



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

FOR THE YEARS 2020 – 2021, 2021 – 2022 AND 2022 – 23

IN

CASE NO: TP – 92 / 20 - 21

**IN REGARD TO THE MULTI YEAR TARIFF APPLICATION OF
HALDIA ENERGY LIMITED FOR 2 X 300 MW GENERATING
STATION AT HALDIA**

**UNDER SEVENTH CONTROL PERIOD FOR THE YEARS 2020 –
2021, 2021 – 2022 AND 2022 – 23**

DATE: 28.07.2022



सत्यमेव जयते



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. Haldia Energy Limited (hereinafter referred to as HEL), constituted under the Companies Act, 1956, is a generating company in terms of section 2(28) of the Act and is engaged in the business of generation of electricity within the State of West Bengal and the generation tariff of HEL shall be determined by the Commission.
- 1.3. West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 has come into effect with effect from 29th April, 2011. The said Tariff Regulations, 2011 was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012 in the extra ordinary edition of The Kolkata Gazette dated 27th August, 2012 and West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 in the extra ordinary edition of The Kolkata Gazette dated 30th July, 2013.
- 1.4. 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



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may be decided by the Commission from time to time. The Commission vide order dated 19.07.2013 in Case No. SM-7/13-14 decided the fourth control period consisting of three ensuing years and the tenure of the fourth control period was for the years 2014 – 2015 to 2016 – 2017. It was also decided by the Commission vide his order dated 04.05.2016 in Case No. SM-13/16-17 that the fifth control period shall also be consisting of three ensuing years for the period from 2017 – 2018 to 2019 – 2020. But, after careful consideration of all relevant factors, decided vide its order dated 14.12.2016 in Case No. SM-15/16-17 that the fifth control period shall be for one year and consist of 2017 – 2018 only and the Commission, through *suo moto* Order in Case No. SM-18/17-18 dated 6 September 2017 decided that the sixth control period shall be for two ensuing years comprising 2018 - 19 and 2019 - 20. The Commission, through *suo moto* Order in Case No. SM-19/19-20 dated 28th May, 2019 decided that the seventh control period shall be for three ensuing years consisting of 2020 – 21, 2021 – 22 and 2022 – 23.

- 1.5. In the Order dated 22 November 2019 in Case No. SM-20/19-20 in a *suo moto* proceedings, the Commission decided that it would be appropriate for all the utilities under the ambit of the Commission to file MYT application for the seventh Control Period consisting of 2020 – 21 , 2021 – 22 and 2022 – 23 after publication of the regulations after amendment of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), 2011 and the time limit for filing tariff petition for the seventh control period commencing from ensuing year 2020 – 21 was fixed on 31st January 2020. The West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2020 have been published under Notification no 65/WBERC dated 21.01.2020. These amendments have been made applicable with effect from 1 April 2020 after its notification in in The Kolkata Gazette, Extra Ordinary on 22.01.2020. After that, on prayer of HEL and other utilities, for extension of time for submission of MYT petition, the Commission in the Order



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dated 28.02.2020 in Case No. WBERC/B-11/23(Part) decided to extend the last date of submission of MYT application for the seventh control period till 31.03.2020. Subsequently, in the scenario of sudden unforeseen outbreak of COVID-19, HEL and other utilities prayed for further extension of time which the Commission extended first till 30.04.2020, then till 30.06.2020, then till 31.08.2020 and finally upto 14.09.2020 in the Order dated 08.09.2020 in Case No. WBERC/B-11/23(Part). HEL submitted its tariff petition for the seventh control period for the Power Station on 1st September 2020.

- 1.6. The tariff application submitted on 01.09.2020 as per Tariff Regulations, was admitted by the Commission in case No.TP-92/20-21 on 12.05.2021, with the direction to publish the gist of their tariff application, as approved by the Commission, in the news papers and also in their website as per provisions of the Tariff Regulations. The gist was, accordingly, published simultaneously on 23.06.2021 in the news papers – (1) Ei Samay (Bengali), (2) Bartaman (Bengali), (3) Sanmarg (Hindi) and (4) Times of India (English). The Gist was also uploaded in the website of HEL. 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 HEL for the seventh control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission by 13.07.2021 at the latest. Opportunities were also afforded to all to inspect the tariff application and to take copies thereof.
- 1.7. No suggestions and objections on the aforementioned application of HEL for determination of tariff for the seventh control period were received from any interested party, stake holder and the member of the public till the last date of submission as above.



CHAPTER-2

CASES OF HEL

- 2.1 HEL owns and operates a 2X300 MW coal fired Thermal Power Station located at Baneswar Chak, Haldia, East Midnapore. The dates of commercial operation of the two units of the generating station are 28.01.2015 and 21.02.2015.
- 2.2 It has been stated by HEL that the fuel costs in the instant application for Tariff for the financial year 2020 – 2021, 2021 – 2022 and 2022 – 2023 under the seventh control period has been submitted in terms of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations 2020 dated 21.01.2020. HEL has considered Rs.88586.0 Lakh as Capacity charge for the years 2020-21, 2021-22 and 2022-23. The tariff application is in three volumes, each volume containing different parts of the total application.
- 2.3 The Petitioner submitted a petition for revision of project cost on 22 July 2014. Thereafter, the Multi-Year Tariff petition for the fourth control period, comprising the years 2014-15 to 2016-17, was submitted on 21 August 2014. The Commission, vide Order dated 29 January 2016 in Case No. TP-64/14-15, determined the Capacity Charge for 2014-15 (for the period of commercial operation), 2015-16 and 2016-17 at Rs. 10886 lakhs, Rs. 76628 lakhs, and Rs. 88586 lakhs respectively. 95% of the revised project cost was considered by the Commission in accordance with the Tariff Regulations in determination of capacity charges, after prima facie prudence check. Additionally, the Commission also stated that such capacity charge would be subject to adjustments in the Annual Performance Review based on final project cost to be approved at a later date. Further, the Commission directed submission of a separate petition for finalisation of the project cost in terms of



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applicable Regulations including Regulation 2.8.1.4.13 of the Tariff Regulations, post closure of all contracts.

- 2.4 The Petitioner submitted contract related documents and final project cost details in terms of the Tariff Regulations for the Power Station through a petition on 21 February 2018.
- 2.5 As stated by HEL, the present petition is filed based on actual cost for the generation project submitted before the Commission. This petition is structured on the following premises:

Energy sale is considered on the basis of requirement of the sole procurer i.e CESC for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023.

Operational parameters, as approved by the Commission in the Order in Case No. OA-121/11-12 dated 20 January 2016 have been considered along with an escalation of about 6% for O&M expenses.

Latest prices for different fuel and projected fuel mix have been considered for projecting fuel cost.

For the period upto 2019-20, the figures in the instant petition have been furnished in accordance with the Tariff Regulations and / or applicable orders of the Commission i.e. figures are extracted from the audited annual accounts or from petition already submitted before the Commission and where any other treatment in accordance with the Tariff Regulations has been adopted, the same has been suitably explained with supporting details, as appropriate. The Petitioner, as submitted, has been guided by the Tariff Regulations framed by the Commission for submitting this petition. Methodology / Allocation of items have been adopted / done following the Principles / Directives in the Regulations/earlier Order(s) of the Commission, to the extent applicable / feasible. The



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expenditure for the period up to 2019-20, reported in Forms 1.12 and 1.17 are collated in terms of the applicable provisions of the Tariff Regulations.

The basis of estimation/projection for expenditure for the ensuing years (2020-21 to 2022-23) are detailed in 'Notes on Expenditure including Other Expenses centrally maintained' [page-59 of Volume-1]

2.6 The Submission of HEL on different issues and against their claim under different heads of accounts are summarized as below:

2.6.1 Generation Targets from different generating units of HEL for 2020 – 2021, 2021 – 2022 and 2022 – 2023

HEL has submitted generation projection based on 80.5%, 81.2% and 81.8% of annual Plant Load Factor (PLF) for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively considering the requirement of the procurer, estimated plant availability, other operating parameters and maintenance requirement.

2.6.2 Auxiliary Consumption and Station Heat Rate

HEL has submitted the proposed auxiliary consumption as approved by the Commission through its order dated 20.01.2016.

HEL has considered the Station Heat Rate (SHR) norms as specified in the order dated 20.01.2016.

All other parameters viz. specific oil consumption, transit loss, etc. have been considered as per norms specified in the order dated 20.01.2016.

2.6.3 Gross and Net generation



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HEL has projected the gross generation of 4231.9 MU, 4265.3 MU and 4298.6 MU and net generation of 3851.0 MU, 3881.5 MU and 3911.7 MU from its generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively.

2.6.4 Cost of Fuel

The primary fuel cost has been arrived at by HEL by estimating the coal consumption based on the technical parameters of the generating station. The fuel mix are based on the estimated availability of quality and quantity of coal from different sources i.e., Fuel Supply Agreement (FSA) with Mahanadi Coalfields Limited (MCL), e-auction coal and imported coal. HEL submitted that as per Fuel Supply Agreement, in with the New Coal Distribution policy, MCL will supply at least 75% of the Annual Contracted Quantity (ACQ) in the seventh control period and the remaining quantity up to penal clause of FSA (80%) would be supplied by CIL through direct import by CIL or alternate coal would be provided from other domestic sources, if agreed upon by HEL. To fulfill the requirement of additional coal HEL has proposed to source coal through e-auction mechanism of CIL and foreign sources through import. This is found that HEL has envisaged sourcing 74.23%, 73.81% and 73.39% of the required coal from MCL linkage for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively whereas 1.7% from import and rest from e-auction for the mentioned years and rest from e-auction. The prices of indigenous coal and railways freight have been considered by HEL for the seventh control period based on the latest price notified by the respective authorities. Average price of imported coal for all the years of seventh control period has been considered at Rs 7146.0 per MT by HEL.

The cost of secondary fuel oil is projected based on recent bill furnished with the petition.

2.6.5 Fixed Cost



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The fixed cost projected by HEL for the years for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 are discussed in Chapter-4.

2.6.6 Capital expenditure

HEL has stated requirement of capital expenditure on coal yard expansion, cyber security, digital surveillance of all vulnerable remote locations through CCTV cameras, restoration of damaged building and furniture, structures of boiler, ESP, conveyors, cooling tower internals due to destruction caused by cyclone Amphan, cost associated with maintaining social distancing during the pandemic period, IT infrastructures to facilitate work from home (to the extent possible) and additional office / canteen spaces etc. However, associated costs to install a Wet Limestone based FGD Plant along with ancillary systems, submitted before the Commission on 15 July 2020 for approval, are not part of the capital expenditure plan furnished in Annex 1 of this petition as the above-mentioned petition is not yet disposed of by the Commission. HEL has prayed that in case the Commission decides upon the petition, the cost impact thereof may be considered for additional inclusion in the tariff determined under this petition and keep the cost impact of FGD outside the ambit of merit order dispatch protocol.

2.6.7 Special non-recurring expenses

HEL has projected requirement of expenses due to the impact of the pandemic (Covid-19) for maintaining Covid protocols, special repairs like off-site repair of Generator Transformers and major overhauling of the Turbo-Generator set during the control period.

2.7 The Petitioner has prayed the followings before the Commission:

- (a) Pass an Order confirming the Aggregate Revenue Requirements for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 as contained in the Annex 1 of the



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petition, subject to true-up at a later stage in accordance with the Regulations of the Commission.

- (b) Approve recovery of Capacity Charges and Energy Charges as proposed in this petition;
- (c) Allow tariff impact for installation of FGD at the Power Station in line with the petition before the Commission if found appropriate;
- (d) Dispose of the petitions already submitted earlier and allow appropriate additional entitlements thereof in the tariff prayed for in this petition;
- (e) Allow the Petitioner to furnish additional details / materials at a later date, once such details are available with the Petitioner; and
- (f) Pass such further Order or Orders as the Commission may deem fit and proper



CHAPTER- 3

Variable Cost and Expenditure

3.1 An examination of the projected fuel cost claimed by HEL for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 of seventh control period under different heads for its generating station has been taken up in this chapter.

3.2 Gross Generation, Auxiliary consumption and Sent-out Energy

HEL has projected the gross generation of 4231.9 MU, 4265.3 MU and 4298.6 MU considering PLF of 80.5%, 81.2% and 81.8% and net generation of 3851.0 MU, 3881.5 MU and 3911.7 MU from its generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively. The Gross generation is admitted as projected and sent out energy is determined considering normative 9% Auxiliary consumption as follows:

Sl. No.	ITEM	PROPOSED			ADMITTED		
		20-21	21-22	22-23	20-21	21-22	22-23
1	Gross generation for sale to own consumers and licensee (MU)	4231.90	4265.30	4298.60	4231.90	4265.30	4298.60
	Aux rate (%)	9.00	9.00	9.00	9.00%	9.00%	9.00%
2	Auxiliary Consumption (MU)	380.90	383.90	386.90	380.87	383.88	386.87
3	Ex-bus generation (MU) [3=1-2]	3851.00	3881.50	3911.70	3851.03	3881.42	3911.73

3.3 Fuel Cost

3.3.1 For the purpose of fuel cost calculation and energy charge determination under this chapter, the energy generated from a generating station has been considered as per normative PLF of the generating station but it shall be noted that capacity charge recovery of the generating station shall be on the basis of normative PAF.



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- 3.3.2 HEL projected fuel cost for its generating station for Rs. 118724.4 Lakh for 2020 – 2021, Rs 120032.5 lakh for 2021 – 2022 and Rs 121037.1 lakh for 2022 – 2023 in Form 1.11, 1.12 and in Form E(B).
- 3.3.3 In the tariff application for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023, HEL has proposed fuel cost on the basis of projected plant load factor and norms of auxiliary consumption rate, oil consumption rate, station heat rate and transit and handling losses of coal as determined by the Commission in the order dated 20.01.2016 in case No. OA- 121/11-12. While proposing fuel cost for the seventh control period, HEL has projected prices as per latest notifications prevailing as on 1st August 2020 for CIL rate schedule, cess, duties, freight and other associated charges during the submission and recent bill of secondary fuel oil furnished with the petition. This has been stated by HEL that the extent of increase in fuel price over the seventh control period cannot be accurately projected at present and can only be accounted for on actual basis, and as such, no increase in coal price has been projected. HEL submitted that as per Fuel supply Agreement (FSA), in line with the New Coal Distribution policy, MCL will supply at least 75% of the Annual Contracted Quantity (ACQ) in the seventh control period. The Commission has noted that the Annual Contracted Quantity in FSA is 25.722 lakh tonnes but the projected coal supply through FSA are 23.770 lakh tonnes for all the years of the seventh control period which is 92.41% of the ACQ. The petitioner has stated that the impact of higher charges for assured supply through ACQ will be submitted during APR petition for respective years. The projected overall consumption of coal including effect of transit loss for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 are 32.281 lakh tonnes, 32.463 and 32.652 lakh tonnes. To fulfill the requirement of additional coal HEL has proposed to source coal through e-auction mechanism of CIL and foreign sources through import. This is found that HEL has envisaged sourcing 74.23%, 73.81% and 73.39% of the required coal from MCL linkage for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively whereas 1.7% from import and



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rest from e-auction for the mentioned years and rest from e-auction. The prices of indigenous coal and railways freight have been considered by HEL based on the latest price notified by the respective authorities for the seventh control period. HEL considered the average price of coal as per the latest notified price of Coal India Limited w.e.f 8th January 2018 for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 for indigenous coal. Regarding e-auction coal, HEL has stated that being an auction route, demand driven price sensitivity poses a significant risk, over and above the premium payable as reserve price for e-auction coal from domestic collieries. This has been stated by HEL that in absence of certainty of availability of e-auction coal and achieve proper heat value to maintain generation, it becomes imperative for HEL to import low ash content coal for blending with high ash content FSA coal. HEL has also sited economic feasibility of procuring imported coal due to close proximity with port area.

- 3.3.4 The Commission, after careful consideration of the submission of HEL found that the projected landed coal cost is on higher side and asked HEL vide letter dated 17.06.2022 to furnish details coal received at actuals during 2020 – 21 and 2021 – 22. HEL has submitted the data on 28.06.2022 vide letter dated 24.06.2022. The landed coal procurement cost (cost of coal company + Transportation + Sampling & Handling) for the years 2020 – 21 and 2021 – 22 projected in tariff petition dated 01.09.2020 and vis-à-vis submission dated 24.06.2022 are as follows:

(Rs/MT)

Sl. No.	Particulars of weighted average costs	Projected in Tariff petition		Actual as per submission dt 24.06.22	
		20 – 21	21 – 22	20 – 21	21 – 22
1	Cost charged by coal company	2003.45	2012.61	1759.64	1768.26
2	Cost of Rail transport	1449.34	1447.90	1451.84	1452.72
3	Cost of Road transport	96.79	97.51	32.88	32.70
4	Total Transportation (2 + 3)	1546.13	1545.41	1484.72	1485.42
5	Cost of Handling	84.90	85.26	48.88	52.07
	TOTAL	3634.49	3643.28	3293.23	3305.75



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HEL has furnished the relevant documents like (i) coal price notifications of CIL including Notification dated 27.11.2020 w.e.f 01.12.2020 which was not issued during petition, (ii) Surface Transport Charge (STC) circulars of subsidiaries of CIL (iii) the Mineral Bearing Lands (COVID19 pandemic) Cess Ordinance of Jharkhand Govt (iii) etc. The coal procurement cost at actual as per communication dated 24.06.2022 for the years 2020 – 21 and 2021 – 22 are found less than projected during MYT petition.

3.3.5 The Commission has determined average price of coal charged by coal company for the years 2020 – 21 and 2021 – 22 considering actual coal-mix of different grades of coal and source wise amount charged by coal company submitted by HEL vide letter dated 24.06.2022 after comparing the coal price with the CIL notifications. However, this should not be construed by HEL as approval of coal cost charged by coal company for the years 2020 – 21 and 2021 – 22 which will be reviewed during FCA for respective years. There was no import coal at actuals for the years 2020 – 21 and 2021 – 22.

3.3.6 Coal Transportation cost and Handling, Sampling and such similar charges

Weighted average coal transportation cost and weighted average 'Handling, sampling and such other similar charges' are found as follows from submission dated 24.06.2022 for 2020 – 21 and 2021 – 22 and from Form-D for the year 2022 – 2023.

(Rs/MT)

Source	2020 – 21	2021 – 22	2022 – 23
	(Actual)	(Actual)	(Projected)
Coal transportation cost	1484.72	1485.42	1355.02
'Handling, sampling and such other similar charges'	48.88	52.07	85.61
Total of above	1533.60	1537.49	1440.63

This is mentioned in the petition that the actual weighted average coal transportation cost for the year 2019 – 2020 was Rs 1494.30 /MT including Rs



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72.4 /MT for Handling.

It is submitted in the tariff petition that transportation of coal by rail has been considered based on the circular issued by Railway Board, Ministry of Railways, Govt. of India. Railway freight was revised vide Rates Circular No. 01 of 2018 dated 09 January 2018 which has been further revised vide Rates Circular No. 19 of 2018 dated 31 October 2018. It has been further stated in the petition that the Ministry of Railways vide notification no. TCR/1078/2017/19 dated 30 June 2017 imposed 5% GST rates on “transportation of goods by Rail”. The Commission admits rail transportation cost for 2020 – 21 and 2021 – 22 at Rs 1451.84/MT and Rs 1452.72/MT respectively as claimed by HEL in submission dated 24.06.2022 after comparing with the relevant freight notifications. The Commission also admits Handling, sampling and such other similar charges at Rs 48.88 per MT and Rs 52.07 per MT for 2020 – 21 and 2021 – 22 respectively. However, this should not be construed by HEL as approval of rail transportation cost and handling charges for the years 2020 – 21 and 2021 – 22 which will be reviewed during FCA for respective years.

- 3.3.7 Percentage of transportation cost by road of the total transportation cost for e-auction and FSA coal for different years of seventh control period are as follows:

Percentage of Road Transportation cost of total transportation cost			
Source	2020 – 21	2021 – 22	2022 – 23
	(Actual)	(Actual)	(Projected)
FSA Coal	1.49%	1.34%	3.73%
e-Auction coal	14.07%	20.44%	19.3%
Overall	2.21%	2.20%	7.27%

HEL has stated that coal under e-auction route, being generally supplied from mines located far away from the station, often entails issues of logistics and necessitates higher transportation costs due to transit comprising both railways and roadways routes. HEL has not projected any demurrage charge for coal transportation during the control period.



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In the tariff order for the year sixth control period, the Commission has already expressed its concern over the road transportation of coal on the ground of economic issues and road transportation cost for only linkage coal upto 5% of Annual Contracted Quantity (ACQ) as per provision in Fuel Supply Agreement (FSA) was allowed with a direction to HEL to minimize it. The Commission has noted from the submission dated 24.06.2022 that the quantity of coal transported in RCR mode for linkage coal at actual for 2020 – 21 and 2021 – 22 is within the 5% limit of FSA. However, the Commission has restricted the rate of road transport (in Rs/MT/km) upto the Surface Transport Charge (STC) of respective coal company in the tariff determination stage for both linkage and auction coal in RCR mode for the years 2020 – 21 and 2021 – 22.

3.3.8 The Commission will consider road bills of both linkage and auction coal during FPPCA on actual basis subject to submission of following documents:

- i. Distance from coal mines to nearest siding with details
- ii. Weighted average of above distance if there are more than one for a particular source with computation
- iii. Bidding documents to select successful service provider(s) for this job
- iv. Newspaper publication intimating above bidding
- v. Work Order to the successful service provider
- vi. Any other documents felt required from the points of view of transparency and reasonability along with necessary backup data and information.

HEL is directed to take up with the concerned coal supplier on amendment of FSA to accommodate entire linkage coal by rail route and they shall invariably take prior concurrence of Procurer CESC Limited before participating in any road or RCR based e-auction. Cost involved in any such concurred road transport will be



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determined through a public and transparent system duly keeping in mind the schedule of rates operated in the area by the supplying Coal CPSU.

- 3.3.9 The claim in submission dated 24.06.2022 vis-à-vis admitted cost of coal-procurement comprising amount charge by the coal company, Handling & Sampling etc and transportation cost for the years 2020 – 21 and 2021 – 22 are shown below:

(Rs/MT)

Claim in submission dated 24.06.2022		Admitted	
2020 – 21	2021 – 22	2020 – 21	2021 – 22
3293.23	3305.75	3289.16	3280.54

For the cost of coal procurement for the year 2022 – 23, the Commission has considered 3.99% annual escalation rate of domestic coal, as per CERC notification dated 18.04.2022, over admitted coal procurement cost of 2021 – 22 at Rs 3411.43 per MT ($3280.54 + 3280.54 \times 3.99\%$).

- 3.3.10 The Commission has adopted the procedure for calculation of the fuel cost in accordance with the Tariff Regulations and normative parameters applicable to HEL determined by the Commission in the order dated 20.01.2016.
- 3.3.11 Accordingly, the Weighted Average Price of coal considered for the generating station of HEL for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 of the seventh control period are summarized below with detail calculation in Annexure-3B:

(Rs/MT)

Weighted Average Price of coal					
Projected by HEL			Admitted by WBERC		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
3622.50	3642.10	3651.30	3289.16	3280.54	3411.43

- 3.3.12 The average price of oil has been estimated by HEL on the basis of a recent bill



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furnished with the petition at the time of submission of petition for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 which are admitted by the Commission as follows:

Particulars	Unit	Projected by HEL			Admitted by WBERC		
		20-21	21-22	22-23	20-21	21-22	22-23
Average Price of Oil	Rs/KL	42194.0	42194.0	42194.0	42194.0	42194.0	42194.0

3.3.13 HEL has stated that the fuel price and cost of generation in the present petition is estimated based on Third Tariff Amendment Regulations. GCV for computation of energy charges after deducting 120 kCal/Kg from 'as received GCV' value of coal in terms of regulation 5.8.4 of the Tariff Regulations are claimed at 2999.00 kCal/Kg and 2944.00 kCal/Kg for the years 2020 – 2021, 2021 – 2022 and projected at 3099.6 kCal/Kg for the year 2022 – 23.

In terms of regulation 5.8.4(1) of the Tariff Regulations, the GCV for computation of energy charge shall be done considering weighted average 'GCV of coal as received' in kCal/kg for coalbased station less 120 kCal/Kg on account of variation during storage at generation station. This is derived that prior to deducting the allowed 120 kCal/Kg the difference between projected "as billed" and projected "as received" heat values are in the range of 101 kCal/Kg to 817 kCal/Kg and derived 'as received GCV' considered by HEL is much lower than the minimum notified value of respective coal grade. HEL has stated in the tariff petition that in absence of adequate independent review by authorities on coal grade declaration for mines by CIL, there might be significant difference between "as billed" and "as received" heat values arising out of various factors but not limited only to moisture correction. The Commission finds it reasonable to limit the 'as received GCV' value at least to the minimum notified GCV for the respective grade. The weighted average 'as received GCV' of coal so determined is reduced by 120 kCal/Kg to arrive



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at GCV for computation of energy charge. **HEL is directed to arrange for measuring GCV of coal through third party sampling in terms of fourth provisio of regulation 5.8.2 of the Tariff Regulations and also submit a report along with the APR petition of respective years.**

The Commission has determined average heat value of coal, based on allocation of different grades of coal submitted by HEL on 24.06.2022 for 2020 – 21 and 2021 – 22, Tariff Regulation 1.2.1(lxa), 5.8.4(1), para 3.1.4 (i) and above para. For the year 2022 – 23, average heat value of coal is considered same as 2021 – 22. Heat Values of coal and oil admitted by the Commission are summarized below with detail calculation in Annexure-3A:

Kcal/Kg

Average GCV of coal for computation of energy charges					
Projected by HEL			Admitted by WBERC		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
3086.60	3093.60	3099.60	3578.69	3562.64	3562.64

The average heat value of oil is admitted as projected by HEL as follows:

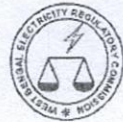
Kcal/lit

Weighted heat value of oil					
Projected by HEL			Admitted by WBERC		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
9345.00	9345.00	9345.00	9345.00	9345.00	9345.00

The computation of average heat value and average price of coal are shown in Annexure 3A and 3B respectively.

3.3.14 On the basis of above average price of coal and average price of oil and as per above heat value of fuel and normative parameters as approved by the Commission, the allowable fuel costs are shown by detailed computations in the tables at Annexure - 3C as enclosed to this chapter.

The admitted fuel cost and average energy charge for the generating station of
West Bengal Electricity Regulatory Commission



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

HEL for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 is given hereunder:

Particulars	Unit	2020-21	2021-22	2022-23
Ex-bus generation	MU	3851.03	3881.42	3911.73
Total Cost of Fuel	Rs. (lakh)	93364.07	94273.78	98728.21
Ex-Bus Energy Charge	(Paise/ kWh)	242.44	242.88	252.39



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-3A

Average GCV of coal for computation of energy charges for the year 2020 - 2021

Source & transport mode	Grade	Coal Mix (%)	GCV as received	Min GCV of the Grade (kcal/kg)	Admitted GCV as received (kcal/kg)	Admitted GCV Less 120 (kcal/kg)	Heat Value x Mix (kcal/kg)
(1)	(2)	(3)	(4)	(5)	6=Min of 4 and 5	(7) = (6) – 120	(8)=(3) x (7)
Linkage - MCL Rail	G12	69.980%	3105	3700	3700	3580	2505.28
Linkage - MCL Rail	G13	2.750%	2873	3400	3400	3280	90.2
Linkage - MCL Rail	G14	7.860%	2597	3100	3100	2980	234.23
Linkage CCL Rail	G6	0.020%	4886	5500	5500	5380	1.08
Linkage CCL Rail	G7	0.070%	4582	5200	5200	5080	3.56
Linkage CCL Rail	G8	0.810%	4288	4900	4900	4780	38.72
Linkage CCL Rail	G9	1.390%	3999	4600	4600	4480	62.27
Linkage CCL Rail	G10	3.360%	3802	4300	4300	4180	140.45
Linkage CCL Rail	G11	3.320%	3438	4000	4000	3880	128.82
Linkage CCL Rail	G12	0.490%	3063	3700	3700	3580	17.54
Linkage CCL Rail	G13	0.280%	2868	3400	3400	3280	9.18
Linkage - MCL RCR	G13	0.140%	2813	3400	3400	3280	4.59
Linkage - MCL RCR	G15	2.119%	2323	2800	2800	2680	56.8
Auction - MCL Rail	G12	0.800%	3073	3700	3700	3580	28.64
Auction -CCL Rail	G11	4.970%	3440	4000	4000	3880	192.84
Auction -ECL Rail	G4	0.390%	5443	6100	6100	5980	23.32
Auction - MCL RCR	G12	0.540%	3105	3700	3700	3580	19.33
Auction - MCL RCR	G14	0.730%	2589	3100	3100	2980	21.75
Auction -BCCL RCR	WIV	0.002%	4349	4450	4450	4330	0.09
	Total						3578.69



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-3A

Average GCV of coal for computation of energy charges for the year 2021 - 2022

Source & transport mode	Grade	Coal Mix (%)	GCV as received	Min GCV of the Grade (kcal/kg)	Admitted GCV as received (kcal/kg)	Admitted GCV Less 120 (kcal/kg)	Heat Value x Mix (kcal/kg)
(1)	(2)	(3)	(4)	(5)	6=Min of 4 and 5	(7) = (6) – 120	(8)=(3) x (7)
Linkage - MCL Rail	G12	63.398%	3072	3700	3700	3580	2269.66
Linkage - MCL Rail	G13	14.610%	2793	3400	3400	3280	479.22
Linkage - MCL Rail	G14	9.732%	2545	3100	3100	2980	290.03
Linkage CCL Rail	G7	0.026%	4395	5200	5200	5080	1.30
Linkage CCL Rail	G8	0.294%	4243	4900	4900	4780	14.04
Linkage CCL Rail	G9	2.157%	3913	4600	4600	4480	96.65
Linkage CCL Rail	G10	0.057%	3674	4300	4300	4180	2.38
Linkage CCL Rail	G11	1.043%	3330	4000	4000	3880	40.45
Linkage CCL Rail	G12	0.066%	2986	3700	3700	3580	2.35
Linkage CCL Rail	G13	0.054%	2762	3400	3400	3280	1.77
Linkage CCL RCR	G9	2.688%	3925	4600	4600	4480	120.43
Linkage CCL RCR	G11	0.065%	3358	4000	4000	3880	2.54
Auction - MCL Rail	G12	0.267%	3120	3700	3700	3580	9.55
Auction -CCL Rail	G11	2.337%	3331	4000	4000	3880	90.67
Auction -ECL Rail	G7	0.267%	4213	5200	5200	5080	13.59
Auction CCL RCR	G9	0.663%	4009	4600	4600	4480	29.70
Auction CCL RCR	G10	0.528%	3608	4300	4300	4180	22.08
Auction CCL RCR	G11	0.807%	3402	4000	4000	3880	31.31
Auction ECL RCR	G8	0.940%	4083	4900	4900	4780	44.92
	Total						3562.64



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-3B

Weighted Average Cost of Coal for the year 2020 – 2021

(Rs/MT)

Source & transport mode	Grade	Coal Mix (%)	Coal Cost	Rail Transport Cost	Road Transport Cost	Handling Cost	Total Cost	Landed coal cost x Mix
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=SUM(4:7)	(9)=(3)x(8)
Linkage - MCL Rail	G12	69.980%	1706.87	1519.31	NA	31.95	3258.13	2280.04
Linkage - MCL Rail	G13	2.750%	1677.82	1529.31	NA	29.59	3236.72	89.01
Linkage - MCL Rail	G14	7.860%	1569.27	1528.32	NA	33.31	3130.90	246.09
Linkage CCL Rail	G6	0.020%	3521.32	1068.13	NA	101.30	4690.75	0.94
Linkage CCL Rail	G7	0.070%	3072.04	1098.26	NA	104.62	4274.92	2.99
Linkage CCL Rail	G8	0.810%	2528.28	1145.09	NA	103.49	3776.86	30.59
Linkage CCL Rail	G9	1.390%	2127.90	1163.54	NA	103.01	3394.45	47.18
Linkage CCL Rail	G10	3.360%	2049.37	1162.95	NA	103.57	3315.89	111.41
Linkage CCL Rail	G11	3.320%	1893.62	1147.51	NA	102.40	3143.53	104.37
Linkage CCL Rail	G12	0.490%	1795.75	1271.67	NA	105.80	3173.22	15.55
Linkage CCL Rail	G13	0.280%	1726.35	1117.85	NA	100.32	2944.52	8.24
Linkage - MCL RCR	G13	0.140%	1605.38	1082.75	897.03	194.67	3779.83	5.29
Linkage - MCL RCR	G15	2.119%	1322.98	1055.22	897.03	194.67	3469.91	73.54
Auction - MCL Rail	G12	0.800%	1959.16	1393.15	NA	24.17	3376.48	27.01
Auction -CCL Rail	G11	4.970%	2095.27	1195.21	NA	110.35	3400.82	169.02
Auction -ECL Rail	G4	0.390%	5008.31	916.56	NA	169.20	6094.07	23.77
Auction - MCL RCR	G12	0.540%	2335.63	1266.17	971.50	208.28	4781.58	25.82
Auction - MCL RCR	G14	0.730%	2140.15	1213.29	340.75	166.87	3861.05	28.19
Auction -BCCL RCR	WIV	0.002%	4193.68	969.56	231.12	115.70	5510.07	0.11
	Total							3289.16



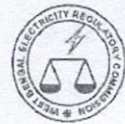
Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-3B

Weighted Average Cost of Coal for the year 2021 – 2022

(Rs/MT)

Source & transport mode	Grade	Coal Mix (%)	Coal Cost	Rail Transport Cost	Road Transport Cost	Handling Cost	Total Cost	Landed coal cost x Mix
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=SUM(4:7)	(9)=(3)x(8)
Linkage - MCL Rail	G12	63.398%	1,725.77	1,488.27	NA	32.46	3,246.50	2058.23
Linkage - MCL Rail	G13	14.610%	1,663.89	1,496.44	NA	40.88	3,201.21	467.7
Linkage - MCL Rail	G14	9.732%	1,637.51	1,488.88	NA	40.58	3,166.96	308.22
Linkage CCL Rail	G7	0.026%	3,123.94	1,122.41	NA	39.50	4,285.84	1.1
Linkage CCL Rail	G8	0.294%	2,464.36	1,181.28	NA	50.55	3,696.18	10.86
Linkage CCL Rail	G9	2.157%	2,184.43	1,181.63	NA	49.35	3,415.40	73.69
Linkage CCL Rail	G10	0.057%	1,982.33	1,159.76	NA	23.39	3,165.48	1.8
Linkage CCL Rail	G11	1.043%	1,942.66	1,169.74	NA	52.86	3,165.26	33
Linkage CCL Rail	G12	0.066%	1,826.04	1,120.10	NA	54.27	3,000.40	1.97
Linkage CCL Rail	G13	0.054%	1,745.95	1,122.41	NA	51.50	2,919.86	1.58
Linkage CCL RCR	G9	2.688%	2,072.04	1,200.84	113.55	371.69	3,758.12	101.03
Linkage CCL RCR	G11	0.065%	1,874.44	1,390.64	90.84	182.89	3,538.81	2.32
Auction - MCL Rail	G12	0.267%	2,940.69	1,359.11	NA	11.11	4,310.91	11.51
Auction -CCL Rail	G11	2.337%	1,944.45	1,340.45	NA	58.31	3,343.20	78.13
Auction -ECL Rail	G7	0.267%	3,809.18	1,010.83	NA	30.83	4,850.84	12.98
Auction CCL RCR	G9	0.663%	2,588.35	1,042.35	83.27	199.89	3,913.86	25.95
Auction CCL RCR	G10	0.528%	2,177.99	1,330.65	128.69	185.35	3,822.67	20.19
Auction CCL RCR	G11	0.807%	2,022.07	1,123.86	295.23	221.56	3,662.72	29.55
Auction ECL RCR	G8	0.940%	2,937.25	887.30	79.10	430.24	4,333.89	40.73
	Total							3280.54



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-3C

COMPUTATION OF FUEL COST FOR 2020 – 2021, 2021 – 2022 AND 2022 – 2023

Sl. No.	ITEM	Unit	PROPOSED			ADMITTED		
			2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	Gross generation for sale to own consumers and licensee	MU	4231.90	4265.30	4298.60	4231.90	4265.30	4298.60
	Aux rate	%	9.00	9.00	9.00	9.00%	9.00%	9.00%
2	Auxiliary Consumption	MU	380.90	383.90	386.90	380.87	383.88	386.87
3	Ex-bus generation (3=1-2)	MU	3851.00	3881.50	3911.70	3851.03	3881.42	3911.73
4	Heat rate	KCAL/KWHR	2345.00	2345.00	2345.00	2345.00	2345.00	2345.00
5	Total Heat (5=1×4)	M. KCAL	9923836.30	10002237.90	10080222.40	9923805.50	10002128.50	10080217.00
6	GCV of OIL	Kcal/lit	9345.00	9345.00	9345.00	9345.00	9345.00	9345.00
7	Specific Oil Consumption	MI/kwh	1.00	1.00	1.00	1.00	1.00	1.00
8	Oil Consumption (8=1×7)	KL	4231.90	4265.30	4298.60	4231.90	4265.30	4298.60
9	Average Price of Oil	Rs/KL	42194.00	42194.00	42194.00	42194.00	42194.00	42194.00
10	Cost of oil (10=8×9 ÷100000)	Rs(lakh)	1785.60	1799.70	1813.80	1785.61	1799.70	1813.75
11	Heat generated from oil (11=6 × 8÷1000)	M Kcal	39547.20	39859.70	40170.40	39547.11	39859.23	40170.42
12	Heat from coal (12=5-11)	M Kcal	9884289.10	9962378.20	10040052.00	9884258.39	9962269.27	10040046.58
13	Heat value of coal	Kcal/Kg	3086.60	3093.60	3099.60	3578.69	3562.64	3562.64
14	Coal required (14=12×1000÷13)	MT	3202323.80	3220347.80	3239127.50	2761976.70	2796316.57	2818147.94
15	Coal required with Transit loss@0.80%	MT	3228148.90	3246318.30	3265249.50	2784250.71	2818867.51	2840874.94
16	Weighted Average Price of coal	Rs/MT	3622.50	3642.10	3651.30	3289.16	3280.54	3411.43
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	116938.80	118232.70	119223.40	91578.46	92474.08	96914.46
18	Total Cost of Fuel (18=10+17)	Rs. (lakh)	118724.40	120032.50	121037.10	93364.07	94273.78	98728.21
19	Ex-Bus Energy Charge (18 / 3)	(Paise/kWh)	308.29	309.24	309.42	242.44	242.88	252.39



CHAPTER - 4 FIXED COST

- 4.1 HEL in its tariff petition for the seventh control period dated 01.09.2020, has stated that the instant MYT petition is filed on the basis of the actual project cost submitted before the Commission on 21 February 2018.
- 4.2 The Commission has meanwhile accorded approval final project cost of HEL vide order dt 20.7.2022 for Rs 383260.00 lakh. However, in para 25.0 of the order the Commission has stated that the Hard Cost approved by the Commission includes Additional Capitalization of Rs 229.7 Crore post COD of the Project as evident from the letter dt 17.6.2022 of HEL submitted in course of finalization of the project cost for HEL Generation project of 2*300 MW and the additional capitalization post COD considered as part of Capital Cost shall not be construed as final approval by the Commission.
- 4.3 The analysis of the fixed charges projected by HEL for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 under seventh control period under the Multi Year Tariff approach under different heads of accounts has been taken up in this chapter.

4.4 Employee Cost

- 4.4.1 The expenditures projected by HEL for different ensuing years towards employee cost are as under:

Rs lakh

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	Salaries & Wages	6207.80	6704.40	7240.80
2	Others	974.50	1052.40	1136.60
3	Total [1 + 2]	7182.30	7756.80	8377.40
A	Employee Cost for own employees in regular establishment	4372.20	4722.00	5099.70



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Particulars	2020-21	2021-22	2022-23
B	Employees on contract in regular establishment	2810.10	3034.90	3277.70
C	Total [(C) = (A) + (B)]	7182.30	7756.90	8377.40

The projected amounts, however, include cost of contracted employees. Inflation, enhanced activity and market driven package to retain critical talent have been considered during projection. The petitioner has submitted number of own employees and employee cost thereof at actuals for the years 2015 – 2016 to 2019 – 2020.

- 4.4.2 The Commission has carefully examined the projected amounts of expenses and it has been observed that the applicant has considered annual increase of 8.0% for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 over previous years. The year wise rate of inflation as per Consumer Price Index (CPI Index) for industrial workers for the years 2017 – 2018 to 2019 – 2020 are shown in Annexure – 4A. As employee cost is sensitive to CPI, the CPI based inflation rate for the year 2019 – 2020 is considered for own employee cost determination in seventh control period. The contractors' employee cost is dealt in separate paragraph. The Commission considers that CPI-IW (%) inflation rate for 2019 – 2020 over the per capita annual own employee cost for the base year 2019 – 2020 shall take care of the normal increase in own employee cost in 2020 – 2021 for the own employees in regular employment. In Form 1.17(h) of the instant tariff petition, own employee cost of Rs 4048.30 lakh is mentioned for 205 nos. own employees for the base year 2019 – 20, i.e Rs 19.75 lakh per employee. Thus, per capita annual own employee cost for the year 2020 – 2021 is determined Rs 21.24 lakh. Similarly, the Commission determines the per capita annual own employee cost for the years 2021 – 2022 and 2022 – 2023 considering CPI inflation rate of 2019 – 2020 at Rs 22.84 lakh and 24.56 lakh respectively. The estimated employee cost for the respective years are derived by considering the projected employee number of 205 as follows:



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

(Rs lakh)

Sl. No.	Particulars	Projected by HEL			Estimated by WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Own employee cost per employee (Rs lakh)	21.33	23.03	24.88	21.24	22.84	24.56
2	Number of own employees (nos)	205	205	205	205	205	205
3	Own employee cost (1 x 2)	4372.20	4722.00	5099.70	4354.00	4682.00	5035.00

4.4.3 The Commission admits own employee cost as estimated or projected by the petitioner whichever is lower as follows:

(Rs lakh)

Particulars	Projected by HEL			Admitted by WBERC		
	20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
Own employee cost	4372.20	4722.00	5099.70	4354.00	4682.00	5035.00

4.4.4 It has been stated that contractors' employee cost has been submitted on the basis of normative Man/MW ceiling in terms of the order dated 20.01.2016 in case no OA-121/11-12 while projecting employee cost for the concerned years. In Form 1.17(h) of the instant tariff petition, Rs 2601.90 lakh is mentioned as cost of employees on Contract in Regular Establishment for 563 nos. such employees, for the base year 2019 – 20, i.e Rs 4.62 lakh per employee on contract. Thus, per capita annual cost of employees on Contract for the year 2020 – 2021 is determined Rs 4.97 lakh. Similarly, the Commission determines the per capita annual cost of employees on Contract for the years 2021 – 2022 and 2022 – 2023 considering CPI inflation rate of 2019 – 2020 at Rs 5.34 lakh and 5.75 lakh respectively. The cost of employees on Contract for the respective years are admitted by considering the projected number of 563 of employees on



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Contract as follows:

Sl. No.	Particulars	Projected by HEL			Admitted by WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Contractual employee cost per employee (Rs lakh)	4.99	5.39	5.82	4.97	5.34	5.75
2	Number of employees on Contract (nos.)	563	563	563	563	563	563
3	Cost of employees on Contract (1 x 2)	2810.1	3034.9	3277.7	2798.00	3009.00	3236.00

4.5 Coal and Ash handling expense

4.5.1 HEL has claimed Rs. 615.30 lakh, Rs. 664.60 lakh and Rs. 717.70 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 towards coal and ash handling expenses. It has been stated that, HEL is required to incur certain expenses relating to transportation handling and in house sampling of coal which are estimated on the basis of indicative costs received and some expenses are related to the volume of coal handled and dealt with accordingly.

4.5.2 The amount of expenditure under this head of account is related to the scale of operation. The Commission has, however, considered operation at the normative level of PLF. In this regard the Commission has taken the following considerations.

- Since there is variation in actual generation compared to generation at normative level during 2019 – 2020, the Commission decides to bring the admitted expenditure for 2019 – 2020 mentioned in respective tariff order at normative generation level.
- Since the item of cost is predominantly sensitive to inflation index of CPI, the Commission decides to consider CPI rate of related period.



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Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

The item of cost has been viewed considering the amount claimed by HEL and present inflation as per Consumer Price Index (CPI) published in the website of the Labour Bureau, Government of India for the period 2017 – 2018 to 2019 – 2020, as shown in Annexure – 4A. The Commission considers a hike in coal and ash handling cost @ CPI-IW % for the year 2019 – 2020 over the admitted expenditure of 2019 – 2020 in respective tariff order of the Commission at normative level of generation. The Commission considers CPI inflation of the year 2019 – 2020 to arrive at the allowable expenditure for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023. On the basis of such considerations, the cost proposed by HEL is thus revised and admitted and allocated cost of such coal and ash handling expenses is shown in the following table. Expenditure for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 as derived based on the above methodology and admitted is based on the normative generation of the respective generating stations which will be viewed on the basis of actual generation during truing up in APR for 2020 – 2021, 2021 – 2022 and 2022 – 2023. Also, the figures mentioned or derived for 2019 – 2020 for estimating the admissible expenditure for sixth control period are subject to truing up for respective years.

Normative generation in 2019 – 2020	Actual generation in 2019 – 2020	Admitted expenditure for 2019 – 2020 in tariff order	Admitted expenditure at normative generation level in 2019 – 2020	Expenditure during 2020-21 with escalation of CPI over 2019-20	Expenditure during 2021-22 with escalation of CPI over 2020-21	Expenditure during 2022-23 with escalation of CPI over 2021-22
(MU)	(MU)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)
4216.32	4430.1	901.4	857.9	922.59	992.15	1066.96



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Thus, the projected amount being less than the amount estimated by the Commission, is admitted as follows:

Rs lakh

Coal and Ash Handling Charges					
Projected by HEL			Admitted by the Commission		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
615.30	664.60	717.70	615.3	664.6	717.7

4.6 Water Charges

4.6.1 HEL has stated that water charges has been considered on the basis of latest incurred applicable charges of 2018-19 on estimated water consumption for projected generation and charges for water consumption for ensuing years are escalated by 8% p.a. on annualised costs. This is noted from the submission in Form 1.12 that HEL has not incurred any expenditure on water charges. The expenditure towards water charges is related to the quantum of water to be used in the generating stations and rate of charges to be paid for use of water. The Commission decides to allow water charges based on the following considerations:

- Since there is variation in actual generation compared to generation at normative level during 2019 – 2020, the Commission decides to bring the admitted expenditure of 2019 – 2020 of respective tariff order at normative generation level.
- Since the item of cost is predominantly sensitive to inflation index of WPI, the Commission decides to consider WPI inflation rate of related period

The item of cost has been viewed considering the amount claimed by HEL and present inflation as per Wholesale Price Index (WPI) index published in the website of the Economic Advisor, Government of India for the period April, 2018



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

to March, 2020 as shown in Annexure – 4A to this order. The Commission considers a hike in water charges @ 1.67% average inflation rate in percentage as per WPI over the admitted expenditure of 2019 – 2020 at normative level of generation and then considers an increase at the same level of 1.67% to arrive at the allowable expenditure for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023. On the basis of such considerations, the cost proposed by HEL is thus revised and admitted and allocated cost of such water charges is shown in the following table. The expenditure claimed by HEL Limited under this head is based on their projected generation for the respective generating stations. Expenditure for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 as derived based on the above methodology and admitted is based on the normative generation of the respective generating stations which will be viewed on the basis of actual generation during truing up in APR for 2020 – 2021, 2021 – 2022 and 2022 – 2023. Also, the figures mentioned or derived for 2019 – 2020 for estimating the admissible expenditure for seventh control period are subject to truing up for respective years.

Normative generation in 2019 – 2020	Actual generation in 2019 – 2020	Admitted expenditure for 2019 – 2020 in tariff order	Admitted expenditure at normative generation level in 2019 – 2020	Expenditure during 2020-21 with escalation of WPI over 2019-20	Expenditure during 2021-22 with escalation of WPI over 2020-21	Expenditure during 2022-23 with escalation of WPI over 2021-22
(MU)	(MU)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)
4216.32	4430.1	50.54	48.1	48.9	49.72	50.55



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Thus, the Commission admits Water Charges as follows:

Rs lakh

Water Charges					
Projected by HEL			Admitted by the Commission		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
69.40	75.00	81.00	48.9	49.72	50.55

4.7 Operation and Maintenance Expenses (O&M)

HEL has projected O&M expenses considering enhanced activities and inflationary pressure. It has been stated by HEL that for the year 2019 – 2020, relevant figures of O&M expense have been furnished in terms of the Audited Annual Accounts as applicable and the escalation for O&M expenses for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023@ 6% has been generally based on escalation rate considered in the Order of the Commission dated 20 January 2016 in Case No. OA -121/11-12. O&M Expenses projected for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 are as follows:

(Rs lakh)

O&M expenses projected by HEL			
Sl. No	Description	2018-19	2019-20
1	Repair & Maintenance Expenditure	3467.5	3819.4
2	- Auditors Fees	7.7	8.4
3	- Legal Charges	44.9	49.0
4	- Others Administrative and General Expenses	1819.2	1783.0
5	Total Administrative & General Expenses (2+3+4)	1871.8	1840.4
6	Total O&M Function Expenses (1+5)	5339.3	5659.8

In terms of Regulation 2.8.6.1 of the West Bengal Electricity Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 the norms of O&M



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expenses for a Coal fired Thermal Generating stations and for the hydro generating power station which are under operation or/and under construction is to be provided in the tariff order of the 1st ensuing year of any control period applying average inflation rate of last control period on the basis of actual expenditure of the last available completed year of the last control period. After analyzing the tariff application of HEL for the seventh control period, the Commission proceeds to finalize the rate by applying average inflation rate of subsequent years giving 60:40 weightage to WPI: CPI over the norms specified for 2016-17 in Order of the Commission in the Order in Case No. OA-121/11-12 dated 20 January 2016. The weighted average inflation rate under WPI and CPI as given in Annexure – 4A with 60:40 ratio works out at 3.04%, 4.72% and 4.02% for the years 2017 – 2018, 2018 – 2019 and 2019 – 2020 respectively. In absence of any norms specified for the years 2018 – 2019 and 2019 – 2020 in Schedule 9A of the Tariff Regulations, considering the above weighted average inflation rate for the years 2017 – 2018, 2018 – 2019 and 2019 – 2020, the rate of O&M expenses in respect of the generating stations for the year 2019 – 2020 is worked out @Rs 8.88 lakh/MW in tariff order of the Commission for sixth control period. Continuing the weighted average inflation rate of 4.02% of the year 2019 – 2020 for the seventh control period, the admissible O&M expense amount of HEL for 2020 – 2021, 2021 – 2022 and 2022 – 2023 come as follows:

(Rs lakh)

Installed Capacity (MW)	Rate for 2019-20 in Tariff order (Lakh)	Rate for 2020-21 considering inflation 4.02% (Lakh)	Rate for 2021-22 considering inflation 4.02% (Lakh)	Rate for 2022-23 considering inflation 4.02% (Lakh)	Admissible Amount for 2020-21 (Rs lakh)	Admissible Amount for 2021-22 (Rs lakh)	Admissible Amount for 2022-23 (Rs lakh)



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Installed Capacity (MW)	Rate for 2019-20 in Tariff order (Lakh)	Rate for 2020-21 considering inflation 4.02% (Lakh)	Rate for 2021-22 considering inflation 4.02% (Lakh)	Rate for 2022-23 considering inflation 4.02% (Lakh)	Admissible Amount for 2020-21 (Rs lakh)	Admissible Amount for 2021-22 (Rs lakh)	Admissible Amount for 2022-23 (Rs lakh)
[1]	[2]	[3] = [2] x 1.0402	[4] = [3] x 1.0402	[5] = [4] x 1.0402	[6] = [1] x [3]	[7] = [1] x [4]	[8] = [1] x [5]
600	8.88	9.24	9.61	10.00	5544.00	5766.00	6000.00

Accordingly, the admitted figures for O&M are as follows for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 :

(Rs lakh)

O & M expenses for generation as proposed and admitted by the Commission					
As Proposed by HEL			As admitted by the Commission		
2020 – 21	2021 – 22	2022 – 23	2020 – 21	2021 – 22	2022 – 23
5999.2	6359.2	6740.8	5544.00	5766.00	6000.00

The O&M expenditure for 2020 – 2021, 2021 – 2022 and 2022 – 2023 for the generating station will be viewed applying the average inflation rate for the years under the last control period over the norms specified for 2016 – 2017 in terms of regulation 2.8.6.1 of the Tariff Regulations in the APR for 2020 – 2021, 2021 – 2022 and 2022 – 2023, if no norms for 2020 – 2021, 2021 – 2022 and 2022 – 2023 are specified in Tariff Regulations subsequently. Contractors' employee cost will be treated under admitted O&M expenditure.

4.8 Rates and Taxes



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HEL has considered payments made on account of Municipal and Panchayat taxes, land revenue, Way Leave Licence, Licence fees for rail way corridor etc. under this head. For ensuing years, the costs have been escalated @8% by HEL over actuals of 2019 – 2020. The Commission decides to consider the hybrid inflation rate (HI) as determined in the Annexure – 4A to determine the estimated cost for 2020 – 2021, 2021 – 2022 and 2022 – 2023 as follows:

(Rs lakh)

Admitted for 19-20 in Tariff Order	Admissible amount of 20-21 considering HI of FY20	Admissible amount of 21-22 considering HI of FY20	Admissible amount of 22-23 considering HI of FY20
[1]	[2] = [1] x 1.0402	[3] = [2] x 1.0402	[4] = [3] x 1.0402
61.6	64.1	66.6	69.3

The projected figures being less than the estimated, is admitted by the Commission as follows:

(Rs lakh)

Projected by HEL			Admitted		
2020 – 21	2021 – 22	2022 – 23	2020 – 21	2021 – 22	2022 – 23
50.90	55.00	59.40	50.90	55.00	59.40

4.9 Insurance

HEL has stated that Insurance premium for the period upto 2019- 20 in Form I.17 (f) are based on actual insurance premium paid by the company and figures for ensuing years have been increased @ 8% on 2019- 20 costs. This has been stated by the petitioner that while getting insurance policies and finalizing the premium therefor HEL obtains quotations from different insurance companies as envisaged in the Regulations and the premium for the year is finalized on the basis of the most competitive offer. However, for risk sharing, insurance is obtained through consortium of insurers. The Commission decides



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to consider the hybrid inflation rate (HI) of 2019 – 2020, as determined in the Annexure – 4A, for all the ensuing years over admitted insurance for the year 2019 – 2020 in tariff order of the sixth control period to determine the estimated cost for 2020 – 2021, 2021 – 2022 and 2022 – 2023 as follows:

(Rs lakh)

Admitted for 19-20 in Tariff Order	Admissible amount of 20-21 considering HI of FY20	Admissible amount of 21-22 considering HI of FY20	Admissible amount of 22-23 considering HI of FY20
[1]	[2] = [1] x 1.0402	[3] = [2] x 1.0402	[4] = [3] x 1.0402
885.6	921.2	958.2	996.7

Lower of the projected and estimated figures, is admitted by the Commission as follows:

(Rs lakh)

Projected by HEL			Admitted		
2020 – 21	2021 – 22	2022 – 23	2020 – 21	2021 – 22	2022 – 23
909.90	982.70	1061.30	909.9	958.2	996.7

The above expenditure be availed of on adherence to the conditions as prescribed in regulation 5.23.1 of the Tariff Regulations. HEL is directed to submit the details of the process adopted for selection of the Insurance Company and the items covered along with the APR application for the respective years.

4.10 Rent for Generation

In terms of Tariff Regulations, rent for generating stations requires separate disclosure. HEL has projected Rs 519.90 lakh, Rs 520.50 lakh and Rs 559.60 lakh respectively for the years 2020 – 2021, 2021 – 2022, 2022 – 2023. HEL has stated that from 2015-16 to 2019-20, payments made for lease rentals of



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premises used for the Company's operations are considered and for ensuing years the cost has been escalated @ 8% except for the Company's Corporate Office which has been escalated as per agreed terms under a long term agreement. This is found in Form 1.12 of the petition that the actual rent paid till 2017 – 2018 was nil, Rs 0.40 lakh in 2018 – 2019 and Rs 263.3 lakh in 2019 – 2020 but there is no clarification on such steep increase of rent from 0.40 lakh to Rs 263.3 lakh in 2019 – 2020. As per Note-31 of Financial Statements provided with the petition [p-149 of Vol-3] Rs 84.00 lakh and Rs 52.00 lakh were paid on account of Rent for the years 2018 – 2019 and 2019 – 2020 respectively including Rs 75.00 lakhs and Rs 13.00 lakh short term lease for respective years. In absence of detailed explanation by HEL regarding the abnormal increase in Rent, the Commission admits Rs 0.42 lakh, Rs. 0.44 lakh and Rs 0.46 lakh for the years 2020 – 2021, 2021 – 2022, 2022 – 2023 considering hybrid inflation rates over admitted amount of 0.40 lakh for the year 2019 – 2020 as follows:

(Rs lakh)

Admitted for 19-20 in Tariff Order	Admitted amount of 20-21 considering HI of FY20	Admitted amount of 21-22 considering HI of FY20	Admitted amount of 22-23 considering HI of FY20
[1]	[2] = [1] x 1.0402	[3] = [2] x 1.0402	[4] = [3] x 1.0402
0.40	0.42	0.44	0.46

However, HEL shall submit details of actual Rent paid for different years of the seventh control period in the APR of respective years for prudence check by the Commission.

4.11 Corporate Social Responsibility

HEL has projected Rs 781.10 lakh, Rs 843.50 lakh and 911.00 lakh for the years 2020 – 2021, 2021 – 2022, 2022 – 2023 under this head. The Commission views that cost projected to be incurred by HEL on account of corporate social responsibility cannot be a pass through and such cost should be appropriated out



of profit of the company and the Commission, therefore, does not admit any amount under corporate social responsibility.

4.12 Foreign Exchange Rate Variation

HEL has not projected any amount of additional liability for repayment of foreign loan during the seventh control period in the tariff petition and thus, the Commission does not consider such liability for the said period.

4.13 Bad debt, Intangible Assets written off and Lease Rental,

HEL has not projected any amount during the seventh control period in the tariff petition and thus, the Commission does not consider such liability for the said period.

4.14 Reserve for Unforeseen Exigencies and Special Allocation (appropriation to Reserve for Unforeseen Exigencies)

HEL has not projected any amount for Reserve for Unforeseen Exigencies during the seventh control period in the tariff petition in Form 1.18 (c) (i), 1.18 (c) (ii). However, in Form 1.21 of the petition, they have prayed Rs 1013.50 lakh, Rs 1021.40 lakh and Rs 1026.10 lakh for the years 2020 – 2021, 2021 – 2022, 2022 – 2023 which they will invest in permitted securities in terms of Tariff Regulations as Special Allocation appropriation to Reserve for Unforeseen Exigencies. Special Allocations appropriation to reserve for unforeseen exigencies, prayed by HEL, is @ 0.25% on the opening gross value of fixed assets of each year of the seventh control period as shown in the table given below:

(Rs lakh)



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Year	Gross value of fixed asset at the beginning of the year as per Form 1.18	Reserve @ 0.25% as per Form 1.21
2020 – 21	405399	1013.5
2021 – 22	408578	1021.4
2022 – 23	410446	1026.1

As per Regulation 5.11.1, the generating companies may provide and maintain a reserve for dealing with unforeseen exigencies up to 0.25% of the value of gross fixed assets at the beginning of the year annually to be allowed in their ARR. The Commission has not considered such prayer:

(Rs lakh)					
Projected by HEL			Admitted		
2020 – 21	2021 – 22	2022 – 23	2020 – 21	2021 – 22	2022 – 23
1013.50	1021.40	1026.10	0	0	0

4.15 Others - Statutory Charges

HEL has claimed payments made under various statutes to Government as well as Regulatory Authorities under this head amounting Rs 37.40 lakh, Rs 40.40 lakh and Rs 43.60 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023. Any such projection is not admitted at tariff determination stage. However, the Commission will consider the expenditure on the basis of audited data as per provisions in the Tariff Regulations in the APR for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively.

4.16 Income Tax

The applicant has projected the provision of Rs 8540.30 lakh, Rs 8592.50 lakh and Rs 8633.10 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 towards taxes payable under the provisions of the Income Tax Act, 1961. In terms of the Tariff Regulations, the taxes payable on the incomes from the core business of the



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applicant and other applicable taxes under the provisions of the Income Tax Act are recoverable as pass through. The Commission, therefore, allows the provision for payment of income tax considering the rate 17.47% of 2019 – 2020 for all the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 on admitted Return on Equity as follows, subject to adjustments on the basis of tax assessment and payments made accordingly.

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	ROE Admitted (Rs lakh)	15845.96	15845.96	15845.96
2	MAT (%)	15.00%	15.00%	15.00%
3	Surcharge@12% on MAT	1.80%	1.80%	1.80%
4	Cess @4% on MAT and Surcharge	0.67%	0.67%	0.67%
5	Income Tax Rate (%) [2+3+4]	17.47%	17.47%	17.47%
6	Income Tax admitted (Rs lakh) [1 x 5]	2768.29	2768.29	2768.29

The Commission will, however, consider the expenditure on Tax on Income based on the assessment orders or income tax paid by HEL as per provisions in the Tariff Regulations in the APR for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively.

HEL is directed in terms of regulation 5.13 of the Tariff Regulations to furnish final assessment order of Income Tax Authority for each assessment year corresponding to relevant financial year or other valid documents along with Auditor's certificate in respect of income tax assessed and actual income tax paid after adjustment of credit of income tax for the relevant financial year while submitting APR application.

4.17 Permitted Incentive

HEL has not projected any amount during the seventh control period in the tariff petition and the Commission does not consider such for the said period.



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4.18 Other Financing Charges

The amounts of other finance charges projected by the applicant are as follows

(Rs lakh)

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	Guarantee Commission	61.2	66.1	71.4
2	Front-end fees	324.9	350.9	379.0
3	Bank charges	134.3	145.0	156.6
4	L/C Opening Charges	8.8	9.5	10.3
5	Total	529.2	571.5	617.3

The Commission noted that details of bank charges whether for routine cash management services or related to loan capital is not provided in the petition and as such the charges is not considered and will form part of A&G expenses under normal operation and maintenance cost. The Commission has estimated the other finance charges less Bank Charges based on CAGR from 2017 – 2018 to 2019 – 2020 as follows:

(Rs lakh)

Actuals submitted by HEL					CAGR FY18- FY20	Estimated by WBERC		
15-16	16-17	17-18	18-19	19-20		20-21	21-22	22-23
233.6	900.2	698.9	819.8	365.6	-0.2767	298.11	243.07	243.07

Thus, the Commission admits the other finance charges projected by HEL or estimated by the Commission whichever is lower as follows:

(Rs lakh)

proposed by HEL			Admitted by WBERC		
2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
529.20	571.50	617.30	298.11	243.07	243.07



4.19 Capacity Charge adjustment linked to PAF

HEL has not projected any amount during the seventh control period in the tariff petition and the Commission does not consider such for the said period.

4.20 Interest on borrowings

HEL has submitted in specified formats the computations of interest chargeable to revenue accounts for the seventh control period based on its existing as well as projected capital borrowings from different sources. The position of its outstanding borrowings at the beginning of the year, additional borrowings during the year, repayment schedule for the year, the outstanding balance at the end of the year and interest charges on capital account as per Form – C of the tariff application can be summarized as follows:

Table -1

(Rs lakh)				
Sl. No.	Borrowing Particulars	2020-21	2021-22	2022-23
1	Outstanding Balance at the beginning of the year	247848.5	236777.0	225235.5
2	Add: Drawal of loan on capital account	1616.3	1308.0	969.0
	Sub-Total (1 + 2)	249464.8	238085.0	226204.5
3	Less: Repayment of existing loan during the year	12687.8	12849.5	16446.3
4	Outstanding balance at the end of the year	236777.0	225235.50	209758.2
5	Gross interest on capital account for the year	21779.3	20803.2	19572.8
6	Less: Interest capitalized during the year	0.0	0.0	0.0
7	Net interest on capital account (5 – 6)	21779.3	20803.2	19572.8

HEL has stated that for the purpose of projection of interest cost for the ensuing years in respect of existing capital loans, interest rates have been assumed at the existing rates prevailing in 2019-20 which are subject to periodic reset and in case of any change in rates arising therefrom necessary adjustments will be made in the



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APR of the ensuing years. The rates of interest on existing and proposed rupee borrowings from different financial institutions are projected between 8.05 % and 12.15 %. It has been stated that entire loan of Generation was disbursed by September 2015 and during 2016-17, the Company has re-financed the domestic project loans with a view to optimize the borrowing costs over a longer duration with consequent benefits passed through to the consumers through tariff. There was no fresh loan drawl in 2017 – 2018 and 2018 – 2019. Rs. 86400.10 lakh has been drawn in 2019 – 2020 for which no clarification is given. However, from Form C, it is observed that Loans drawn from PNB, IIFCL, IDFC and Punjab & Sind Bank has been repaid in full with repayment amount of Rs 87964.20 lakh and Loan of Rs 86400.10 has been drawn from different banks like Bank of Baroda, Union bank and SBI at lower rates from 8.05%, 8.50% and 8.55%. HEL has stated that fresh loan drawals of Rs 1616.30 lakh, Rs 1308.0 lakh and Rs 969.0 lakh for new Capex expenditure of Rs 3178.9 lakh, Rs 1868.6 lakh and Rs 1384.6 lakh for the years 2020 – 21, 2021 – 22 and 2022 – 23 respectively have been considered assuming loan to be repayable in 10 years carrying a coupon rate linked to SBI PLR (12.15%). The Commission is of considered opinion that, HEL shall submit the CAPEX details, date of capitalization of the assets along with debt-equity details of these assets for the respective years in the 7th control period at the time of Annual Performance Review for consideration of the Commission. Accordingly, such borrowings for new capex additions are not considered at this stage. Accordingly, the interest amount is recomputed excluding the fresh drawal as below:

Table-2

Rs Lakh

Recomputed Loan details based on Form C					
SI No	Particulars	2019-20	2020-21	2021-22	2022-23
1	Opening loan	260233.90	247848.60	235160.80	222473.00
2	Effective loan repayment	12385.30	12687.80	12687.80	16153.90



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Recomputed Loan details based on Form C					
3	Fresh Drawal		0.00	0.00	0.00
4	Closing loan	247848.60	235160.80	222473.00	206319.10
6	Interest	23741.20	21681.10	20527.40	19178.30

The borrowing details as summarized from the submissions of HEL considering outstanding loan at COD and subsequent drawals till the base year of 2019-20 are furnished below:

Table-3

Rs lakhs

Sl No.	Particulars	Amount
1	Outstanding Loan on COD	260851.30
2	Add Fresh Drawal of Loan 2014-15	8659.70
3	Add Fresh Drawal of Loan 2015-16	92700.30
4	Add Fresh Drawal of Loan 2016-17-Refinancing	245442.20
5	Cumulative Loan (1+2+3+4)	607653.5
6	Less : Conversion of Buyers' Credit in 2014-15	10534.70
7	Less : Conversion of Buyers' Credit in 2015-16	47639.70
8	Less : Repayment of old loans in 2016-17-Refinancing	245442.20
9	Net Loan Drawal (5-6-7-8) as on 31.3.2017 post re-financing	304036.9
10	Add Fresh Drawal of Loan 2019-20-Refinancing	86400.10
11	Less Repayment of old loans in 2019-20-Refinancing	86400.10
12	Net Cumulative drawal as on 1.4.2020 (9+10-11)	304036.90

Commission has meanwhile accorded approval for final project cost of HEL vide order dt 20.7.2022 for Rs 383260.00 lakh. However, para 25.0 of such order states that, "the Hard Cost approved by the Commission includes Additional Capitalization of Rs 229.7 Crore post COD of the Project as evident from the letter dt 17.6.2022 of HEL submitted in course of finalization of the project cost for HEL Generation project of 2*300 MW. The additional capitalization post COD considered as part of Capital Cost shall not be construed as final approval by the



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Commission". It is observed that out of the above Rs 229.70 crs additional capex incurred during 2015-16 & 2016-17 falls within the cut-off period. Accordingly, Commission considers the Project Cost as approved vide order dt 20.7.2022 including such additional capex for the year 2015-16 & 2016-17 upto cut-off period at present for the purpose of computing admissible debt to be considered in MYT 7th control period which will be trued up based on actual data in the respective APRs of HEL. Admissible project cost considering additional capex for 2015-16 & 2016-17 upto the cut off period comes to Rs 368700.00 lakh. Commission considers Average admissible equity base for Rs 102232.00 lakh for the 7th control period as considered for the base year 2019-20 following same admissible equity base of Rs 102232.00 lakh as at actuals for the years 2014-15 to 2018-19. The admissible debt is accordingly computed below based on approved project cost as elaborated above:

Table-4

Rs lakh

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	Approved Project Cost to be considered	368700.00	368700.00	368700.00
2	Equity	102232.00	102232.00	102232.00
3	Admissible Debt = (1) - (2)	266468.00	266468.00	266468.00

The Commission, accordingly admit Interest on borrowing on admissible debt for the 7th control period as below:

Table-5

Rs lakh

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	Actual Interest recomputed in Sl. No. 6 of Table-2 above	21681.10	20527.40	19178.30
2	Actual Capital borrowing in Sl. No. 12 of Table-3 above	304036.90	304036.90	304036.90
3	Admitted Capital borrowing in Sl. No. 3 of Table-4 above	266468.00	266468.00	266468.00



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Sl. No.	Particulars	2020-21	2021-22	2022-23
4	Admissible Interest on loan (1) x (3) / (2)	19002.03	17990.89	16808.50

4.21 Interest on temporary accommodation

HEL has stated that late realization of different Tariff orders, allowance of 95% of intermediate project cost for the period 2014 – 2015 to 2016 – 2017, capacity charge of 2017 – 2018 being kept at same level of 2016 – 2017 have necessitated temporary accommodation. They have projected Rs. 6732.60 lakh, Rs 7529.60 lakh and Rs. 8625.40 lakh on account of interest on temporary accommodation for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively. The applicant has submitted computation of such interest, based on SBI PLR, in Form 1.17(a) for the period as follows:

Particulars	Projected by HEL (Rs lakh)		
	2020-21	2021-22	2022-23
Opening Balance	52683.7	58141.3	65802.4
Addition during the year	5457.6	7661.1	10376.7
Repayment during the year	0.0	0.0	0.0
Closing Balance	58141.3	65802.4	76179.1
Interest on Temporary accommodation on the average balance at SBI PLR	6732.60	7529.60	8625.40

In terms of regulation 5.6.5.4 of the Tariff Regulations, the Commission may allow, if considered necessary, interest on temporary financial accommodation taken by a generating company / licensee from any source to a reasonable extent due to unrealized arrears from the consumers /beneficiaries.

The Commission does not consider any interest on temporary accommodation at the tariff determination stage and directs HEL to submit details of drawal in the APR for 2020 – 2021, 2021 – 2022 and 2022 – 2023. The Commission will



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examine necessity of such temporary accommodation based on actuals following regulation 5.6.5.4 of the Tariff Regulations.

4.22 Depreciation

HEL has claimed depreciation based on their computations in Form B to Annexure 1 of Tariff Regulations to the following extent

(Rs lakh)

Particulars	proposed by HEL		
	2020-21	2021-22	2022-23
Generating Asset	14523.10	14672.40	14780.20

Such depreciation has been claimed on depreciable assets considering estimated fixed assets based on project cost as incurred and claimed by HEL. As also mentioned earlier, Commission has meanwhile accorded approval final project cost of HEL vide order dt 20.7.2022 for Rs 383260.00 lakh. However, para 25.0 of such order states that, "the Hard Cost approved by the Commission includes Additional Capitalization of Rs 229.7 Crore post COD of the Project as evident from the letter dt 17.6.2022 of HEL submitted in course of finalization of the project cost for HEL Generation project of 2*300 MW. The additional capitalization post COD considered as part of Capital Cost shall not be construed as final approval by the Commission". It is observed that out of the above Rs 229.70 crs additional capex incurred during 2015-16 & 2016-17 falls within the cut-off period. Accordingly, Commission considers the Project Cost as approved vide order dt 20.7.2022 including such additional capex for the year 2015-16 & 2016-17 upto cut-off period at present for the purpose of computing depreciation of MYT 7th control period which will be trued up based on actual data in the respective APRs of HEL. Thus, the Commission at present allows depreciation for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 in respect of generating station of HEL at



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Haldia as under:

(Rs lakh)

Sl. No.	Particulars	2020-21	2021-22	2022-23
1	Projected Depreciation claimed in Form B	14523.10	14672.40	14780.20
2	Projected Asset for Depreciation	408577.80	410446.40	411831.00
3	Average rate of depreciation for MYT 7th Control period as claimed	3.57%	3.57%	3.57%
4	Approved Project Cost	368700.00	368700.00	368700.00
5	Admissible Depreciation for the year= (4)*(3)	13172.83	13172.83	13172.83

The amount of actual chargeable depreciation, may vary on account of the variations in the amounts of year wise planned capitalization as well as in the dates of putting the assets into commercial operations. The Commission, therefore, stipulates that the amounts of depreciation found chargeable during truing up exercise will be considered for carrying out necessary adjustment in Annual Performance Review for the concerned year in due course after prudence check by the Commission.

4.23 Advance Against Depreciation/Interest Credit

In terms of the Tariff Regulations Depreciation is primarily used for repayment of Capital Loan. Where the amount of depreciation falls short of amount of loan repayment such shortfall is allowed as Advance Against Depreciation (AAD) limited to 1/10th of original amount of admissible loan. Similarly, when the amount of loan repayment is more than the amount of admissible an interest credit at the rate of weighted average cost of debt for the corresponding year needs to be adjusted on such excess depreciation charged. The core spirit of such treatment on the one hand is to incentivise the utility for timely debt servicing while at the same time ensuring a compensation for the consumer for the excess cash



retained by the utility. In terms of Tariff Regulations, it is required to be ensured that the depreciation admitted should not go beyond 90% of the original cost of the fixed asset and after repayment of entire loan, the balance depreciation should be spread over the balance useful life of the asset. This calls for consideration of cumulative depreciation and cumulative loan repayment to track the actual/admissible amounts for proper and justifiable consideration of AAD and interest credit applying prudence.

Based on the principles mentioned above, Commission admits the AAD for the year 2020-21 for **Rs 9298.99 lakh**. The details of computation of admissible AAD is furnished at Annexure 4B.

4.24 Return on Equity (ROE)

4.24.1 HEL has claimed return on equity at Rs. 15899.60 lakh, 15996.80 lakh and 16072.40 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively and relevant information is provided by HEL in specified forms. This has been stated by HEL that admissible equity base at the beginning of the year has been arrived at after making due adjustment for retirement of assets, capital serving cost is based on requisite capital expenditure after COD from own funds, return on equity and interest cost has been claimed on actual fund deployment for the project, Capital expenditure during the ensuing years are considered to be funded through new loans and internal accruals with a debt equity ratio of 70:30 as permitted under the Regulations.

4.24.2 Such ROE has been claimed for an average equity of Rs 102578.40 lakh, Rs 103205.00 lakh and Rs 103693.00 lakh at Form 1.20 (a). Commission considers Average admissible equity base for Rs 102232.00 lakh for the 7th control period as considered for the base year 2019-20 following same admissible equity base of Rs 102232.00 lakh as at actuals for the years 2014-15 to 2018-19. Return on equity is accordingly admitted for the 7th control period as below:



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

(Rs lakh)

Sl No	Particulars	2020-21	2021-22	2022-23
1	EQUITY	102232.00	102232.00	102232.00
2	ROE @15.5%	15845.96	15845.96	15845.96

It is to be clarified that the equity bases admitted for allowing returns as shown are computed for the prospective year and therefore, they need adjustments subsequently on the basis of actuals for the respective years in the 7th control period. Such adjustments will be carried out at the time of APR for the concerned year.

4.25 Interest on Working Capital

4.25.1 HEL has projected interest on working capital amounting Rs 1836.90 lakh, Rs 1866.70 lakh and Rs 1885.00 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 with calculations in Form 1.17(b).

4.25.2 In terms of regulation 5.6.5.1 of the Tariff Regulations, as amended, working capital requirement of HEL shall be assessed on normative basis @10% on the base amount derived from the annual fixed charges reduced by the elements viz., depreciation, return on equity etc., as determined in the ARR. In line with the observation made by this Commission in Case No SM-3/21-22, the rate of interest is considered as one-year Marginal Cost of Fund based Lending Rate (MCLR) of the State Bank of India as on 1st April of the year, preceding the year for which the tariff is proposed to be determined plus 350 basis point. Accordingly, the rate of interest comes to 12.05% (MCLR @8.55% as on 01.04.2019 plus 350 basis point).

4.25.3 The amount of admissible interest on working capital for the year 2020 – 21, 2021 – 22 and 2022 – 23 are worked on normative basis as below:



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

(Rs lakh)

Sl. No	Particulars	Admitted		
		2020-21	2021-22	2022-23
A	Gross Sale less IWC	168071.70	159135.45	162975.54
B1	Depreciation including AAD	22471.8	13172.8	13172.8
B2	Deferred Revenue Expenditure	0	0	0
B3	Return on Equity	15845.96	15845.96	15845.96
B4	Reserve for Unforeseen exigencies	0	0	0
B	Total Deductions	38317.78	29018.79	29018.79
C	Allowable Gross Sales for Working Capital (A - B)	129753.9	130116.7	133956.8
D	Allowable Working Capital @ 10% on C(=A-B)	12975.4	13011.7	13395.7
E	Interest at SBI MCLR as on 01.04.2019 plus 350 basis points (in line with Suo-moto order dt 06.04.22)	12.05%	12.05%	12.05%
F	Interest on Working Capital (E% on D)	1563.5	1567.9	1614.2

4.26 Interest Credit

Interest credit HEL has projected Rs 166.5 lakh, Rs 165.3 lakh and nil for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 as Interest Credit on Depreciation.

The Commission determines the admissible Interest Credit based on principles elaborated at para 4.23 above while dealing AAD. Admissible amounts for interest credit for 2021-22 and 2022-23 are **Rs 344.33 lakh** and **Rs 687.13 lakh** respectively.

The details of computation of admissible AAD are furnished at Annexure 4B.

4.27 Income from other Non-Tariff Sources

HEL has not projected any amount during the seventh control period in the tariff petition and thus, the Commission does not consider such for the said period.



4.28 Benefits to be passed on to the consumers

HEL has not projected any amount during the seventh control period in the tariff petition and thus, the Commission does not consider such for the said period.

4.29 One-time mitigating expense (COVID19)

Expenses incurred for maintaining Covid protocols within the plant and emergency ash disposal during total lockdown has been prayed by HEL as uncontrollable expenditure amounting Rs 100.00 lakh, Rs 50.00 lakh and nil for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively. However, the Commission does not admit any additional cost to maintain Covid protocols and such expenses at actuals will be treated under A&G expenses as per regulations.

4.30 Non-recurring O&M expense

Expenses for special jobs like special repair of Generator Transformers at the site of original equipment manufacturer (OEM) for both the units and capital overhauling of Turbo-Generator (TG) set are projected under this head. HEL has stated that off-site repair of tank top cover plate of Generator Transformers and rehabilitation thereafter, spread over the control period, will involve transportations, insurance, civil works, erection, testing, commissioning for both the units. This has been stated that major overhauling of the Turbo-Generator set, required to be done at an interval of 4-6 years of operation as per OEM recommendation, will be done in 2020-21 for one unit and the other in 2021-22. The breakup of these two expenses is projected as follows:

(Rs lakh)				
Sl. No	Description	2020 – 21	2021 – 22	2022 – 23
1	Generator Transformer Refurbishment	200.00	700.00	600.00
2	TG Capital Overhauling	500.00	500.00	0.00
3	Total (1 + 2)	700.00	1200.00	600.00



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The Commission does not admit any additional O&M expenses for Turbo-Generator overhauling of both units which will be considered under admitted O&M cost.



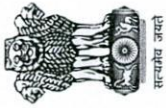
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Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE - 4A

INFLATION TRENDS			
DESCRIPTION	Financial Year		
	2017-18	2018-19	2019-20
Wholesale Price Index (WPI) in %	2.96	4.26	1.67
Consumer Price Index (CPI) in %	3.10	5.40	7.54
Hybrid Index Combined WPI & CPI (60 : 40) in %	3.04	4.72	4.02



Annexure- 4B

Admissible Advance Against Depreciation (AAD) / Interest Credit

Sl No	Particulars	2014-15 at COD	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1	Estimated/Actual Cumulative Borrowing (Respective Form C)	269511.00	362211.30	362211.30	362211.30	362211.30	362211.30	362211.30	362211.30	362211.30
2	Admissible Project Cost (Based on Final Project Cost order dt 20.7.2022 including additional capex upto 2016-17)	360285.00	365100.00	368700.00	368700.00	368700.00	368700.00	368700.00	368700.00	368700.00
3	Actual/Estimated Equity (Submissions of HEL and amount admitted in this order)	102232.00	102232.00	102232.00	102232.00	102232.00	102232.00	102232.00	102232.00	102232.00
4	Admissible Cumulative borrowing (SI 2-SI 3)	258053.00	262868.00	266468.00	266468.00	266468.00	266468.00	266468.00	266468.00	266468.00
5	Actual Loan Repayment (Respective Form C)	10534.70	53626.10	7928.80	11992.40	11909.00	10821.40	12687.80	12687.90	16153.90
6	Adjusted Loan Repayment to be considered for MYT 7th based on approved project cost = (5)/(1)*(4)	10086.83	38918.13	5832.98	8822.45	8761.09	7960.98	9334.03	9334.11	9334.11
7	Depreciation as per respective Form B	1997.9	13724.4	13902.7	14077.2	14293.3	14383.3	14523.1	14672.4	14780.2
8	Depreciable asset as considered in Form B	382722.3	390537.2	391519	401395.1	405312.5	405386.5	408565.3	410433.9	411818.5



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl No	Particulars	2014-15 at COD	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
9	Rate of depreciation = (7)/(8)	0.52%	3.51%	3.55%	3.51%	3.53%	3.55%	3.55%	3.57%	3.59%
10	Estimated Depreciation = (2)*(9)	1880.77	12830.48	13092.41	12930.56	13213.67	13296.78	13172.83	13172.83	13172.83
								As admitted in this MYT Order		
11	Cumulative Admissible Loan Repayment (considering (6) above							89716.49	99050.6	108384.71
12	Cumulative Admissible Depreciation (considering SI 10 above)							80417.50	93590.33	106763.16
13	Advance Depreciation (11)-(12) Against							9298.99		
14	Total cumulative depreciation considering cumulative AAD = { (12)+(13)} for 2020-21, {(12) of 2021-22 + (13) of 2020-21 } for 2021-22, {(12) of 2022-23+ (13) of 2022-21 } for 2022-23							89716.49	102889.32	116062.15
15	Excess of Cumulative Depreciation including AAD over cumulative loan								3838.72	7677.44



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl No	Particulars	2014-15 at COD	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	repayment (14)- (11)									
16	Weighted Average cost of Debt (from Table 2 below)								8.97%	8.95%
17	Interest Credit (15) * (16)								344.33	687.13



CHAPTER-5

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 5.1 Based on the analyses and findings recorded in the foregoing chapters we are now drawing the statements of Aggregate Revenue Requirements (ARR) separately for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 under seventh control period. Such summarized statements are given in Annexure 5A of this chapter.
- 5.2 Accordingly, the amount of revenue to be recovered through tariff, capacity charges and fixed charges for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 are worked out as under.

Rs. in Lakh

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2020 – 21		
Sl. No	Particulars	Amount
1	Fuel Cost / Power Purchase Cost	93364.07
2	Capacity Charges / Fixed Charges	76271.13
3	Net Aggregate Revenue Requirement (ARR) for 2020 – 2021 (1+2)	169635.20

(Rs in lakh)

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2021 – 22		
Sl. No	Particulars	Amount
1	Fuel Cost / Power Purchase Cost	94273.78
2	Capacity Charges / Fixed Charges	66429.57
3	Net Aggregate Revenue Requirement (ARR) for 2021 – 2022 (1+2)	160703.35



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

(Rs in lakh)

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2022 – 23		
Sl. No	Particulars	Amount
1	Fuel Cost / Power Purchase Cost	98728.21
2	Capacity Charges / Fixed Charges	65861.53
3	Net Aggregate Revenue Requirement (ARR) for 2022 – 2023 (1+2)	164589.74



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Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-5A
Average Revenue Requirement (ARR) in Rs lakh

Sl. No.	ITEM	PROPOSED BY HEL			ALLOWED BY WBERC		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	Fuel	118724.40	120032.50	121037.10	93364.07	94273.78	98728.21
2	Employee Cost for own employees	4372.20	4722.00	5099.70	4354.00	4682.00	5035.00
3	Cost of contractual manpower in regular establishment	2810.10	3034.90	3277.70	2798.00	3009.00	3236.00
4	Coal & Ash Handling related charges	615.30	664.60	717.70	615.30	664.60	717.70
5	O&M Expenses	5999.20	6359.20	6740.80	5544.00	5766.00	6000.00
6	Rent for generation	519.90	520.50	559.60	0.42	0.44	0.46
7	Rates & taxes	50.90	55.00	59.40	50.90	55.00	59.40
8	CSR	781.10	843.50	911.00	0.00	0.00	0.00
9	Insurances	909.90	982.70	1061.30	909.90	958.20	996.70
10	Financing Charges	529.20	571.50	617.30	298.11	243.07	243.07
11	Interest on capital expenditure	21779.30	20803.20	19572.80	19002.03	17990.89	16808.50
12	Interest on Temporary Accommodation	6732.60	7529.60	8625.40	0.00	0.00	0.00
13	One time mitigating expense (COVID19)	100.00	50.00	0.00	0.00	0.00	0.00
14	Interest on Working Capital	1836.90	1866.70	1885.00	1563.50	1567.90	1614.20
15	Non Recurring Expense	700.00	1200.00	600.00	0.00	0.00	0.00
16	Lease rental	0.00	0.00	0.00	0.00	0.00	0.00
17	Depreciation	14523.10	14672.40	14780.20	13172.83	13172.83	13172.83
18	Advance Depreciation	0.00	0.00	1666.20	9298.99	0.00	0.00
19	Water Charges	69.40	75.00	81.00	48.9	49.72	50.55
22	Others-Statutory Charges	37.40	40.40	43.60	0.00	0.00	0.00
23	Tax on Income & profit	8540.30	8592.50	8633.10	2768.29	2768.29	2768.29
24	Return on Equity	15899.60	15996.80	16072.40	15845.96	15845.96	15845.96
25	Permitted Incentive	0.00	0.00	0.00	0.00	0.00	0.00
26	Special Allocation (appropriation to Reserve for Unforeseen Exigencies)	1013.50	1021.40	1026.10	0.00	0.00	0.00
27	Gross Average Revenue Requirement	206544.30	209634.40	213067.40	169635.20	161047.68	165276.87
28	Less : Misc. other income	0.00	0.00		0.00	0.00	0.00
29	Less :Interest Credit on Depreciation	166.50	165.30	0.00	0.00	344.33	687.13
31	Net Aggregate Revenue Requirement	206377.80	209469.10	213067.40	169635.20	160703.35	164589.74



CHAPTER – 6

TARIFF ORDER

6.1 Based on the analyses and the decisions recorded in earlier chapters the Commission has determined the capacity charge and energy charge for 2020 – 2021, 2021 – 2022 and 2022 – 2023 in respect of generating stations of HEL as shown in chapter 5. The Commission now orders as shown in the following paragraphs.

6.2 The annual capacity charge recoverable by HEL shall be on the following basis:

- a) The annual capacity charge recoverable by HEL from CESC Limited shall be on monthly basis depending on actual availability during the month with reference to the target normative annual availability subject to the conditions as laid down in regulation 6.11.4 of the Tariff Regulations.
- b) The annual capacity charge is recoverable at the target normative annual availability as provided in following table for 2020 – 2021, 2021 – 2022 and 2022 – 2023.

2020 – 2021		2021 – 2022		2022 – 2023	
Target normative availability factor	Annual capacity charge in Rs. Lakh	Target normative availability factor	Annual capacity charge in Rs. Lakh	Target normative availability factor	Annual capacity charge in Rs. Lakh
85%	76271.13	85%	66429.57	85%	65861.53

6.3 The energy charge recoverable in 2020 – 2021, 2021 – 2022 and 2022 – 2023 against injection of energy under implemented schedule on injection shall be as follows:



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Energy Charge (Paisa/kWh)		
2020 – 2021	2021 – 2022	2022 – 2023
242.44	242.88	252.39

- 6.4 HEL shall raise the energy charge bill and capacity charge bill as per the energy accounting and availability declared by State Load Despatch Centre (in short 'SLDC') in its monthly energy accounting schedule.
- 6.5 The tariff for 2020 – 2021, 2021 – 2022 and 2022 – 2023 shall be applicable from 01.04.2020, 01.04. 2021 and 01.04.2022 respectively. The tariff admitted for 2020 – 2021, 2021 – 2022 and 2022 – 2023 includes the Monthly Fuel Cost Adjustment (MFCA), if any, realized by HEL during the respective periods.
- 6.6 Adjustments, if any, for over recovery / under recovery from CESC Limited for the period from 01.04.2020 to the month of issue of this order shall be made in the monthly bills in 10 equal instalments commencing from the month succeeding the month of issue of this order. This rate will continue till further order of the Commission.
- 6.7 HEL shall be entitled to realize MFCA after issue of this order as per provision of the Tariff Regulations.
- 6.8 Regarding annual cost recovery for evacuation / transmission system, the tariff order issued separately for HEL in respect of evacuation of power from the Haldia generating station of HEL to the delivery point at Subhasgram Substation of Power Grid Corporation of India Limited is to be followed.
- 6.9 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.9.8 and 2.9.9 of the Tariff Regulations.



Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 6.10 For merit order despatch, SLDC / ALDC shall consider the energy charge of the generating station of HEL as determined in this tariff order as per the following table prospectively. The merit order despatch as per the table below will be applicable from the date of issue of this order. However, the MFCA declared after this tariff order will be added to the energy charge for consideration of merit order despatch from the date of issue of the MFCA notification respectively.

Energy Charge (Paisa/kWh)		
2020 – 2021	2021 – 2022	2022 – 2023
242.44	242.88	252.39

- 6.11 HEL shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within 5 (five) working days from the date of receipt of this order for approval of the Commission and shall publish the approved gist in terms of aforesaid regulation within four working days from the date of receipt of the approval of the Commission.



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Tariff Order of HEL generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

CHAPTER – 7

DIRECTIONS

- 7.1 The Commission has given some direction in earlier tariff order. HEL shall comply with those directions. HEL shall also comply with the following directions.
- 7.2 All the directions called for in this chapter are in addition to what are statutorily required to be submitted, either in terms of the Act, any of the Regulations made thereunder, or both, for the purpose of submission in the Annual Performance Review of 2020 – 2021, 2021 – 2022 and 2022 – 2023.
- 7.3 HEL shall comply with all the provision of Electricity Act 2003 and rules and regulations made thereafter.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 28.07.2022

Sd/-
SECRETARY