabazar Patrika'(Bengali), (ii) 'Bartaman' (Bengali), (iii) 'Akal' (Bengali), (iv) 'The Times of India' (English) and (v) 'The Telegraph' (English). The gist along with the tariff application were also posted in the website of WBSETCL. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of WBSETCL for the seventh



Tariff Order of WBSETCL for the year 2022-23

control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission latest by 16.12.2020.

- 1.6 No suggestion and objection on the tariff application of WBSETCL was received within the stipulated time i.e., 16.12.2020.
- 1.7 The Commission thereafter, in accordance with the provisions of the Act and the Tariff Regulations, passed the Multi Year tariff order (MYT Order) dated 25.06.2021 in respect of WBSETCL in case no. TP – 90/20-21 the years 2020-21, 2021-22, 2022 – 23 by determining the Aggregate Revenue Requirement (in short 'ARR') of WBSETCL for each year of the 7th control period, along with the tariffs of WBSETCL for the years 2020-21 and 2021-22. The analysis and findings for determination of the aforesaid ARR and tariffs of WBSETCL were recorded in the tariff order dated 25.06.2021. WBSETCL on receipt of the aforesaid tariff orders 2020-21 and 2021-22 submitted its gist for approval and the gist was approved by the Commission on 09.07.2021. Accordingly, the gist was published in newspapers and in website of WBSETCL on 15.07.2021.
- 1.8 The Commission now proceeds to determine the revenue recoverable through tariff by WBSETCL during the year 2022 – 23 as also the tariff of WBSETCL for 2022 – 23 on the basis of ARR determined for 2022 – 23 in the MYT order dated 25.06.2021 in accordance with the Tariff Regulations in subsequent chapter.



CHAPTER – 2

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2022-23

- 2.1 As stated in the preceding chapter, the Commission determined the ARR of WBSETCL separately for each of the three years of the seventh control period covering the years 2020-21, 2021-22 and 2022-23 in the tariff order dated 25.06.2021 (herein after referred as “the 7th MYT order”) based on the analysis and findings recorded in that order. The Commission in the 7th MYT order has determined the ARR of 2022-23 as Rs. **158517.69 lakh**. A summarized statement of ARR for 2022 – 23 as was given in Annexure – 5 of the 7th MYT order.
- 2.2 The Commission in paragraph 5.4 of the 7th MYT order has decided that the claim of WBSETCL on account of adjustment of recovery of APR 2014 – 15 and 2015 – 16 will be given in the APR Orders of the concerned years and therefore, did not consider any adjustment on account of APR for 2014-15 and 2015-16 as claimed by WBSETCL in connection with determination of the revenue recoverable through tariff for the years 2020 – 21, 2021 – 22 and 2022 – 23 as APR orders of WBSETCL for 2014 – 15 and onwards were not finalized at the time of issuance of tariff order dated 25.06.2021.
- 2.3 Subsequently, the Commission issued APR Orders for 2014 – 15, 2015 – 16, 2016 – 17, 2017 – 18, 2018 – 19 and 2019 – 20 vide orders dated 28.06.2021, 28.04.2022, 28.04.2022, 28.04.2022, 19.07.2022 and 28.07.2022 respectively. The decisions of the Commission have been given hereunder:
- 2.3.1 In paragraph 4.7 of the APR order for 2014 – 15 dated 28.06.2021 in Case no. APR – 51/15 – 16, the Commission has decided that the under recovery of Rs. 2615.51 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement for the subsequent period or that for any other ensuing year or through a separate order as may be decided by the Commission and the decision of the



Tariff Order of WBSETCL for the year 2022-23

Commission will be given in the subsequent tariff order of WBSETCL or in a separate order.

- 2.3.2 In paragraph 3.7 of the APR order for 2015 – 16 dated 28.04.2022 in Case no. APR – 57/16 – 17, the Commission has decided that the over recovery of Rs. 13248.35 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement on the subsequent period or through a separate order as may be decided by the Commission and the decision of the Commission will be given in the subsequent tariff order of WBSETCL for the year 2022 – 23.
- 2.3.3 In paragraph 3.6 of the APR order for 2016 – 17 dated 28.04.2022 in Case no. APR – 66/17 – 18, the Commission has decided that the over recovery of Rs. 15139.32 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement for the subsequent period or through a separate order as may be decided by the Commission and the decision of the Commission will be given in the subsequent tariff order of WBSETCL for the year 2022 – 23 or any ensuing year or in a separate order.
- 2.3.4 In paragraph 3.6 of the APR order for 2017 – 18 dated 28.04.2022 in Case no. APR – 69/18 – 19, the Commission has decided that the over recovery of Rs. 2654.22 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement for the subsequent period or through a separate order as may be decided by the Commission and the decision of the Commission will be given in the subsequent tariff order of WBSETCL for the year 2022 – 23 or any ensuing year or in a separate order.
- 2.3.5 In paragraph 3.4 of the APR order for 2018 – 19 dated 19.07.2022 in Case no. APR – 84/20 – 21, the Commission has decided that the over recovery of Rs. 432.07 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement for the subsequent period or through a separate order as may be decided by the Commission and the decision of the Commission will be given in the subsequent tariff order of WBSETCL or in a separate order.



Tariff Order of WBSETCL for the year 2022-23

- 2.3.6 In paragraph 3.4 of the APR order for 2019 – 20 dated 28.07.2022 in Case no. APR – 85/ 21 – 22, the Commission has decided that the under recovery of Rs. 14628.18 lakhs or part thereof may be adjusted with the amount of aggregate revenue requirement for the subsequent period or that for any other ensuing year or through a separate order as may be decided by the Commission and the decision of the Commission will be given in the subsequent tariff order of WBSETCL for any ensuing year or in a separate order.
- 2.4 In view of the above, the Commission now decides to adjust the amount either recoverable or refundable by WBSETCL as found in the APR orders for 2014 – 15, 2015 – 16, 2016 – 17, 2017 – 18, 2018 – 19 and 2019 – 20 as detailed in paragraph 2.3.1 to 2.3.6 above with the ARR of 2022 – 23 as determined in the tariff order dated 25.06.2021 to arrive at the revenue to be recoverable by WBSETCL for the year 2022 – 23.
- 2.5 Accordingly, the revenue recoverable through tariff of WBSETCL for the year 2022 – 23 works out at Rs. 144287.42 lakh as detailed below:

In Rs Lakhs		
Sl. No.	Particular	Amount
1	Net Aggregated Revenue Requirement for 2022 – 23	158517.69
2	Amount Adjustable as per Paragraph 2.4 above	
A	Adjustable amount of APR Order dated 28.06.2021 for 2014 – 15	2615.51
B	Adjustable amount of APR Order dated 28.04.2022 for 2015 – 16	(-) 13248.35
C	Adjustable amount of APR Order dated 28.04.2022 for 2016 – 17	(-) 15139.32
D	Adjustable amount of APR Order dated 28.04.2022 for 2017 – 18	(-) 2654.22
E	Adjustable amount of APR Order dated 19.07.2022 for 2018 – 19	(-) 432.07
F	Adjustable amount of APR Order dated 28.07.2022 for 2019 – 20	14628.18
	Total Adjustments (Sum A to F)	(-) 14230.27
3	Net Revenue recoverable through tariff of 2022 – 23 (1 + 2)	144287.42



CHAPTER - 3
TARIFF ORDER
DETERMINATION OF THE RATE FOR RECOVERY
OF TRANSMISSION CHARGES FOR THE YEAR 2022-23

- 3.1 In the previous chapter the Commission has determined the Revenue to be recoverable by WBSTCL during the year 2022 – 23 for transmission system of WBSETCL. The Commission is now to fix the rate for recovery of the same from the transmission system users during the year 2022 – 23 in accordance with the provisions of regulation 6.16 of the Tariff Regulations. It is, however, to mention here that WBSETCL has got no variable cost to recover from its system users besides the fixed charges as admitted by the Commission in the Statement of Aggregate Revenue Requirement.
- 3.2 Transmission charges recoverable from the long-term users including distribution licensees or the open access customers are to be computed as per regulation 6.16.5 of the Tariff Regulations based on the allotted transmission capacity to each of the beneficiaries. In absence of specific contracted capacity mentioned in the long-term agreement of any existing licensee, the maximum value of month-wise average of daily peak demand of the year is to be considered for computation of recoverable transmission charge, subject to the overall available transmission capacity.
- 3.3 WBSETCL in their Tariff petition has projected the average yearly system demand as 6909 MW for 2022 – 23 based on the projections made by SLDC (rounded up to nearest integer). In absence of any specific allotment of long-term capacity for WBSEDCL, the Commission in line with the principle stated in paragraph 3.1 and 3.2 above determines the allocated capacity of WBSEDCL for 2022 – 23 after reducing the capacity allotted for CESC and IPCL as below:

Sl No	Particulars	2022 – 23
A	Average yearly system demand of WBSETCL	6909
B	Allocated Transmission capacity for CESC	150
C	Allocated Transmission capacity for IPCL	124
D	Residual Transmission capacity	6635



Tariff Order of WBSETCL for the year 2022-23

- 3.4 The Commission considers to arrive at the unit rate of recovery of transmission charges considering the total allocated capacity of 6909 MW (WBSEDCL 6635 MW, CESC 150 MW and IPCL 124 MW) for 2022 – 23. Such recoverable charges are to be expressed in Rs. /MW/month for the long-term customers. The unit rate of recovery of transmission charges during 2022 – 23 from the transmission system users, thus, work out as under:

Table-3.2

Transmission Charges for 2022-23		
i)	Recoverable ARR	Rs. 144287.42 lakh
ii)	Total allocated transmission capacity to long-term customers	6909 MW
iii)	Rate for long-term users	$(\text{Rs. } 144287.42 \text{ lakh} \times 10^5) / (6909 \text{ MW} \times 12)$ = Rs. 174033.17 / MW/ month subject to adjustment as per regulation 6.16.5 of the Tariff Regulations.

Provided that the rates for short-term customers are to be determined as per the relevant provisions of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007 as amended till date and to be uploaded at the website of SLDC within 5 days from issuance of this order.

- 3.5 The tariff for 2022 - 23 shall be applicable from the billing month pertaining to April, 2022 and shall continue till further tariff order is issued. Adjustments, if any, for over recovery / under recovery for the period from April, 2022 to the month of issuance of this order from the system users shall be made in 4 (four) equal monthly installments. Such adjustment shall start from next month of issuance of this order.
- 3.6 For Bakreswar transmission system of WBPDC, the payable amounts during 2022 - 23 respectively are admitted as Rs. 3663.74 lakh similar to the amount in 2020-21 and 2021-22. Any adjustment between the payable amount for the year and the amount paid by WBSETCL for the respective years on account of Bakreswar transmission system shall be made by WBSETCL to WBPDC in 4 (four) equal monthly installments from the next month of issue of this order. However, the amount determined by the Commission under the tariff order of WBPDC will be final in this regard and any variation will be adjusted during the APR.



Tariff Order of WBSETCL for the year 2022-23

- 3.7 SLDC shall, in terms of sub-section (3) of section 32 of the Electricity Act, 2003 and the provisions of the West Bengal Electricity Regulatory Commission (Miscellaneous Provisions) Regulation, 2013, as amended, continue to levy every month the SLDC charges at the existing rate @ 0.5 paise/kWh from the licensees using intra-state transmission system in the State of West Bengal, on their implemented schedule(s) of injection of power into the grid or on the quanta of electricity transmitted, as the case may be.
- 3.8 The realizations of the revenue from its transmission system users are supposed to meet the Aggregate Revenue Requirement (ARR) of WBSETCL. The recovery of such revenue over the concerned year on piecemeal basis may result in under or over recovery of the total amount of fixed charges. It is, therefore, stipulated that the amount of any such under or over recovery will be dealt with suitably in the APR for the concerned year.
- 3.9 WBSETCL is directed to submit the audited annual accounts of SLDC for the year 2022 – 23 clubbed with a statement showing item wise and head wise actual expenses along with their application of APR for the year, 2022 – 23.
- 3.10 WBSETCL shall present to the Commission a gist of this order in accordance with the regulation 2.9.6 of the Tariff Regulations within 3 (three) working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in terms of the aforesaid regulation within 4 (four) working days from the date of receipt of the approval of the Commission.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 30.07.2022

Sd/-
SECRETARY