



ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO: APR-78/19-20

IN REGARD TO PETITION SUBMITTED BY THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED FOR FRESH CONSIDERATION OF ISSUES IN THE FUEL COST ADJUSTMENT (FCA) AND ANNUAL PERFORMANCE REVIEW (APR) FOR THE FINANCIAL YEAR 2013-14 IN TERMS OF THE ORDER DATED 15.07.2019 PASSED BY THE HON'BLE APPELLATE TRIBUNAL FOR ELECTRICITY IN APPEAL NO. 348 OF 2017.

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 01.08.2022



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



CASE IN BRIEF

- 1.0 This is in regard the application submitted by The West Bengal Power Development Corporation Ltd. (in short WBPDCCL) for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for electricity in Appeal No. 348 of 2017. WBPDCCL in their appeal prayed for setting aside the order of the Commission dated 24.08.2017 and remanding the matter back to the Commission.
- 2.0 On 18th Sept. 2014 and 1st December, 2014 WBPDCCL submitted its application for FCA and APR respectively for the year 2013-14 in accordance with the provision of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation, 2011 as amended (in short 'Tariff Regulation') which were admitted by the Commission. Accordingly, on 24/08.2017 the Commission passed an order in Case No. FPPCA-73/ 14-15 and APR-45/14-15.
- 3.0 Aggrieved by the order dated 24.07.2017, WBPDCCL filed an appeal in Appeal No. 348 of 2017 before Hon'ble Tribunal on 25.09.2017. Vide that appeal WBPDCCL raised various issues against APR order which are summarized below:
 - a) Heat value of Coal;
 - b) Excess Oil consumption;
 - c) Coal and Ash handling charges;
 - d) Disallowance of Banking Charges;
 - e) Reduction in Water Charges;
 - f) Disallowance of Interest incurred in financing of unrealized arrears from beneficiary;
 - g) Disallowance of 10% Depreciation of Bakreswar Transmission Assets;
 - h) Computation error in equity base Kolaghat Generating Station for the FY 2006-07;
 - i) Non-consideration of equity infused through internal accruals for the purposes of computing closing equity base;



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



- j) Non-consideration of Notional Declared Capacity while computing Capacity Charges;
 - k) Computation error in determination of Capacity Charges;
 - l) Computation error in determination of ARR for Sagardighi and
 - m) Reduction of Plant Availability Factor for Bandel Plant
- 4.0 Hon'ble APTEL based on the submission of WBPDCCL vide its order dated 15.07.2019 held as under:

“When this application came up for consideration, Respondent’s counsel was heard and they did not oppose the application seriously. On perusal of reply of Respondent - Commission, we do find that majority of issues raised in Commission’s reply is to the effect that they may reconsider the issues raised by the Appellant in the Appeal by reviewing its order. In view of the above stand of the Respondent, we are of the opinion that the Respondent Commission must relook into the matter once again afresh and decide the same on merits after hearing the parties. Accordingly, the instant Application and the Appeal are allowed. The impugned order dated 24.08.2017 is set aside. The matter is remitted back to Respondent – West Bengal Electricity Regulatory Commission for fresh consideration on merits only in so far as issues raised in the Appeal.”

- 5.0 WBPDCCL accordingly submitted this petition for reconsideration all the issues as mentioned in their petition as follows:

5.1 **Issue no. (a): Heat value of Coal:**

WBPDCCL has submitted that Commission considered the UHV value in accordance with the provision of the regulation 5.8.15 of the Tariff Regulation which is not in accordance with the provision of the Tariff Regulation. Regulation 5.8.15 provided that where there is a conversion of heat value to UHV from GCV of coal the same shall be done as per the table provided in the Regulation. However, in case of determination of FPPCA where the actual data regarding the cost of fuel used during the particular tariff year/ period is available, regulation



5.8.15 would not be applicable. The FPPCA petition for determination of UHV of coal was based on payments made against invoices of received coal. The coal supplier raises invoices on the basis of the supplied coal against each consignment. The grade of supplied coal for each consignment is determined on the basis of GCV. Regulation 5.8.1 (i) of the Tariff Regulation requires consideration of actual UHV at the FPPCA stage as heat value of coal and there is a specific provision under the Tariff Regulation for computing the actual UHV of coal for the purpose of determination of FPPCA.

5.2 **Issue no. (b): Erroneous Disallowance of Excess Oil Consumption:**

WBPDCCL has submitted that they claimed Rs. 2340.55 lakh for 2013-14 and Rs. 1794.95 lakhs for the year 2010 to 2013 towards excess oil consumption which had been erroneously disallowed. It is also submitted that due to back down instructions received from SLDC / ALDC during FY 2013-14, WBPDCCL had to de-synchronize generating units on various occasions. Re-synchronization of unit requires substantial quantity of oil consumption. Hence the constant de-synchronization and re-synchronization which was for reasons beyond the control of WBPDCCL led to utilization of additional quantity of oil. The Commission disallowed Rs. 2340.55 lakhs for FY 13-14 in the APR order on the ground that during fixation of the norms for oil consumption, eventually of de-synchronization and re-synchronization due to low system demand has been factored in, and hence, WBPDCCL is not entitled to claim excess oil consumption. WBPDCCL has submitted that such disallowance is erroneous and misconceived and they are being penalized for circumstances that are not out of their own accord. WBPDCCL also submitted that the Tariff Regulation recognize fuel as an uncontrollable factor and hence the adoption of any norm must be in accordance with the express terms of Tariff Regulation so as to consider it to be under the extent statutory framework and therefore, the actual consumption necessarily ought to be allowed unless WBPDCCL has been imprudent in its usage. The present Tariff Regulation have no specific regulation in this regard. However, the note 3 of sub-paragraph (a) paragraph (C) of Regulation 49 of existing Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (in short 'CERC



Tariff Regulation) speak of passing of such cost through compensation on this account of underperformance / back down in pursuance to Regulation 6.3 B of the Grid Code. Hence as the present Tariff Regulations of this Commission do not provide for any provisions on this aspect as conceived under Section 61 of the Act, the CERC Tariff Regulation will have to be followed as guided by the State Government on the aspect of the tariff determination. With the above submission WBPDCCL has prayed to the Commission to allow expenses incurred by them due to excess oil consumption on actual.

5.3 Issue no. (c): Coal and Ash Handling Charge:

WBPDCCL has submitted that in the APR order an amount of Rs. 2727.29 lakh has been admitted as opposed to Rs. 4232.78 lakh as claimed by the Applicant towards coal and ash handling charges. The expenditure incurred by the Applicant has been restricted to the amount proportionate to the actual generation irrespective of actual expenses for all the generating stations except Kolaghat. It is further submitted that the reason behind increase in actual expenditure with respect to coal and ash handling charges viz. deterioration of coal quality arising out of high ash content. Due to poor quality of coal and high ash content, the Applicant incurred significant costs towards ash evacuation. The Commission must kindly take sight of this vital fact and remedy the erroneous reduction in the amount claimed by the applicant.

5.4 Issue no. (d): Disallowance of Banking Charges:

WBPDCCL has submitted that they claimed a sum of Rs. 28.05 lakh as banking charges. However, the APR Order has disallowed the same on the grounds that bank charges cannot be termed as other finance charges in accordance with Regulation 5.6.4.2 of the Tariff Regulations. Regulation 5.6.4.2 categorically provides that financing charges including the bank charges have to be allowed as pass through in the tariff, being an uncontrollable factor. A plain reading of Regulation 5.6.4.2 (iv) posits that bank charges ought to be allowed to the generating company on actuals. It is pertinent to mention that in APR Orders of the Applicant for the FY 2011-12 and FY 2012-13 dated 05.09.2013 and 21.07.2014



in case no. APR-31/12-13 and case no. APR-39/13-14 respectively, the claim of the Applicant had been allowed on actuals on the basis that the 'other finance charges' is categorized as uncontrollable in the Tariff Regulations. WBPDCCL has further submitted that the grouping of bank charges under Note-27 Finance Cost of Annual Accounts in order to claim pass through of bank charges is not envisaged under the Tariff Regulations. It is pertinent to note that Tariff Regulations allow recovery of bank charges irrespective of its grouping under the annual accounts. Therefore, even if the Applicant groups bank charges under Note-28 'other expenses' the same is liable to be allowed by the Commission for the reason that bank charges are an uncontrollable expense as per the Tariff Regulations.

It is submitted that as per Regulation 5.6.4.2, the interest and charges that need to be allowed by this Hon'ble Commission are inclusive but not exhaustive in nature, therefore, this Hon'ble Commission under the extant regulatory framework must permit all charges relating to financing, including bank charges, Thus, the Applicant submits that this Hon'ble Commission may kindly allow the amount of Rs. 28.04 lakh in accordance with the Tariff Regulations.

5.5 **Issue no. (e): Reduction in Water Charges:**

WBPDCCL claimed actual expenditure on water charges as Rs. 788.65 lakh in terms of the Tariff Regulations. However, the APR Order whilst noting that the water charges are uncontrollable under the Tariff Regulations, has allowed the expenses incurred by the Applicant towards water charges only to the tune of Rs. 679.22 lakh, thereby, erroneously deducting the legitimate claim of Rs. 788.65 lakh by Rs. 109.43 lakh. A bare perusal of the table under para 4.4.3 of the APR order actual expenses in the case of the generating station of Santaldih and Sagardighi have been admitted at actual i.e. Rs. 539.63 lakh and Rs. 6.24 lakh respectively. However, with regard to the generating stations of Kolaghat, Bakreswar and Bandel, the expenses proportionate to actual generating i.e. Rs. 22.70, Rs. 27.75 and Rs. 83.40 lakh respectively have been admitted. It is submitted that different methods of computation qua different generating stations have been chosen under the APR Order which cannot be sustained.



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It is submitted that water charges are in the nature of a statutory levy and is levied by the competent state authority. Accordingly, as per Regulation 2.5.5 (iii) all such duties, levies and cess etc. are uncontrollable factor in the hands of the generating company (Applicant) and this principle is applicable uniformly across all generating stations. Moreover, this Hon'ble Commission has admitted that water charges have been categorized as uncontrollable under the Tariff Regulations. However, the APR Order has erroneously and selectively allowed increased water charges only for Santaldih generating station and proportionally allowed water charges after applying a completely different computation method for other generating stations. A bare reading of the provisions of the Tariff Regulations make it manifestly clear that any uncontrollable component such as fuel, water etc. are pass-through charges and ought to be recovered on the basis of actuals. Hence, this Hon'ble Commission may kindly allow an amount of Rs. 788.65 lakh as opposed to Rs. 679.22 lakh.

5.6 Issue no. (f): Disallowance of Interest incurred in financing of unrealized arrears from beneficiary:

WBPEDL claimed an amount of Rs. 7993.55 lakh as pass-through towards expenses incurred (in the form of interest) on financing of unrealized arrears from its beneficiary, pending since the FY 2011-2012. However, under the APR Order, it has merely been observed that they can claim such temporary accommodation as per the Tariff Regulations in future. It is pertinent that same order was passed by this Hon'ble Commission vide APR for FY 2012-13.

It is submitted that Regulation 5.6.5.4 of the Tariff Regulation mandates that this Hon'ble Commission may allow the expenses incurred on financing of unrealized arrears in the form of interest on temporary financial accommodation taken by the generating company.

Thus, the APR Order has inadvertently not addressed the issue of excessive interest on working capital under the relevant regulations and by deferring such recovery to a subsequent period, when all details relating to the same was available to it.



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APR Order has recognized interest incurred on arrears of tariff but has not permitted recovery of the same. Hence, the Commission, may kindly consider and allow the interest incurred in financing of unrealized arrears from beneficiary so that the Applicants not burdened with the cost of financing the arrears.

WBPDCCL submits that, the Commission may allow, interest incurred to bridge the gap of arrear recovery under the head of temporary accommodation.

5.7 Issue no. (g): Disallowance of 10% Depreciation of Bakreswar Transmission Assets:

WBPDCCL claimed an amount of Rs. 18867.47 lakh for the FY 2013-14, however, the APR order has erroneously deducted 10% of the depreciation of the transmission assets of Bakreswar transmission system. A claim of Rs. 18694.93 lakh as against the claim of Rs. 18867.47 lakh has been allowed on the grounds that the Applicant has failed to furnish a detailed category wise break up of assets as directed under order dated 05.09.2013 on APR for the FY 2011-12 wherein the applicant was asked to submit details of calculation for depreciation in regard to different transmission assets along with APR application for the FY 2012-13, failing which 10% of chargeable amount of depreciation of Bakreswar transmission system was decided to be deducted. On 19.09.2014, the Applicant filed an application for review of the APR Order dated 21.07.2014 wherein Applicant submitted the asset register of Bakreswar transmission system containing the information in respect of transmission assets of Bakreswar. Hence, the requisite information had already been provided by the Applicant before filing the APR of FY 2013-14.

It is submitted that despite submission of the requisite documents, the APR Order observed that the Applicant has not provided the details as sought. On this account, 10% of the chargeable amount of the depreciation of the Bakreswar transmission assets was deducted. This Hon'ble Commission may kindly allow the depreciation as per the terms of Tariff Regulations and not deduct any amount on the pretext that the details were not provided by the Applicant.



5.8 Issue no. (h): Computation error in equity base Kolaghat Generating Station for the FY 2006-07:

WBPDCCL has submitted that under APR Order, for the purpose of computing closing equity base for year ending, the methodology of summation of opening of equity base for the year and addition to the equity during the year (closing equity base= opening equity base + addition during year) has been followed. However, whilst computing the equity base of Kolaghat generating station from FY 2006-07 onwards for determining the return on equity of the Applicant, the addition to equity during the FY 2006-07 has not been considered. Annexure -4F of the APR order provides for the computation table for the equity base of Kolaghat generating power station. It is submitted that while computing the closing equity base for the FYs 2006-07, 2007-08 and 2008-09 of Kolaghat, addition of Rs. 268.10 lakh, Rs. 1175.41 lakh and Rs. 153.20 lakh respectively has been admitted under the APR order. However, such addition to the equity base has not been taken into account while summation of opening equity base and addition during the year.

5.9 Issue no. (i): Non-consideration of equity infused through internal accruals for the purposes of computing closing equity base:

WBPDCCL has submitted that under the APR Order, the equity base has been determined at the closing of each year from FY 2006-07 onwards for the purposes of computation of return on equity. However, whilst determining such equity base at the end of each year, only the amount of equity infused through government sanction or through free reserve of each generating station has been considered under the APR order and the equity infusion by way of internal accruals of the generating company (i.e. the Applicant herein) have not been taken into consideration for the purpose of computing the closing equity base of the Applicant. Such non-consideration of equity infusion by way of internal accruals of the generating company has resulted in artificially reducing the equity base of the Applicant. As per Regulation 5.4.1 of the Tariff Regulations, the Commission is required to compute the equity capital of a generating company on the basis of the formula given in the Regulation as below:



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“Opening equity base for year X = Opening equity capital for the year X – 1 as determined by the Commission + equity component of approved capital expenditure during the year X – 1.”

The aforementioned posits that under the Tariff Regulations there is no limitation on infusion of equity only through government sanction or free-reserves of a particular station. The generating company can utilize available internal accruals to infuse equity in any of its generating stations and if such equity infusion relates to approved capital expenditure then the same has to be considered by the Commission while determining the equity base of a generating company.

Free reserves being in the nature of shareholders income can be utilized in the manner the Applicant deems fit. The free reserve can be disbursed and appropriated towards any generating station.

It is also submitted that free reserves which have been used for capitalization has been categorically considered as ‘equity capital’ under Regulation 5.4.1.

It is submitted that the Commission may allow Return on Equity on the entire equity base that is equity up to the normative level of 30% of the approved capital cost. It is further submitted that this Hon'ble Commission must admit an amount of Rs. 386961.17 lakh as opposed to Rs. 381501.02 lakh as otherwise the Applicant will suffer from a severe irreparable financial impact

5.10 Issue no. (j): Non-consideration of Notional Declared Capacity while computing Capacity Charges:

WBPDC's submission:

WBPDC has submitted that as per the terms of Regulation 6.4.3 of the Tariff Regulations, if there is a difference in declared capacity due to shortage in coal supply, the notional declared capacity of the generating station is to be considered while computing the capacity charge of the generating company. The Applicant



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accordingly submitted the notional declared capacity in terms of Regulation 6.4.3 along with a summary statement providing details of actual declared capacity after taking into consideration the existing actual shortage of coal supply and notional declared capacity considering no shortage in coal supply. The Applicant explored all possibilities of acquiring coal through e-auction/ import or, compensate such shortage of coal supply in a manner that does not increase ARR approved in the last tariff order by more than 5%. However, such notational declared capacity for the purposes of computing capacity charges in terms of Regulation 6.4.3 has not been considered under the APR order erroneously. It is further pertinent to note that the notional declared capacity was also certified by SLDC.

It is further submitted that in terms of Regulation 6.4.3 of the Tariff Regulations and the fourth proviso to the same, the Commission must allow recovery of capacity charges on the basis of notional declared capacity.

It is respectfully submitted that under the APR order, it has been admitted that capacity charges based on the notional declared capacity would be applicable in case of certification by SLDC. Further, it has also not been denied that the SLDC certificates were provided by the Applicant. Hence, this Hon'ble Commission may graciously allow capacity charges after considering the notional declared capacity.

5.11 Issue no. (k): Computation error in determination of Capacity Charges:

WBPDCCL submitted that the total amount claimed by the Applicant towards capacity charges for the FY 2013-14 qua each generating station is as under:

Sl. No.	Particulars	As per WBERC	As per WBPDCCL	As per WBERC	As per WBPDCCL		As per WBERC	As per WBPDCCL
		Kolaghat		BkTPP	BkTPP-I	BkTPP-II	Bandel	
1	Target PAF (%)	78	78	85	85	85	74	74
2	PAF achieved (%)	70.89	70.89	82.1	81.96	82.31	34.59	40.13
3	Re-determined capacity charge (Rs. Lakh)	36927.64	36927.64	76420.02	45852.01	30568.01	15013.56	15013.56
4	Less: Coal and Ash Handling charges (Rs. Lakh)	1558.76	1558.76	479.03	287.42	191.61	424.61	424.61



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5	Less: Water Charges (Rs. Lakh)	22.19	22.19	27.75	16.65	11.10	83.40	83.40
6	Capacity charge to be considered for disallowance (6 = 3-4-5) (Rs. Lakh)	35346.69	35346.69	75913.24	45547.95	30365.30	14505.55	14505.55
7	Proportionate capacity charge excluding 4 & 5 (Rs. Lakh)	32124.70	32124.70	73323.26	43917.89	29884.28	6780.36	7866.32
8	Capacity charge allowable (Rs. Lakh) (8 = 7 + 4 + 5)	33705.65	33705.65	73830.04	44221.96	30086.99	7288.38	8374.33

It is submitted that the capacity charges for all the generating stations have been determined in accordance with Regulation 6.11.4(ii) under the APR order. However, as per the provisions of the Tariff Regulations, the capacity charges for generating stations in commercial operation for less than 10 years have to be determined as per Regulation 6.11.4(i). It is further submitted that Regulation 6.11.4(ii) is only applicable for generating stations in commercial operation for 10 years or more.

Thus, applying the Tariff Regulations, the Commission may determine the capacity charges for Kolaghat and Bakreswar Stage – I and Bandel as per Regulation 6.11.4(ii), whilst for determination of capacity charges for Bakreswar Stage – II, Santaldih and Sagardighi, this Commission may kindly compute the capacity charges as per Regulation 6.11.4(i) as the said stations have been in commercial operation for less than 10 years.

5.12 Issue no. (I): Computation error in determination of ARR for Sagardighi:

WBPDCCL has submitted that under the APR order, while computing the ARR for Sagardighi, an amount aggregating to Rs. 547.70 lakh for the FY 2011-12 and 2012-13 has been considered as transmission charges paid to PGCIL. However, the table indicating the computation of ARR annexed as Annexure – 4E to the APR order depicts inclusion of transmission charges payable to PGCIL i.e. an amount of Rs. 547.70 lakh twice at serial no. 4 and 11. The erroneous computation has



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consequently resulted in an increase in ARR. The Applicant respectfully submits that in the light of this inadvertent error the ARR may kindly be revised by this Hon'ble Commission accordingly.

5.13 Issue no. (m): Reduction of Plant Availability Factor for Bandel Plant:

WBPDCCL has submitted that while determining capacity charges of each generating station, this Hon'ble Commission has to consider the PAF. In the case of the Applicant, the actual PAF as compared to the normative PAF for each generating station for the FY 2013-14 is set out below:

Sl. No.	Generating Station	Normative PAF (%)	PAF achieved (%)
1	Kolaghat	78	70.89
2	Bakreswar	85	82.10
3	Bandel	74	34.59
4	Santaldih	85	73.59
5	Sagardighi	85	69.37

Upon perusal of the above table, the basis of computation of PAF for Bandel at 34.59% is not clear. It is submitted that the APR order provides no reason for reducing the PAF of Bandel plant, which has a direct impact on the capacity charges recoverable for such plant. It is hence, humbly submitted that the Commission consider the PAF value of 40.13% as provided under Form 1.1 which formed part of the APR Petition filed by the Applicant.

It is humbly submitted that, in light of the above stated submission, the Applicant herein has approached the Commission vide the present application praying for reconsideration of the said issues in accordance with the Tariff Regulations, the established practice and the directions of the Hon'ble Appellate APTEL.

- 6.0 The Hon'ble Tribunal, in its order dated 15.07.2019, has directed the Commission to relook into the matter once again afresh and decide the same on merits after hearing WBPDCCL. Accordingly, the Commission, after receipt of the submission from WBPDCCL, decided to hear WBPDCCL and a hearing was held on 23.12.2021.



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- 6.1 During the hearing, the Ld. Counsel, on behalf of WBPDCCL made his submissions which, inter-alia, states that –
- 6.1.1 The commission assured Hon'ble APTEL to reconsider the points number 1 to 7 upon submission of sufficient documents and it was also assured that the matter relating to imported coal would be reconsidered.
- 6.1.2 The Ld. Counsel further stated that the petitioner and the petitioner's officers will submit further documents and are also ready to discuss with the officers of the commission with records and documents as may be directed by the Commission.
- 6.1.3 The Ld. Counsel preferred to focus less on the seven issues mentioned under paragraph 6.1.1 above, but put forwarded his submissions on all the thirteen issues.
- 6.1.4 Upon hearing WBPDCCL, the Commission passed an order dated 21.01.2022 directing WBPDCCL to submit written argument giving details of the issues required to be considered by the Commission in terms of the order of Hon'ble APTEL annexed with necessary supporting documents within 10 days from the date of this order and upon receipt of the same the Commission shall pass further appropriate order.
- 6.2 In view of the direction passed by the Commission in its order dated 21.01.2022, WBPDCCL submitted their written notes on argument which inter-alia states as under:
- 6.2.1 Out of total 13 issues, 3 issues viz. 1) erroneous determination of capacity charges for BkTPS, ST-II, STPS and SgTPS under regulation 6.11.4(ii) of Tariff Regulation while 6.11.4(i) is applicable; 2) double charging of transmission charge for SgTPS and 3) Computation error in equity base of KTPS for 2006-07 where errors have been admitted by the Commission has not been addressed and expects that the same will be addressed by the Commission in its order by making necessary correction. From the remaining 10 issues, six issues are disputed and four issues are kept open for review.
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6.2.2 DISPUTED ISSUES:

6.2.2.1 Heat Value of Coal:

WBPDCCL has submitted that in the APR order the Commission does not consider the process of determination of UHV as claimed by WBPDCCL and determined and admitted UHV of Coal received as per regulation 5.8.15 of the Tariff Regulations. In this regards, WBPDCCL's submission is that as per regulation 2.5.5(iii) of the Tariff Regulations fuel price for the purpose of determination of APR or FCA in respect of a generating company is an uncontrollable expense and pass-through element in tariff. Since actual data for heat value have been received conversion as per regulation 5.8.15 is not required. The regulations 5.8.1 and 5.8.15 shall be read harmoniously for conversion of GCV.

WBPDCCL has also submitted that in the APR order the Commission had held that no conversion from GCV to UHV is required for imported/ washed coal as such coal containing lesser ash content and is less than 50 mm in size and hence the GCV of coal was considered as heat value of coal for determination of fuel cost. WBPDCCL has further submitted that ash content in imported coal and washed raises significantly. Moreover the size of coal has no consequence for the purpose of determining the UHV. With this submission WBPDCCL prays to consider UHV of coal on actual basis in accordance with the Tariff Regulation.

6.2.2.2 Excess Oil Consumption:

WBPDCCL has submitted that the excess oil consumption should be allowed as the reasons for backing down were due to repeated instructions from the SLDC OR ALDC of WBSEDCL. Regulation 2.5.5(iii) of the tariff regulation recognized fuel cost as an uncontrollable factor. The actual consumption necessarily ought to be allowed unless the generating company is efficient. Since the conditions that led to excess oil consumption due to frequent backing down which is beyond the control of WBPDCCL this should be treated as consequence of force majeure.



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6.2.2.3 Coal and Ash Handling Charges:

In the APR order coal and ash handling charges were allowed proportionate to actual generation irrespective of actual expenses for generating station except for Kolaghat. It is a vital factor that the quantity of coal utilized is inextricably linked to ash content of coal and increasing expenditure to coal and ash handling charges was due to deterioration of coal quality arising out of high ash content. In this respect WBPDCCL has referred the Hon'ble APTEL's Judgement dated 26.08.2014 in the matter of DPSC Ltd. Vs WBERC wherein Hon'ble Tribunal has decided that coal and ash handling charges would depend on the quantity and quality of coal handled by the generating station.

6.2.2.4 Bank Charges:

WBPDCCL has submitted that the Tariff Regulation expressly consider banking charge as an uncontrollable expense. However, contrary to the Tariff Regulations bank charges have been erroneously regarded as a finance charge. WBPDCCL has further submitted that a plain reading of the regulation 5.6.4.2 of Tariff Regulation bank charges to be allowed to the generating company on actual.

6.2.2.5 Non-consideration of Equity infused through internal accruals for the purpose of computing Closing Equity Base:

In computing equity based at the end of each year only the amount of equity infused through Government sanction or through free reserves of each generating station has been considered in the APR order. In terms of Regulation 5.4.1 of the Tariff regulation free reserves which have been used for capitalization in the core business along with embedded generation shall be considered for the purpose of computing equity capital. Equity infusion by way of internal accruals of the generating company has not been accounted for which is contrary to the Tariff regulation considered the definition of free resource. Such non-consideration of equity infusion has resulted in artificial reduction of equity based of WBPDCCL. In view of the above, the WBPDCCL has prayed to include internal accruals for calculation of equity infusion of the applicant.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



6.2.2.6 Non-consideration of Notional Declared Capacity while computing Capacity Charges:

In terms of Regulation 6.4.3 of the Tariff Regulation capacity charge of a generating company as may be computed after considering the notional declare capacity. There is a difference in declaring capacity due to shortage in coal supply. However, in the APR order – notional declare capacity has not been considered while computing the capacity charges. In view of the same, WBPDCCL has submitted to allow recovery of capacity charges on the basis of notional declare capacity.

6.2.3 ISSUES OPEN FOR REVIEW:

6.2.3.1 Deduction of 10% Depreciation on Bakreswar Transmission System for not providing details of Transmission Assets in the APR Order:

A deduction of 10% to chargeable amount of depreciation of Bakreswar Transmission Assets has been carried out. WBPDCCL has submitted the assets register of Bakreswar Transmission System along with their application for review of APR order for 2012-13 dated 21.7.2014. The Commission admitted the same and released the amount for 2012-13 with the Review of APR order for 2012-13.

6.2.3.2 Reduction in Water Charges:

WBPDCCL has submitted that the water Cess challans for 2013-14 for BTPS & BKTPS.

6.2.3.3 Procurement of Imported Coal:

The Commission viewed that evaluated price for award of contract had not been determined as per bench mark price set by international norms and the excess price paid due to wrong evaluation of bid price can not be considered for pass through in tariff and accordingly the Commission disallowed the entire excess payment due to wrong evaluation to the extent of Rs. 5161.72 lakh. WBPDCCL has submitted that the index price of coal having GCV (ADB) of 5500 at the time of contract was 66.70 USD, whilst APR order proceeded to apply the index price as 56.30 USD for GCV (GAR) of 5000 kCal/ kg which is flawed. WBPDCCL has also



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



submitted that if such conversion is carried out by applying internationally recognized scientific formula for conversion for GAR to ADV as provided by World Coal Institute and the converted value of GCV(ADB) of 5500 kCal/kg come to GCV (GAR) of 5100 kCal/kg. if computed as per formula provided by World Coal Institute.

WBDPCL has also submitted sample copy of imported coal invoices along with import coal bill register for 2013-14. WBDPCL also craves leave to produce further invoice for verification if the Commission feels necessary to do so. With these submission WBDPCL requested to allow the fuel cost on actuals as claimed by them.

6.2.3.4 **Disallowance of Interest cost on Working Capital due to delay in Recovery of Arrears:**

By way of order dated 24.8/2017 the Commission directed WBDPCL to claim temporary accommodation as per provision of Tariff Regulation in future. WBDPCL has submitted that due to delay in recovery of such claim WBDPCL is incurring further expenses and losses. During the financial year 2011-12 WBDPCL has incurred total fuel cost of Rs.4903 crore against which Rs.3899 crore was recovered through bills raised on the consumers and there is an under-recovery of Rs.1004 crore and WBDPCL accordingly, submitted their fuel cost adjustment petition on 2nd November, 2012 for an amount of Rs.864 crore. The Commission has also allowed Rs. 422 crores to be recovered through Tariff order for 2012-13 in 48 equal instalments from April, 2013, Rs.217 crore was allowed to be recovered through Tariff order for 2014-15 in 9 instalments commencing from January, 2015. So, there is a reasonable time gap between the petitions submitted and fiscal disposal date. This causes a cash flow mismatch for which borrowing has been resorted to. For the financial year 2012-13 where cost exceeded billed revenue by Rs.1201 crore against which FCA petition was filed before the Commission on 6.6.2014 for Rs.953 crore and the same was allowed to be recovered in 38 instalments commencing from October, 2015. There is a time gap of 16 months for issuance of recovery order and that to stretch for 38 months for liquidation of this claim resulting in borrowing to breach the gap. WBDPCL has submitted that



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the Commission may grant necessary relief to them as prayed for in the APR petition.

OBSERVATIONS OF THE COMMISSION

6.2.4 After hearing the party in question and after going through the written arguments submitted by WBPDC, the Commission's observations on the issues are given below seriatim:

6.2.4.1 ADMITTED ISSUES:

6.2.4.1.1 Erroneous determination of capacity charges for BkTPS, ST-II, STPS and SgTPS under regulation 6.11.4(ii) of Tariff Regulation while 6.11.4(i) is applicable:

The Commission has revisited the issue of determination of capacity charges and found that a further sum of Rs. 8266.99 lakh is payable to WBPDC on account of Bakreswar (ST-II), Santaldih and Sagardighi Thermal Power Stations which was deducted erroneously in the APR order determined by the Commission for the year 2013 – 2014.

6.2.4.1.2 Double charging of transmission charge for SgTPS:

The Commission observes that transmission charges to the tune of Rs. 547.70 payable to Power Grid Corporation of India Limited on account of Sagardighi TPS have been inadvertently allowed twice at serial no. 4 and 11 of the Annexure – 4E of the APR order, in question. Hence, the ARR of Sagardighi is to be reduced by a sum of Rs. 547.00.

6.2.4.1.3 Computation error in equity base of KTPS for 2006-07:

It is observed that there has been a computation error in calculating the Average Equity base of Kolaghat where the amounts of admitted additions of Rs. 268.10 lakh, Rs. 1175.41 lakhs and Rs 153.20 lakhs shown at Sl. no. 10 of Annexure -4F



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



of the APR Order 2013-14 has not been considered. The same has now been included in the revised computations.

6.2.4.2 Station wise computation of all the generation stations of WBPDCCL for the years have been computed and annexed as Annexure 4F to 4P to this order. **DISPUTED ISSUES:**

6.2.4.2.1 **Issue No. 6.2.2.1: Heat Value of Coal:**

In terms of regulation 5.8.1 in FPPCA/ FCA actual UHV shall be as per audited report but it shall not be less than 'X'. In the APR and FPPCA order for 2013-14 the regulation 5.8.15 has been applied to achieve the UHV for computation of the value of 'X' as per formula specified in regulation 5.8.1. Thus, even if the actual UHV as per audited data is less than the value of 'X', the heat value is to be considered as per 'X' as per provision of the regulation 5.8.1. In the APR and FCA order of WBPDCCL for 2013-14 'X' has been considered for all the generating stations. This methodology is followed for all the utilities. Thus the Commission finds no need to review its decision in this order.

6.2.4.2.2 **Issue No. 6.2.2.2: Excess Oil Consumption:**

Normative rate of secondary fuel oil consumption is considered for computation of fuel cost. Any difference in actual consumption lies on the account of the utility. This principle is maintained for all the utilities. Commission finds no merit to review its decision on the prayer of WBPDCCL regarding excess oil consumption due to frequent backing down instruction by SLDC and ALDC of WBSEDCL.

6.2.4.2.3 **Issue No. 6.2.2.3: Coal and Ash Handling Charges:**

Computation of coal and ash handling has been done on the basis of actual generation not on the basis of quantum of coal consumed for all the generating stations of WBPDCCL. This principle has been followed for all the utilities. Thus the Commission finds no merit in reviewing its decision in this order.

6.2.4.2.4 **Issue No. 6.2.2.4: Bank Charges:**



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



The Commission after considering all aspect and provisions in the regulations decided to admit the total amount of Rs. 436.21 lakh towards other finance charges as found in the annual accounts for 2013 – 2014 against their claim of Rs 464.26 lakh under the head.

As the Bank Charges shown under Administrative Head of Expenses have not been supported with evidence/justification to form part of the charges related to Loan Capital, the Commission vide Paragraph 4.9.2 of the APR Order for 2013-14 had considered it as charges related to cost of Banking transactions and not related to Capital borrowings and disallowed the same. Commission finds no merit in reviewing the decision in this order.

6.2.4.2.5 Issue No. 6.2.2.5: Non-consideration of Equity infused through internal accruals for the purpose of computing Closing Equity Base:

Commission observes that there is a computational error in determining the closing equity base in case of Sagardighi Thermal Power Station, which needs to be rectified. Necessary rectification has been made in the computation of ROE.

6.2.4.2.6 Issue No. 6.2.2.6: Non-consideration of Notional Declared Capacity while computing Capacity Charges:

In the APR order the capacity charge has been computed considering the actual PAF achieved during 2013 – 2014 at different generating stations as per submission of WBPDCCL and also from the statement received from SLDC. WBPDCCL submitted both the actual PAF achieved considering the actual shortage of coal and notional declared capacity considering no shortage of coal. WBPDCCL has prayed to consider the notional declared capacity in computation of capacity charge in terms of regulation 6.4.3 of the Tariff Regulations. Commission considers the prayer of WBPDCCL regarding computation of capacity charge based on notional declared capacity as per provision of regulation 6.4.3 of the Tariff Regulations.

6.2.4.2.7 Issue No. 6.2.3.1: Deduction of 10% Depreciation on Bakreswar Transmission System for not providing details of Transmission Assets in the APR Order:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



The Commission in the APR Orders of 2012-13 and 2013-14 had withheld the amount of RS. 172.54 lakhs for non-submission of details of asset register pertaining to the related transmission assets. WBPDCCL in its Review Petition for 2012-13 had prayed for Review of such decision and submitted the relevant extracts of the Asset Register duly certified by the Statutory Auditors. The Commission had subsequently released the amount of Rs. 172.54 lakhs retained in the APR Order of 2012-13 through its order dated 29.08.2018 on the Review Petition of 2012-13 in Case No APR-39/13-14. WBPDCCL vide Para 5.11.2 of their APR Petition for 2013-14 had mentioned the submission of such documents in its Review Petition of 2012-13. APR order for 2013-14 was issued on 24.08.2017 prior to the issuance of order dated 29.08.2018 on the Review Petition of 2012-13.

In view of above the amount of Rs. 172.54 lakhs is considered for being released.

6.2.4.2.8 Issue No. 6.2.3.2: Reduction in Water Charges:

Since WBPDCCL has submitted the water cess challans for 2013 – 2014 for Bakreswar and Bandel Thermal Power Stations. The Water Cess paid by the WBPDCCL for BTPS & BKTPS is being allowed by the Commission based on the audited data. The APR order is amended accordingly.

6.2.4.2.9 Issue No. 6.2.3.3: Procurement of Imported Coal:

In terms of Regulation 5.8.5 of the Tariff Regulation import coal may be allowed if it is procured through a transparent manner and there is a sufficient reason for shortage of coal. WBPDCCL submitted necessary documents in their petition in this regard. Commission considers the prayer of WBPDCCL and decides to allow the cost of imported coal at actuals as claimed by WBPDCCL.

6.2.4.2.10 Issue No. 6.2.3.4: Disallowance of Interest cost on Working Capital due to delay in Recovery of Arrears:

In terms of regulation 5.6.5.1 of the Tariff Regulations working capital requirement shall be computed on normative basis. In APR interest on working capital are



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



allowed considering the interest on normative working capital requirement or the actual interest paid whichever is lower. However, WBPDCCL in their APR petition had come with their proposal for excess interest paid for non-recovery of their expenses in time under separate head in terms of regulation 5.6.5.4 of the Tariff Regulation.

Regulation 5.6.5.4 states "The Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company / licensee from any source to a reasonable extent of unrealized arrears from consumers / beneficiaries."

The Commission finds that figures in Form C varies with that of Accounts. Accordingly, in absence of clarificatory evidence with respect to the amount of loan drawn for the purpose of Temporary accommodation, the balance remaining after adjusting the Working Capital Loan from the total of Short-Term Borrowings as depicted in audited accounts i.e. Rs. 6449.24 lakhs [Rs. 77588.91 – 71139.67 lakhs] shall be considered as their loan availed for temporary accommodation. Therefore, applying the weighted average rate of their claim for temporary accommodation (8.96%) the interest on temporary accommodation works out at Rs. 577.85 lakhs and the Commission admits the same.

ORDER OF THE COMMISSION

- 7.0 In view of the observations of the Commission made hereinabove and in terms of the direction passed by the APTEL, the Commission proceeds to re-write the Chapters 3 and 4 pertaining to Fuel Cost and Fixed Cost respectively, of the APR Order dated 24.08.2017 for the year 2013 – 2014 in case no. FPPCA-73/14-15 and APR-45/ 14-15 of WBPDCCL and hereby issue an APR order for 2013 2014 afresh being case no. APR-78/19-20 after giving effect to the admissions in the subsequent paragraphs.

CHAPTER – 3 (COMPUTATIONS OF THE AMOUNT OF ALLOWABLE FUEL COST)



- 3.1 In this part of the order, the Commission takes up the determination of fuel cost allowable to WBPDCCL on the quantum of power sold by it to WBSEDCL during the financial year 2013 – 2014.
- 3.2 WBPDCCL submitted in its application that part of the consumption of oil (L.D.O) at all the generating stations except BkTPS exceeding the norm stipulated in the Tariff Regulations, 2011 was due to forced back-down on several occasions when State Load Despatch Centre (in short “SLDC”) / Area Load Despatch Centre (in short “ALDC”) of WBSEDCL asked to de-synchronize the generating units. The re-synchronization of the units could be done only on obtaining clearance from ALDC. As such, since the de-synchronization and re-synchronization involving additional quantity of oil consumption were beyond the control of the generating station, WBPDCCL prayed for allowing the recovery of an amount of Rs. 2340.55 lakh in this regard through energy charges for the year 2013 – 2014.
- 3.3 Apart from above amount of Rs. 2340.55 lakh for the year 2013 – 2014, WBPDCCL has further submitted the claim for Rs. 1794.95 lakh being the balance amount of Rs. 269.95 lakh for 2010 – 2011, Rs. 189.72 lakh for 2011 – 2012 and Rs. 1335.28 lakh for 2012 – 2013 on similar grounds and disallowed by the Commission earlier. Thus, the total aggregated amount of claim submitted in FCA for 2012 – 2013 on account of excess consumption of LDO due to forced back down etc. arrives at Rs. 4135.50 lakh (Rs. 2340.55 lakh + Rs. 1794.95 lakh).
- 3.4 The Commission has given considered view to the plea of WBPDCCL placed to it from time to time in this regard but is unable to admit the same on the grounds as highlighted in the FCA orders for the years 2010 – 2011, 2011 – 2012 and 2012 – 2013.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



- 3.5 The Commission has noted the submissions, as made by WBPDC. The issues raised by WBPDC will be examined and viewed in the subsequent part of this order. Upon submission of FCA by WBPDC for the year 2013 – 2014 the Commission proceeds to determine the amounts of admissible fuel costs for the generating stations at Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi.
- 3.6 The Fuel and Power Purchase Cost Adjustments (in short “FPPCA”) during the referred adjustment period, i.e., financial year 2013 – 2014, are to be ascertained in terms of the following formula as enunciated by the Commission and incorporated in Part – B in Schedule – 7A to the Tariff Regulations.

$$\text{“FPPCA (In Rs.)} = \{FC + (PPC - C_D) + (\pm A)\} - (fc + ppc)$$

Where –

- i) The adjustment period for fuel and power purchase cost will normally be on annual basis, if not otherwise decided by the Commission.
- ii) FC (Rs): Fuel Cost of own generation as per normative parameters fixed by the Commission or on actual basis in absence of any norm and UHV range as may be allowed under regulation 5.8 commensurate with actual level of energy sales by the generating company to the licensee during the adjustment period.
- iii) PPC (Rs): Total cost incurred including the cost for fuel for power purchase from different sources commensurate with actual level of pumped energy required by pumped storage hydro-generating station only.
- iv) C_D (Rs): Cost disallowed by the Commission as having been incurred in breach of its economic generation, or of order / direction



of the Commission, if any, or for any other reason considered sufficient by the Commission during the adjustment period and adjusted corresponding to actual level of sales to the licensee.

- v) A (Rs): Adjustment, if any, to be made in the current period to account for any claim due to excess / shortfall in fuel cost in the past adjustment period based on directions / orders of the Commission. (+A) shall be considered as the amount to be recovered from consumer and purchaser of electricity under the purview of the Commission when the generating company has already incurred that expenses. (-A) shall be considered as the amount to be refunded to the purchaser of electricity under the purview of the Commission because such amount of less expenses has been incurred by the generating company against any prior period adjustment.
- vi) fc (Rs.): Fuel cost of own generation for sale to the licensee as allowed by the Commission in the tariff order corresponding to relevant adjustment period.
- vii) ppc (Rs.): Power purchase cost allowed by the Commission for the relevant adjustment period in the tariff order for pumping energy required by pumped storage hydro-generating station only.
- viii) FPPCA thus determined on normative basis will further be adjusted for gain sharing as per Schedule – 9B for the parameter related to fuel cost only.”

3.7 The formula referred to above has two distinct parts. The first part is intended to arrive at the amount that should reasonably be recovered by a generating company from its energy recipients for the particular adjustment period under consideration towards fuel and power purchase cost. The second part is meant for the total amount of such costs that was allowed to be recovered through the power tariff fixed by the Commission. The difference between the two amounts is to signify the amount that needs to be either additionally



recovered from or refunded to the recipients of energy, as the case may be. The factor PPC and ppc in the referred formula stands for “power purchase cost” and are not applicable for WBPDCCL in the present case. The nomenclature of each of other factor notations used in the formula and value that needs to be assigned to each of such factors is being discussed in the next chapter. The instant order is for ascertaining the amounts of admissible fuel cost separately for each of the concerned generating stations applying the first part of the formula referred to above.

3.8 The schedule – 9B to the Tariff Regulations, contains provisions for sharing the gains derived by the licensee, if any, on account of its better performances over the operating and fuel consumption norms set by the Commission for the concerned year. The operational parameters which are to be considered for such sharing the gains accrued to the licensees are:

- i) Oil consumption rate,
- ii) Rate of Auxiliary Consumption,
- iii) Gross Station Heat Rate

The paragraph D of referred schedule 9B to the Tariff Regulations, 2011 also provides that in case availability of a generating station of the generating company falls below the availability norms, then the total gains meant to be passed on to the energy recipients under above item, is first to be used to compensate the deficit in the recovery of the fixed charges, if any, by the generating company.

3.9 The referred schedule 9B to the Tariff Regulations also provides that in case availability of a generating station of the licensee falls below the availability norm, then the total gains meant to be passed on to the consumers under the items (i) to (iii) above, is first to be used to compensate the deficit in the recovery of the fixed charges, if any, by the licensee.

3.10 Before ascertaining the amount of admissible fuel and power purchase cost as well as the amount of gains to be shared with the consumers and other



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



licensees under the provisions of the Tariff Regulations explained in earlier paragraphs, it needs to view the actual performances of WBPDCCL in comparison to the operational and fuel efficiency norms set by the Commission in the Tariff Order for the concerned year. Such comparisons are made hereunder:

Sl No	Generating Station	Particulars	Unit	As per Tariff Order	As per Actual
1	Kolaghat	Rate of Auxiliary Consumption	%	9.60	11.21
		Specific Consumption of Oil	ml/Kwh	2.00	2.36
		Station Heat Rate	KCal/kWh	2700.00	2752.53
2	Bakreswar	Rate of Auxiliary Consumption	%	9.00	10.18
		Specific Consumption of Oil	ml/Kwh	1.30	2.13
		Station Heat Rate	KCal/kWh	2470	2514.70
3	Bandel	Rate of Auxiliary Consumption	%	9.95	12.85
		Specific Consumption of Oil	ml/Kwh	2.25	12.61
		Station Heat Rate	KCal/kWh	2900.00	3173.55
4	Santaldih	Rate of Auxiliary Consumption	%	9.00	9.85
		Specific Consumption of Oil	ml/Kwh	1.00	1.61
		Station Heat Rate	KCal/kWh	2425.00	2445.64
5	Sagardighi	Rate of Auxiliary Consumption	%	9.00	12.51
		Specific Consumption of Oil	ml/Kwh	1.00	1.32
		Station Heat Rate	KCal/kWh	2345.00	2376.70

The computations of actual Station Heat Rates achieved are shown in Annexure – 3A

3.11 As observed from above, actual performances of all the five generating stations of WBPDCCL relating to the referred factors did not qualify for deriving gains to share with WBSEDCL.

3.12 It has, however, been stated by WBPDCCL that excess consumption of LDO at Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi generating stations is due to forced back down of units at the instance of ALDC of WBSEDCL/SLDC. WBPDCCL has claimed that they had to consume excess oil due to such forced de-synchronization and re-synchronization of the units. It is seen from the documents submitted by WBPDCCL that all the five units at Kolaghat, Bakreswar Bandel, Santaldih and Sagardighi generating Stations had to de-synchronize as per the instructions from ALDC of



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



WBSEDCL/SLDC due to low system demand in normal condition which are taken into consideration during fixation of norm. The Commission does not consider the claim of excess consumption of oil at all the generating stations for 2013 – 2014.

3.13 The Commission takes up the determination of fuel cost allowable to WBPDCCL separately for each of its generating stations in commercial operation using the factors FC, C_D and $\pm A$ of the formula referred to in the earlier paragraph.

3.14 Factors considered in Tariff Order.

3.14.1 The consumption of fuel and costs thereon allowed to WBPDCCL for its different generating stations in operation for the year 2013 – 2014 were based on the following factors, as per submission of WBPDCCL:

Sl. No.	Particulars	Unit	Generating stations				
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
(i)	Station Heat Rate (normative)	K.cal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00
(ii)	Rate of Oil Consumption (normative)	MI/kWh	2.00	1.30	2.25	1.00	1.00
(iii)	Calorific Value of Oil	K.cal/lit	9630.570	9512.520	9588.283	9628.486	9503.610
(iv)	Average Heat value of Coal	K.cal/kg	3079.47	3449.00	3360.77	3562.49	3105.38
(v)	Weighted Average Price of Oil	Rs/kl	57329.82	58575.94	57357.35	53821.47	55398.60
(vi)	Weighted Average Price of Coal	Rs/MT	3038.77	3049.39	3598.32	3096.55	3080.39

3.14.2 The first two of the above factors, i.e., the station heat rate and the rate of consumption of oil were the fuel usage norms adopted by the Commission. The weighted average calorific value of oil and the weighted average heat value of coal are the variable factors depending upon the actual mix of different grades of fuel used in operation. The declared heat value of each grade of coal varies within a range. The weighted average heat value of coal considered at the tariff fixation level was based on the minimum value of the range of each projected grade of coal and is subject to adjustments in terms of regulation 5.8.1(i) of the Tariff Regulations.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



3.15 Determination of Allowable Fuel Cost:

3.15.1 On careful consideration of all the related facts and factors, the Commission worked out the amount of fuel cost that can be allowed to WBPDC for each of its referred generating stations in commercial operation for the actual level of sale of energy to WBSEDCL during 2013 – 2014 as shown hereunder:

Generating station	Amount (Rs. in Lakh)
	As found admissible
Kolaghat	156229.38
Bakreswar	142026.29
Bandel	42166.53
Santalidih	53827.49
Sagardighi	70422.13
Total	464671.82

3.15.2 The detailed computations leading to the determination of such allowable fuel cost pertaining to the actual level of sales to WBSEDCL are shown in Annexure 2B to this chapter

3.16 Explanatory Notes to Computations:

3.16.1 Generation:

3.16.1.1 Admissible gross generation of each of the referred generating stations has been estimated considering normative auxiliary consumption commensurate with actual level of sales from each generating station to the licensee, i.e., energy as per scheduled injection.

3.16.2 Auxiliary Consumption:

3.16.2.1 The quantum of auxiliary consumptions at the generating station as per the norms fixed by the Commission is as under:

Generating station	Scheduled Injection (MU)	Normative Rate (%)	Normative Auxiliary Consumption including UI (out) (MU)	Admissible Gross Generation (MU)
Kolaghat	5633.938	9.60	598.294	6232.232



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Bakreswar	6275.337	9.00	620.638	6895.975
Bandel	1202.802	9.95	132.903	1335.705
Santaldih	2417.840	9.00	239.127	2656.967
Sagardighi	2991.268	9.00	295.840	3287.108
Total	18521.185		1886.802	20407.987

3.16.3 Weighted Average GCV of Oil:

3.16.3.1 The weighted average gross calorific value of oil claimed by WBPDC for different generating stations was as follows:

Generating station	GCV of Oil (k.cal/lit)
Kolaghat	9630.570
Bakreswar	9512.520
Bandel	9588.283
Santaldih	9628.486
Sagardighi	9503.610

3.16.3.2 WBPDC presented the detailed computations of the weighted average calorific value of oil for each of the generating stations with reference to the month-wise supplies received. As this is a variable factor depending on the grades of oil used, the Commission has considered the same for working out the amount of allowable fuel cost.

3.16.4 Heat Value of Coal:

3.16.4.1 The weighted average heat value of coal is also a variable factor depending on the actual grade mix of coal consumption. As ascertained by WBPDC, the weighted average heat value of coal consumed at different generating stations during 2013 – 2014 came as under:

Generating station	Heat Value of Coal (k.cal/kg)
Kolaghat	3079.47
Bakreswar	3449.00



Bandel	3360.77
Santaldih	3562.49
Sagardighi	3105.38

3.16.4.2 The Commission requested WBPDCCL to explain the manner of conversion of GCV to UHV through letter No WBERC/FPPCA-73/14-15/0018 dated 05.04.2016. In reply WBPDCCL stated that at the year end after fuel accounts are audited by statutory auditor statements showing grade-wise coal receipt as per invoice are prepared showing GCV with corresponding UHV. The reply being found unsatisfactory the Commission requested WBPDCCL through letter No. WBERC/FPPCA-73/14-15/0275 dated 20.05.2016 to submit detailed process of determination of UHV of coal received and coal consumed along with technical reports for each such determination. WBPDCCL in reply submitted that conversion of GCV to UHV has been done on application of formula, $UHV = 8900 - 138 \times (\text{Ash content} + \text{Moisture content})$. It is further stated that in cases where determined UHV on application of the above formula works out to a negative figure, UHV in such cases has been determined on application of the provisions contained in regulation 5.18.5 of the Tariff Regulations. The Commission does not consider the process of determination of UHV as claimed by WBPDCCL and decides to determine and admit UHV of coal received in the process as outlined in Regulation 5.8.15 of the Tariff Regulations, except for imported / washed coal. The Commission views that conversion from GCV to UHV, in terms of regulation 5.8.15 of the Tariff Regulations, is not required for imported / washed coal. Such coal contains lesser ash and -50 mm size and is not categorized under different grades of coal of Coal India Limited. The Commission, therefore, considers actual GCV as the heat value of imported / washed coal for determination of fuel cost. Detailed computations are shown in Annexure – 3C to 3G to this chapter. The Heat Values so determined are higher than the minimum allowable heat value in terms of provision of regulation 5.8.1 of the Tariff Regulations. The admitted heat values of coal for different generating stations thus come as under:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Generating station	Heat Value of Coal (k.cal/kg)
Kolaghat	3385.35
Bakreswar	3755.28
Bandel	3598.87
Santaldih	3811.82
Sagardighi	3440.05

3.16.5 Permitted Transit & Handling Loss of Coal:

3.16.5.1 As specified in Part F of the Schedule 9A to the Tariff Regulations, transit and handling losses of coal allowable to WBPDC is 0.80% for Kolaghat, Bandel, Santaldih and Sagardighi generating stations. The same is 0.50% for Bakreswar generating station. The allowable quantum of coal requirement at such provision of loss in different generating stations is shown in item no. 15 of the statement at Annexure – 3B.

3.16.6 Average Price of Oil and Coal:

3.16.6.1 Based on the submission of WBPDC and as per Notes on Accounts under note 43.1 to 43.4 to the audited annual accounts for the year 2013 – 2014, the weighted average price of Oil (Rs/KL) and weighted average price of Coal (Rs/MT) are computed as under:

Generating station	Average price of Oil (Rs/KL)	Average price of Coal (Rs/MT)
Kolaghat	57329.82	3038.77
Bakreswar	58575.94	3049.39
Bandel	57357.35	3598.32
Santaldih	53821.47	3096.55
Sagardighi	55398.60	3080.39

3.16.6.2 The above rates were inclusive of freight / transportation charges. The Commission admits the price of coal and oil as determined based on the figures of audited annual accounts.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



3.16.6.3 WBPDCCL awarded contract for import of coal on 14.08.2012 for 1.5 MMT having quality of coal with GCV (ABD) of 5500 Kcal/Kg at a price of Rs. 5439.00 per MT on FOR port basis including taxes, custom duty and port charges.

WBPDCCL vide their letter dated 29.07.2016 in response to Commission's letter dated 14.07.2016 submitted justification of the price of imported coal.

WBPDCCL submitted copies of imported coal invoices alongwith import coal bill register for 2013-14. In terms of regulation 5.8.5 of the Tariff Regulations import coal may be allowed it is procured through a transparent manner and there is sufficient reason for shortage of coal. After going through the documents submitted by WBPDCCL, the Commission observes that WBPDCCL has complied with the provision of the regulations. Commission thus considers the cost of imported coal as claimed by WBPDCCL with supported documents.

3.16.7 Additional Cost of Oil:

3.16.7.1 As regards excess oil consumption at all the generating stations of WBPDCCL, as claimed by WBPDCCL and explained in paragraph 3.12 above, the Commission does not allow any excess oil consumption for any generating station for the year 2013 – 2014.

3.17 C_D: Cost Disallowable:

3.17.1 The factor C_D, as referred to in the formula vide paragraph 3.6, stands for cost as to be found disallowable by the Commission as having been incurred in breach of economic generation or of order / direction of the Commission, if any, or for any other reason considered sufficient by the Commission during the adjustment period and adjusted corresponding to actual level of sales. As can be seen in the statement at paragraph 3.10, the actual parameters of fuel usage of WBPDCCL in all the concerned generating stations for specific oil consumption were adverse to such usage norms fixed by the Commission.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



As the unit rates of energy charges from the generating stations have been worked out based on normative parameters, no further cost disallowance is required on this score.

3.18 The Commission now views the actual performance of different generating stations of WBPDCCL with reference to admitted parameters and cost allowed in the tariff order of WBPDCCL for 2013 – 2014. Summarized detail is given in the table below:

Generating Stations	Fuel Cost		Ex-bus Generation sold to Licensee		Average Fuel cost per unit of sale to Licensee	
	As per Tariff Order (Rs. in lakh)	As allowed in FCA (Rs. in lakh)	As per Tariff Order (MU)	As allowed in FCA (MU)	As per Tariff Order (Paise/kWh)	As allowed in FCA (Paise/kWh)
Kolaghat	167402.03	158321.12	7283.53	5633.938	229.84	281.01
Bakreswar	139901.26	143563.37	6695.78	6275.337	208.94	228.77
Bandel	67548.58	42845.95	2449.36	1202.802	275.78	356.22
Santaldih	68455.46	53983.82	3188.64	2417.840	214.69	223.27
Sagardighi	77269.36	71119.28	3826.55	2991.268	201.93	237.76
Total	520576.69	469833.54	23443.86	18521.185	222.05	253.67

3.19 Summing up the findings as explained in the earlier paragraphs, the amounts of admissible fuel cost for different generating station of WBPDCCL for the year 2013 – 2014 come as under:

Particulars	Unit	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	Overall
Total admissible fuel cost as per norms (FC as per annexure 3A)	Rs. in Lakh	158321.12	143563.37	42845.95	53983.82	71119.28	469833.54
C _D (Cost disallowed)	Rs. in Lakh	0.00	0.00	0.00	0.00	0.00	0.00
A (+) (Adjustment)	Rs. in Lakh	0.00	0.00	0.00	0.00	0.00	0.00
Fuel cost admitted	Rs. in Lakh	158321.12	143563.37	42845.95	53983.82	71119.28	469833.54

3.20 As per the findings narrated in the preceding paragraphs, WBPDCCL is entitled to an additional recovery of Rs. 32855.03 lakh in respect of Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi thermal power stations towards Fuel Cost Adjustments (FCA) for the year 2013 – 2014 from its energy recipient i.e., WBSEDCL as per the generating station wise break-up given below:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Generating Station	Sales (MU)	Energy charges recovered as per tariff order (Rs. in lakh)	Amount of MFCA recovered in addition to energy charges recovered as per tariff order of 2013-2014 (Rs. in lakh)	Amount of fuel cost recovered during 2013-2014 (Rs. in lakh)	Amount of fuel cost admitted in FCA for 2013-2014 (Rs. in lakh)	Balance amount recoverable for 2013-2014 (Rs. in lakh)
(1)	(2)	(3)	(4)	(5) = [(3)+(4)]	(6)	(7) = [(6)-(5)]
Kolaghat	5633.938	129490.43	10669.47	140159.90	158321.12	18161.22
Bakreswar	6275.337	131116.89	6975.92	138092.81	143563.37	5470.56
Bandel	1202.802	33170.87	2288.51	35459.38	42845.95	7386.57
Santaldih	2417.840	51908.61	2474.49	54383.10	53983.82	-399.28
Sagardighi	2991.268	60402.67	8480.65	68883.32	71119.28	2235.96
Total	18521.185	406089.47	30889.04	436978.51	469833.54	32855.03

3.21 The decision of the Commission regarding recovery of the amount of Rs. 32855.03 lakh by WBPDC from its energy recipients i.e., WBSEDCL will be given in subsequent chapter.



ANNEXURE – 3A COMPUTATIONS OF ACTUAL STATION HEAT RATES ACHIEVED IN 2013 – 2014

Sl No	Particulars	Unit	Stations				
			Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi
1	Generation (Actual)	MU	6298.619	6993.673	1363.528	2736.85	3376.755
2	Consumption of Oil (Actual)	KL	14867.29	14891.68	17197.00	4399.31	4461.55
3	Consumption of Coal (Actual as per submission)	MT	5583419.09	5058081.71	1238507.42	1866952.83	2570745.11
4	GCV of Oil (Actual as per submission)	Kcal/Lit	9630.570	9512.523	9588.283	9628.486	9503.61
5	Heat value of Coal (Actual as per submission)	Kcal/Kg	3079.47	3449.00	3360.77	3562.49	3105.38
6	Heat from Oil (2X4/1000)	M.Kcal	143180.48	141657.45	164889.70	42358.69	42400.83
7	Heat from Coal (3X5/1000)	M.Kcal	17193971.59	17445323.82	4162338.58	6651000.79	7983140.45
8	Total Heat used (6+7)	M.Kcal	17337152.06	17586981.27	4327228.28	6693359.48	8025541.28
9	Station Heat Rate achieved (8/1)	Kcal/kWh	2752.53	2514.70	3173.55	2445.64	2376.70
10	Normative Station Heat Rate	Kcal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00

**ANNEXURE – 3B**

SI No	Particulars	Unit	Stations				
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
1	Energy sold to licensee from the generating station (Scheduled injection)	MU	5633.938	6275.337	1202.802	2417.840	2991.268
2	Rate of Auxiliary Consumption (normative)	%	9.60%	9.00%	9.95%	9.00%	9.00%
3	Auxiliary consumption (normative)	MU	598.294	620.638	132.903	239.127	295.840
4	Admissible Gross Generation (1)+(3)	MU	6232.232	6895.975	1335.705	2656.967	3287.108
5	Station Heat Rate (Normative)	Kcal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00
6	Total Heat Required (4)×(5)	M.Kcal	16827027.212	17033057.571	3873543.365	6443145.055	7708267.538
7	Specific Oil consumption (Normative)	ml/kWh	2.00	1.30	2.25	1.00	1.00
8	Oil consumption (4)×(7)	KL	12464.465	8964.767	3005.335	2656.967	3287.108
9	Average GCV of Oil (Actual)	K.cal/lit	9630.570	9512.520	9588.283	9628.486	9503.610
10	Heat from oil [(8)×(9)/1000]	M.Kcal	120039.903	85277.525	28816.002	25582.570	31239.392
11	Heat from coal (6)-(10)	M.Kcal	16706987.309	16947780.046	3844727.363	6417562.485	7677028.146
12	Heat value of coal	K.cal/Kg	3385.350	3755.280	3598.870	3811.820	3440.050
13	Coal consumption [(11)/(12) ×1000]	MT	4935084.204	4513053.633	1068315.155	1683595.365	2231661.792
14	Permissible transit loss	%	0.80	0.50	0.80	0.80	0.80
15	Coal requirement with permissible transit loss	MT	4974883.270	4535732.294	1076930.600	1697172.747	2249659.065
16	Average price of oil	Rs/KL	57329.82	58575.94	57357.35	53821.47	55398.60
17	Average price of coal	Rs/MT	3038.77	3049.39	3598.32	3096.55	3080.39
18	Cost of oil [(8)×(16)/100000]	Rs lakh	7145.86	5251.20	1723.78	1430.02	1821.01
19	Cost of coal [(15)×(17)/100000]	Rs lakh	151175.26	138312.17	41122.17	52553.80	69298.27
20	Cost of Fuel (18)+(19)	Rs lakh	158321.12	143563.37	42845.95	53983.82	71119.28
23	Average fuel cost per unit of generation [(20)/(4)×10]	Paise/kWh	281.01	228.77	356.22	223.27	237.76



Annexure – 3C

Computation of UHV of Coal based on Minimum of declared Heat Value

KOLAGHAT THERMAL POWER STATION

ECL	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
do	G3	29378.53	6402.24	5600	6454	6049	6200	5600	6123.32	179894096.8	
do	G4	365404.22	6104.4	5600	6454	6049	6200	5600	5682.07	2076253845	
do	G5	190517.98	5833.68	4940	6049	5597	5600	4940	5285.59	1007000823	
do	G6	14318.74	5506.59	4200	5597	5089	4940	4200	4808.30	68848803.18	
do	G7	37183.94	5203.52	4200	5597	5089	4940	4200	4366.82	162375590.4	
do	G8	1597.39	4902.02	3360	5089	4324	4200	3360	3994.69	6381075.667	
WBMDTC	G4	55519.71	6142.27	5600	6454	6049	6200	5600	5738.18	318581966.2	
do	G5	10252.57	5834.28	4940	6049	5597	5600	4940	5286.47	54199911.89	
BECML	G6	493579.5	5506.65	4200	5597	5089	4940	4200	4808.39	2373321644	
do	G7	149485.41	5209.12	4200	5597	5089	4940	4200	4374.98	653995373	
do	G8	3593.23	4920	3360	5089	4324	4200	3360	4014.43	14424775.24	
do	G9	11038.6	4601.37	3360	5089	4324	4200	3360	3664.56	40451646.65	
BCCL	G6	5123.22	5517.37	4200	5597	5089	4940	4200	4824.00	24714431.43	
do	G7	2106.51	5203.35	4200	5597	5089	4940	4200	4366.57	9198229.342	
do	G9	36477.7	4603.66	3360	5089	4324	4200	3360	3667.08	133766558.3	
do	W-III	100254.97	4903.69	3360	5089	4324	4200	3360	3996.52	400671228.6	
do	W-IV	285230.61	4605.71	3360	5089	4324	4200	3360	3669.33	1046604843	
MCL	G9	62860.38	4608.48	3360	5089	4324	4200	3360	3672.37	230846586	
do	G11	449181.44	4006.36	2400	4324	3865	3360	2400	2695.65	1210838151	
do	G12	113378.84	3702.82	1300	3865	3113	2400	1300	2162.77	245212197	
do	G13	1389504.8	3406.27	1300	3865	3113	2400	1300	1728.99	2402433474	
Imp/washed	G6	285938.36	5504.06	0	0	0	0	0	5504.06	1573821890	
do	G7	28855.85	5201.24	0	0	0	0	0	5201.24	150086201.3	
do	G8	7249.16	4901	0	0	0	0	0	4901.00	35528133.16	
do	G9	3895.78	4601	0	0	0	0	0	4601.00	17924483.78	
do	G10	246526.7	4304.15	0	0	0	0	0	4304.15	1061087896	
do	G11	62434.26	4068.78	0	0	0	0	0	4068.78	254031268.4	
Diverted	G5	10849.31	5801.92	4940	6049	5597	5600	4940	5239.22	56841916.18	



Order on FCA and APR of WBPDCCL for the year 2013-14

ECL	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
do	G6	39276.09	5504.6	4200	5597	5089	4940	4200	4805.40	188737384.7	
do	G7	14237.26	5201.74	4200	5597	5089	4940	4200	4364.23	62134642.46	
do	G8	35496.26	4902.15	3360	5089	4324	4200	3360	3994.83	141801573.1	
do	G9	30967.19	4602.58	3360	5089	4324	4200	3360	3665.89	113522366.8	
do	G10	96003.51	4302.83	2400	4324	3865	3360	2400	3315.72	318321034.3	
do	G11	102987.66	4002.9	2400	4324	3865	3360	2400	2688.42	276873909.9	
do	G12	129070.25	3702.56	1300	3865	3113	2400	1300	2162.39	279099998.2	
do	G13	364199.06	3407.91	1300	3865	3113	2400	1300	1731.38	630568537.7	
		5263975								17820396485	3385.35



Annexure – 3D

Computation of UHV of Coal based on Minimum of declared Heat Value

BAKRESWAR THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
BCCL	W-III	62022.41	4956.07	3360	5089	4324	4200	3360	4054.04	251441185.1	
BCCL	W-IV	481856.41	4690.59	3360	5089	4324	4200	3360	3762.53	1812999293	
BCCL	G6	9967.78	5544.73	4200	5597	5089	4940	4200	4863.86	48481873.09	
BCCL	G9	68640.13	4671.39	3360	5089	4324	4200	3360	3741.45	256813466.3	
BEMCL	G11	3716.8	4188	2400	4324	3865	3360	2400	3075.56	11431224.89	
BEMCL	G5	39956.45	5954.24	4940	6049	5597	5600	4940	5461.63	218227491	
BEMCL	G6	855806.17	5681.96	4200	5597	5089	4940	4200	5063.76	4333597590	
BEMCL	G7	87443.53	5368.07	4200	5597	5089	4940	4200	4606.52	402810307.8	
Diverted	G6	138876.8	5692.17	4200	5597	5089	4940	4200	5078.63	705304363.9	
Diverted	G11	87788.83	4084.64	2400	4324	3865	3360	2400	2859.38	251021429.6	
Diverted	G9	58867.4	4648.56	3360	5089	4324	4200	3360	3716.38	218773604.9	
Diverted	G14	24719.5	3150.36	1300	3865	3113	2400	1300	1354.65	33486244.38	
Diverted	G7	29119.9	5354.33	4200	5597	5089	4940	4200	4586.50	133558547.5	
Diverted	G15	26790.4	2859.51	1300	3865	3113	2400	1300	929.20	24893732.31	
Diverted	G16	27350.5	2573.93	1300	3865	3113	2400	1300	511.47	13988871.49	
Diverted	G10	10381.2	4329.25	2400	4324	3865	3360	2400	3370.98	34994821.65	
Diverted	G12	80158	3758.41	1300	3865	3113	2400	1300	2244.08	179881267.4	
Diverted	G13	180314.9	3446.41	1300	3865	3113	2400	1300	1787.70	322349090.6	
Diverted	G17	20851.9	2245.62	1300	3865	3113	2400	1300	400.00	8340760	
ECL	G3	38794.01	6407.33	5600	6454	6049	6200	5600	6130.86	237840615.4	
ECL	G4	447111.01	6103.66	5600	6454	6049	6200	5600	5680.98	2540027712	
ECL	G5	227110.97	5805.13	4940	6049	5597	5600	4940	5243.91	1190948723	
ECL	G6	42348.06	5600.24	4200	5597	5089	4940	4200	4944.72	209399285.9	
ECL	G7	30975.73	5208.08	4200	5597	5089	4940	4200	4373.46	135471208.8	
ECL	G8	3444.65	5097.71	3360	5089	4324	4200	3360	4209.56	14500474.36	
Imported/Washed	G6	215306.05	5622.32	0	0	0	0	0	5622.32	1210519511	
Imported/Washed	G7	21127.42	5401.18	0	0	0	0	0	5401.18	114112998.4	
Imported/Washed	G8	3334.43	4957	0	0	0	0	0	4957.00	16528769.51	
Imported/Washed	G10	27259.52	4423.08	0	0	0	0	0	4423.08	120571037.7	
Imported/Washed	G11	26761.51	4234.94	0	0	0	0	0	4234.94	113333389.2	



Order on FCA and APR of WBPDC for the year 2013-14

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
MCL	G9	8229.82	4683.78	3360	5089	4324	4200	3360	3755.05	30903406.57	
MCL	G11	188916.5	4100.79	2400	4324	3865	3360	2400	2893.16	546564821.5	
MCL	G12	557174.56	3871.01	1300	3865	3113	2400	1300	2408.79	1342117190	
MCL	G13	838212.36	3500	1300	3865	3113	2400	1300	1866.09	1564180060	
WBMDTC	G4	6962.58	6236.74	5600	6454	6049	6200	5600	5878.13	40926973.58	
WBMDTC	G5	3504.93	5970	4940	6049	5597	5600	4940	5484.65	19223300.37	
WBMDTC	G11	3816.17	4040	2400	4324	3865	3360	2400	2766.01	10555576.1	
		4985019.3								18720120218	3755.28



Annexure – 3E

Computation of UHV of Coal based on Minimum of declared Heat Value

BANDEL THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
BECML	G8	11530.9	4906.67	3360	5089	4324	4200	3360	3999.79	46121390.505	
BECML	G10	7470.44	4320.02	2400	4324	3865	3360	2400	3351.68	25038493.090	
Diverted	G17	48457.6	2206.56	1300	3865	3113	2400	1300	600.00	29074584	
Diverted	G15	56913.4	2803.64	1300	3865	3113	2400	1300	900.00	51222042	
Diverted	G16	53652.3	2504.98	1300	3865	3113	2400	1300	700.00	37556575	
Diverted	G6	7429.63	5502.48	4200	5597	5089	4940	4200	4802.31	35679411.601	
Diverted	G7	3668.06	5204	4200	5597	5089	4940	4200	4367.52	16020324.256	
Diverted	G14	49015.8	3105.36	1300	3865	3113	2400	1300	1300.00	63720488	
Diverted	G9	14732.2	4604.71	3360	5089	4324	4200	3360	3668.23	54041033.307	
Diverted	G10	29242.2	4304.33	2400	4324	3865	3360	2400	3318.86	97050804.903	
Diverted	G11	18168.5	4003.97	2400	4324	3865	3360	2400	2690.66	48885294.962	
Diverted	G12	32670.5	3704.98	1300	3865	3113	2400	1300	2165.93	70761848.684	
Diverted	G13	35966	3406.73	1300	3865	3113	2400	1300	1729.66	62208957.615	
ECL	G2	1047.6	6710	6200	6850	6454	6750	6200	6555.56	6867600.000	
ECL	G3	24462.5	6412.78	5600	6454	6049	6200	5600	6138.93	150173779.445	
ECL	G4	21921.1	6109.48	5600	6454	6049	6200	5600	5689.60	1247224840.064	
ECL	G5	56431.3	5806.08	4940	6049	5597	5600	4940	5245.29	295998905.674	
ECL	G6	14444.6	5507.53	4200	5597	5089	4940	4200	4809.67	69473610.442	
ECL	G7	5368.9	5208.88	4200	5597	5089	4940	4200	4374.63	23486942.129	
Imported/washed	G7	37489	5212.64	0	0	0	0	0	5212.64	195416817.339	
Do	G8	3669.29	4908.94	0	0	0	0	0	4908.94	18012324.453	
Do	G9	26985.8	4604.83	0	0	0	0	0	4604.83	124265113.511	
Do	G10	92855.7	4305.02	0	0	0	0	0	4305.02	399745817.815	
Do	G11	7820.95	4002.5	0	0	0	0	0	4002.50	31303352.375	
Do	G12	7561.51	3703.55	0	0	0	0	0	3703.55	28004430.361	
Do	G13	4276.04	3402.26	0	0	0	0	0	3402.26	14548199.85	
Do	G15	3628.51	2802	0	0	0	0	0	2802.00	10167085.02	
MCL	G9	342.62	4635	3360	5089	4324	4200	3360	3701.49	1268204.571	
MCL	G13	156764	3406.11	1300	3865	3113	2400	1300	1728.75	271006734.113	
WBMDTC	G4	18594.9	6110.43	5600	6454	6049	6200	5600	5691.01	105823884.370	



Order on FCA and APR of WBPDC for the year 2013-14

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
WBMDTC	G5	7182.7	5817.91	4940	6049	5597	5600	4940	5262.57	37799445.012	
Imported/washed	G6	68845.2	5512.67	0	0	0	0	0	5512.67	379520923.811	
WBMDTC	G6	3443.64	5516	4200	5597	5089	4940	4200	4822.01	16605259.195	
WBMDTC	G9	3963.09	4602	3360	5089	4324	4200	3360	3665.25	14525735.049	
		1133307								4078620252.524	3598.87



Annexure – 3F

Computation of UHV of Coal based on Minimum of declared Heat Value

SANTALDIH THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
BCCL	G6	14767.91	5528.52	4200	5597	5089	4940	4200	4840.25	71480312.42	
BCCL	G7	5427.85	5092.81	4200	5597	5089	4940	4200	4205.55	22827094.57	
BCCL	G9	91178.74	4684.42	3360	5089	4324	4200	3360	3755.76	342445035.5	
BCCL	W-III	67106	5322.45	3360	5089	4324	4200	3360	4456.34	299046967.8	
BCCL	W-IV	651197.34	4822.96	3360	5089	4324	4200	3360	3907.88	2544799529	
BCCL	WP	165121.84	4783.74	3360	5089	4324	4200	3360	3864.81	638164959.3	
Diverted	G13	3882.55	3431.05	1300	3865	3113	2400	1300	1765.23	6853604.269	
Diverted	G5	3567.66	5804.41	4940	6049	5597	5600	4940	5242.86	18704725.17	
ECL	G3	1389.15	6491.21	5600	6454	6049	6200	5600	6255.13	8689308.18	
ECL	G4	208149.67	6168.81	5600	6454	6049	6200	5600	5777.50	1202583948	
ECL	G5	57927.53	5842.9	4940	6049	5597	5600	4940	5299.06	306961313.6	
ECL	G6	14049.89	5574.13	4200	5597	5089	4940	4200	4906.69	68938390.6	
ECL	G7	5060.39	5303.06	4200	5597	5089	4940	4200	4511.82	22831567.22	
Import	G7	24286.62	5414.29	0	0	0	0	0	5414.29	131494803.8	
MCL	G11	146961.19	4034.22	2400	4324	3865	3360	2400	2753.92	404719975.1	
MCL	G12	397456.06	3883.73	1300	3865	3113	2400	1300	2427.40	964783888.7	
WBMTDC	G4	6540.74	6278.4	5600	6454	6049	6200	5600	5939.85	38851026.6	
WBMTDC	G5	6913.76	5946.94	4940	6049	5597	5600	4940	5450.97	37686728.33	
		1870984.9								7131863177	3811.82



Annexure – 3G

Computation of UHV of Coal based on Minimum of declared Heat Value

SAGARDIGHI THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Wt. Ave. UHV
BCCL	G9	5306.48	4738.82	3360	5089	4324	4200	3360	3815.49	20246814.09	
BCCL	W-III	26552.74	5908.11	3360	5089	4324	4200	3360	5099.41	135403438	
BCCL	W-IV	68467.64	5375.06	3360	5089	4324	4200	3360	4514.11	309070122.8	
BECML	G6	256311.33	5671.54	4200	5597	5089	4940	4200	5048.58	1294008739	
BECML	G7	38432.11	5456.28	4200	5597	5089	4940	4200	4735.01	181976585.6	
BECML	G8	14391.95	5087.65	3360	5089	4324	4200	3360	4198.52	60424856.05	
BECML	G9	7311.7	4827.97	3360	5089	4324	4200	3360	3913.38	28613451.94	
Diverted	G6	6210.32	5619.67	4200	5597	5089	4940	4200	4973.02	30884065.62	
Diverted	G8	9387.06	5169.65	3360	5089	4324	4200	3360	4288.56	40256940.58	
Diverted	G9	6200.97	4520.09	3360	5089	4324	4200	3360	3575.31	22170418.02	
Diverted	G11	17785.24	4131.81	2400	4324	3865	3360	2400	2958.03	52609344.39	
Diverted	G12	39952.17	3841.69	1300	3865	3113	2400	1300	2365.90	94522955.88	
Diverted	G13	76886.21	3466.66	1300	3865	3113	2400	1300	1817.32	139726986.2	
ECL	G3	17113.62	6473.86	5600	6454	6049	6200	5600	6229.42	106607964.7	
ECL	G4	213375.1	6211.99	5600	6454	6049	6200	5600	5841.47	1246423534	
ECL	G5	197003.99	5930.02	4940	6049	5597	5600	4940	5426.27	1068996475	
ECL	G6	30778.47	5634.66	4200	5597	5089	4940	4200	4994.86	153734119.6	
ECL	G7	29476.44	5327.48	4200	5597	5089	4940	4200	4547.39	134040931.2	
ECL	G8	1843.71	5183.16	3360	5089	4324	4200	3360	4303.39	7934205.707	
ECL	G15	3739.5	3029.51	1300	3865	3113	2400	1300	1177.87	4404658.59	
ECL	G16	1771.1	2737.87	1300	3865	3113	2400	1300	751.27	1330578.913	
Imported/Washed	G6	108655.04	5548.9	0	0	0	0	0	5548.90	602915951.5	
MCL	G9	3761.32	4744.24	3360	5089	4324	4200	3360	3821.44	14373658.7	
MCL	G12	431232.08	3859.25	1300	3865	3113	2400	1300	2391.59	1031329940	
MCL	G13	857971.59	3466.19	1300	3865	3113	2400	1300	1816.63	1558620626	
WBMDTC	G4	36900.55	6220.02	5600	6454	6049	6200	5600	5853.36	215992312.7	
WBMDTC	G5	34580.18	5896.01	4940	6049	5597	5600	4940	5376.61	185924055.9	
		2541398.61								8742543731	3440.05



CHAPTER – 4

(FIXED CHARGES):

4.1 The uncontrollable elements of fixed charges are those elements where variations of actual expenditure with the expenditure allowed by the Commission in the tariff order for the concerned year are caused by the factors beyond the control of the generating company or the licensee. The amounts of actual expenses / charges under such different heads of accounts are, therefore, to be considered on prudent check for carrying out positive or negative adjustments, as the case may be. On the contrary, in case of controllable head of expenses, the applicant is supposed to contain the expenditure within the total amount so allowed and in case of any savings located under controllable head it will go to their account. The review of each of such controllable and uncontrollable heads of fixed charges with reference to the amounts allowed through tariff and the actuals based on audited accounts of WBPDC is being taken up hereunder one by one:

4.2 Employee Cost:

4.2.1 The employees' cost is an element of uncontrollable fixed charges subject to the norms of Man/MW ratio specified by the Commission in paragraph – H of Schedule – 9A of the Tariff Regulations. As per information provided by WBPDC in Form 1.17(h) of Annexure – I and in the unit wise audited accounts for 2013 - 2014, the total number of employees in each operating generating station including employees on contract in regular establishment under review is found in order as per the specified norms of Man/MW ratio.

4.2.2 Employee benefit expenses cost include mainly salary and wages, contribution to funds, expenditure on account of terminal benefits to the employees and welfare expenses viz. medical expenses and centrally maintained employee cost apportioned to the generating stations. In the tariff order for the years 2011 – 2012, 2012 – 2013 and 2013-14 under the Multi Year Framework the Commission admitted the employee cost for 2013 – 2014 considering 6% increase over the employee cost allowed for the year 2012 – 2013. The total employee cost considered in the said Multi Year Tariff



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Order relating to 2013-14 for each of the generating stations and the same as per the audited accounts for 2013 – 2014 with reason thereof based upon the data submitted by WBPDCCL are found as under:

Sl. No.	Generating Station	Amount in Rs. Lakh		
		Actual 2012 – 2013	As per Tariff Order 2013 – 2014	Actual 2013 – 2014
1	Kolaghat	13155.01	11341.09	11316.56
2	Bakreswar	9262.91	7332.65	7288.80
3	Bandel	5950.21	5788.00	5479.21
4	Santalidih	6171.32	4751.51	5736.78
5	Sagardighi	5309.17	4941.93	4788.06
	Total	39848.62	34185.18	34609.41

4.2.3 As per submission of WBPDCCL, employee cost of Rs. 34609.41 lakh for the year 2013 – 2014 includes the amount of employees' terminal benefits cost of Rs. 7705.20 lakh consisting of gratuity, pension and leave encashment as recognized in line with the mandatory requirement under provision of AS – 15.

4.2.4 While submitting APR for 2012-13 WBPDCCL showed a sum of Rs 1276.21 lakh in Form 1.17h of Annexure I indicating cost of employees on contract in Regular establishment. Accordingly, the same was considered as part of Employee Cost and was accordingly included in total employee cost of Rs 39848.60 lakh reported through Profit & Loss Account in Annual Accounts 2012-13 in. However, while submitting APR for 2013-14 WBPDCCL has not shown such sum separately in form 1.17h of Annexure-I. It has not furnished any clarifying note on the matter either. However, it is also observed that while furnishing figures for the previous year 2012-13 in the Profit & Loss account of Annual Accounts 2013-14, the cost of Employee Benefit Expenses was shown at Rs 38572.39 lakh instead of Rs 39848.60 lakh as reported in Annual Accounts 2012-13 resulting in a difference of Rs 1276.21 lakh representing the cost of employees on contract basis in 2012-13.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



- 4.2.5 It was further observed that While furnishing figures for the previous year 2012-13 in the Profit & Loss account of Annual Accounts 2013-14, the cost of Other Expenses was shown at Rs 58501.75 lakh instead of Rs 57225.54 lakh as reported in Annual Accounts 2012-13 resulting in a difference of Rs 1276 .21 lakh exactly matching with the cost of employees on contract basis in 2012-13. On a close scrutiny it was also observed that such sum was in fact included and reported against repairs to Plant & Machinery under Other Expenses in 2012-13 while showing figure of previous year 2012-13 in Annual Accounts 2013-14.
- 4.2.6 This will be evident from the fact that while furnishing figures for the previous year 2012-13 in note 28 of Annual Accounts 2013-14, the cost of Repairs to Plant & Machinery was shown at Rs 19586.98 lakh instead of Rs 18310.77 lakh as reported in Annual Accounts 2012-13 resulting in a matching difference of Rs 1276.21 lakh.
- 4.2.7 It can be reasonably concluded now that such expenses being otherwise perennial in nature has been included in Repairs to Plant & Machinery under Other Expenses in 2013-14. Now the cost of Employees engaged on Contract in Regular Establishment is essentially part of O&M Expenses and should be covered under that. Accordingly, the sum of Rs 1276.21 lakh allowed by the Commission in APR 2012-13 is being withdrawn as the same should have been covered under the allowable O&M Expenses as per regulation 5.7 read with Sl. D of Schedule 9A. In APR 2013-14 such expenses will be accordingly covered under O&M Expenses.
- 4.2.8 Further it is also observed that while the sum total of Employee Cost as per Form 1.17(h) in APR 2013-14 comes to Rs. 34609.43 lakh, the same has been reported as Rs 34605.74 lakh in Profit & Loss Account of Annual Accounts 2013-14. It appears that WBPDCCL has claimed an amount of Rs 3.69 lakh under employee cost which actually seems to be related to Director's Sitting Fees shown under Other Cost in Annual Accounts 2013-14. As per the Tariff Regulations Director's fee and remuneration are considered as a part of employee cost.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.2.9 Employee cost being uncontrollable in nature, the Commission decides to admit the actual expenditure of employee cost of Rs. 34609.41 lakh in APR 2013 – 2014. The admitted employee cost, however, includes Rs. 7705.20 lakh as mandatory requirement under AS – 15 on account of terminal benefit. However, the sum of Rs 1276 .21 lakh will be adjusted while determining the amount of revenue recoverable through APR 2013-14.

4.2.10 **The station wise allocation of the employee cost is as below:**

Rs. in Lakh

Sl. No.	Generating Station	Employee cost admitted in APR for 2013 – 2014		
		Own employee	Terminal Benefits	Total
1	Kolaghat	8828.64	2487.92	11316.56
2	Bakreswar	5792.90	1495.90	7288.80
3	Bandel	4154.77	1324.44	5479.21
4	Santaldih	4407.09	1329.69	5736.78
5	Sagardighi	3720.81	1067.25	4788.06
	Total	26904.21	7705.20	34609.41

4.2.11 WBPDC is directed that the amount of Rs. 7705.20 lakh admitted towards 'employees' terminal benefits' under the requirement of AS – 15 is to be invested in creating planned asset to take care of the above and is to be disclosed in the annual accounts. It is also directed to create separate fund for this purpose. Any income from such fund shall be reinvested in the same fund. Any amount allowed by the Commission on account of terminal benefit in future shall be invested in the said fund only. WBPDC shall, always submit a certificate from the statutory auditors in the APR applications that the amount has been invested in the said fund. Whatsoever, any deviation in this regard will not be allowed by the Commission.

4.2.12 WBPDC is also directed to clearly mention the details of cost incurred on Employees on Contract in regular establishment if included in Repairs to



Plant & Machinery/Any other head by way of suitable note in Annual Accounts and submission text of APR in each year.

4.3 Coal and Ash Handling Charges:

4.3.1 WBPDCCL has asked for adjustments, on coal and ash handling and other fuel related cost viz. railway staff cost posted at generating stations etc. through the instant application of APR. WBPDCCL has not considered the cost of detention charge, Sizing and shunting charge under this head in compliance with directive of the Commission in APR order for 2012-13. The amounts of Coal, Ash Handling and fuel related costs for different generating stations, as claimed by WBPDCCL in 2013-14, are furnished below:

Sl. No.	Generating Station	Rs. in lakh
		Amount in Rs. Lakh
1	Kolaghat	1567.97
2	Bakreswar	1091.31
3	Bandel	717.11
4	Santaldih	410.30
5	Sagardighi	471.11
	Total	4257.80

4.3.2 However WBPDCCL has booked a sum of Rs 4232 78 lakh in their Annual Accounts for 2013-14. WBPDCCL has included a sum of Rs 25.02 lakh in their petition which seems to have been shown under note 30 of Annual Accounts as prior period expenses. No explanation for the same is available in their petition for APR 2013-14. There has been an increase in the actual expenditures in respect of all generating Stations except Kolaghat and Bandel are stated to be due to deterioration of coal quality arising out of high ash content. However, generation of Bakreswar and Sagardighi Generating stations have gone down from 2012-13 although the same has not been reflected in the Coal, Ash handling and fuel related cost.

4.3.3 After careful analysis of these aspects, the Commission considers the actual generation with respect to target generation and decides to view the amount claimed with reference to the target set for generation and actual generation.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



The quantum of actual generation achieved during 2013 – 2014 at the stated generating stations of WBPDCCL is compared with the target generation based on normative PLF specified in the Tariff Regulations to arrive at proportionate expenses allowable. Further in case of Kolaghat Station the actual expense is considered in the proportion of claim submitted by WBPDCCL in APR 2013-14.

Rs. in Lakh

Generating Station	Target Generation (MU)	Exp. as per tariff order	Actual Generation (MU)	Expenses Proportionate to Actual Generation	Actual Expenses	Expenses admitted in APR for 2013 – 2014
Kolaghat	8057.00	2368.34	6298.62	1851.47	1558.76	1558.76
Bakreswar	7358.00	503.98	6993.67	479.03	1084.90	479.03
Bandel	2720.00	847.03	1363.53	424.61	712.90	424.61
Santaldih	3504.00	160.19	2736.85	125.12	407.89	125.12
Sagardighi	4205.00	174.05	3376.76	139.77	468.33	139.77
Total	25844.00	4053.59	20769.43	3019.99	4232.78	2727.29

Further in case of Kolaghat Station the actual expense is considered in the proportion of claim submitted by WBPDCCL in APR 2013-14.

4.3.4 As observed from above table, the actual quantum of generation considerably fell short of the target generation set for all the generating stations, whereas, actual expenses under the head in all the generating stations except Kolaghat and Bandel exceeded the amounts as allowed in the tariff order. WBPDCCL tried to justify in their petition such excess expenditure towards exorbitant amounts paid as ash evacuation cost due to poor quality of coal with high ash content received from the supplier etc. Similar justifications were given by WBPDCCL in their APR petition for 2011 – 2012 & 2012-13. The Commission gave its decision on those issues in the APR order for 2011 – 2012 and 2012-13. Now the Commission decides to restrict the expenditures made under the head of expenses to the amounts



proportionate to the actual generation irrespective of the amount of actual expenses.

4.3.5 WBPDCCL was, directed in the APR order for 2011 – 2012 as well as 2012-13 to include the expenditure on account of detention / demurrage in fuel related cost in terms of regulation 5.8.1(vi) of the Tariff Regulations in future years. WBPDCCL was also directed to include the expenditure on account of detention / demurrage in fuel related cost as per provision of the Tariff Regulations failing which no cost in this regard will be considered in the APR for 2013 -2014 and onwards. WBPDCCL has complied with the directive of the Commission now.

4.4 **Water Charges:**

4.4.1 The actual amount of total expenditure incurred by WBPDCCL under this uncontrollable head of accounts was found Rs. 788.65 lakh as per audited accounts 2013-14 as against Rs. 349.59 lakh allowed in the tariff for the concerned year.

4.4.2 WBPDCCL in their APR application for 2013 – 2014 has submitted that the payment of water cess and water charges had been made to the respective statutory authorities for all the generating stations at actual based on the rate applicable. As the expenditures under this head has been categorized as uncontrollable in the Tariff Regulations, WBPDCCL has prayed to allow the actual amount in APR. WBPDCCL has mentioned in their submission regarding steep hike in the 'Water Tariff Rate' during the year as notified by DVC effective from 1.10.2012 and requested to pass on the actual expenses on water charges for Santaldih generating station. The Commission in the tariff order dated 04.03.2015 for 2014 – 2015 had allowed the water cess of Santaldih generating station as claimed by WBPDCCL in consideration of increased water tariff of DPL with effect from 01.01.2012. The Commission accordingly admits the actual expenditure of Rs. 539.63 lakh for Santaldih generating station in the APR for 2013 – 2014.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.4.3 The water charges are categorized as uncontrollable in the Tariff Regulations. The Commission observed that during 2013 – 2014, the actual generation fell short of target generation in respect of all the generating stations. The Commission decides to view the amount claimed with reference to the targets set for generation and actual generation as highlighted hereunder:

Rs. in lakh

Generating Station	Target Generation (MU)	Exp. as per tariff order	Actual Generation (MU)	Expenses Proportionate to Actual Generation	Actual Expenses	Expenses admitted in APR for 2013 – 2014
Kolaghat	8057.00	28.40	6298.62	22.20	26.93	22.20
Bakreswar	7358.00	29.20	6993.67	27.75	31.55	31.55
Bandel	2720.00	136.66	1363.53	83.40	184.30	184.30
Santaldih	3504.00	109.93	2736.85	85.86	539.63	539.63
Sagardighi	4205.00	15.70	3376.76	12.61	6.24	6.24
Total	25844.00	349.59	20769.43	231.82	788.65	783.92

4.4.4 The Commission decides to admit the actual expenses incurred in respect of Bakreswar, Bandel, Santaldih and Sagardighi generating station based on the audited data and the water cess challans for 2013 – 2014 submitted by WBPDC and the expenses proportionate to actual generation in respect of Kolaghat generating station for which no such evidence has been submitted. The aggregate amount of Rs. 783.92 lakh is thus admitted by the Commission towards water charges in APR for 2013 – 2014.

4.5 Operation & Maintenance Expenses:

4.5.1 The operation and maintenance (O&M) expenses, viz. repairs and maintenance including cost of consumables, legal and professional charges, audit fees, administrative and general expenses are categorized as controllable items in terms of the Tariff Regulations.

4.5.2 In view of above, the amounts of the total provisions of operation and maintenance expenses allowed in the tariff as per norms are admitted in APR



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



2013 – 2014 irrespective of actual expenditure on this score in terms of the Tariff Regulations. The station wise admitted amounts of (O&M) expenses are as follows:

Rs. in Lakh

Generating station	Amount admitted in APR for 2013 – 2014
Kolaghat	14540.40
Bakreswar	9754.50
Bandel	5692.95
Santaldih	3905.00
Sagardighi	3990.00
Total	37882.40

4.6 Interest on Borrowed Capital:

4.6.1 The amount of interest on borrowed capital for Bakreswar, Santaldih and Sagardighi generating stations during the year 2013 – 2014, as claimed by WBPDC, are as under:

Rs. in Lakh

Generating Station	Amount at actual
Bakreswar	15167.80
Santaldih	16467.32
Sagardighi	12796.90
Total	44432.02

4.6.2 There was no capital borrowing for Kolaghat and Bandel generating stations. WBPDC submitted the computations in prescribed proforma for the amounts of interest actually paid for Bakreswar, Santaldih and Sagardighi generating stations.

4.6.3 As per Note 27 to the audited annual accounts 2013 – 2014, a total amount of Rs. 61579.59 lakh has been charged in P&L account towards interest expenses on term loans and interest on working capital loans. This includes Rs. 44432.02 lakh as claimed by WBPDC in Form C of Annexure I towards interest on borrowed capital. The balance amount of Rs. 17147.57 lakh (Rs. 61579.59 lakh – Rs. 44432.02 lakh) represents interest on short term loans



paid and claimed by WBPDC. The interest on working capital loan is being separately dealt subsequently.

- 4.6.4 The amount of interest on borrowed capital for Bakreswar (Units I to V), i.e., Rs. 15167.80 lakh, is inclusive of an amount of Rs. 736.61 lakh pertaining to the construction of associated transmission system. As the transmission system is being operated by West Bengal State Electricity Transmission Company Limited (in short "WBSETCL"), the said amounts are required to be recovered from WBSETCL by WBPDC. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraphs.
- 4.6.5 Regarding Sagardighi transmission system, WBPDC has stated in their supplementary petition for APR 2012-13 that the Sagardighi – Gokarna 220 kV Double Circuit transmission line asset, a part of the transmission systems, has already been handed over to WBSETCL on 02.06.2009. The other two parts i.e., Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line are however retained by WBPDC as WBSETCL has communicated their inability to maintain that 400 kV system. As stated therein, WBPDC has entered into an agreement with PGCIL on 18.02.2013 for operation and maintenance of Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line and associated bays at Parulia (Durgapur) for the period from 28.04.2011 to 31.03.2014.
- 4.6.6 WBPDC was directed in the order for APR 2012-13 to submit the interest component related to transmission systems for Units V and VI of Santaldih generating station henceforth in their APR application for 2013 – 2014 and onwards. WBPDC has furnished the interest component pertaining to the transmission system related to evacuation of power from Units V and VI of Santaldih generating station which stands at Rs 1044.57 lakh in 2013-14. As the transmission system has not been handed over to West Bengal State Electricity Transmission Company Limited (in short "WBSETCL") and the system is not put into commercial operation, the said amount is neither to be recovered from WBSETCL by WBPDC nor to be admitted as interest cost



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



for 2013 – 2014. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraph. Interest on capital borrowing for Santaldih generating station is thus admitted to the extent of Rs. 15422.75 lakh (Rs. 16467.32 lakh – Rs. 1044.57 lakh).

4.6.7 The Commission, thus, decides to allow the actual interest towards borrowed capital for the respective generating stations in the APR for 2013 – 2014 as claimed and detailed in paragraph no. 4.6.1.

Rs. in Lakh		
Sl. No.	Generating Station	Amount admitted in APR for 2013 – 14
1	Bakreswar	15167.80
2	Santaldih	15422.75
3	Sagardighi	12796.90
	Total	43387.45

4.6.8 WBPDCCL has claimed interest on normative loan for the year 2013 – 2014 in respect of Bakreswar and Sagardighi generating stations for Rs. 187.85 lakh and Rs. 169.94 lakh respectively. In their submission, WBPDCCL has stated that the equity considered for those generating stations is less than the equity contributed. WBPDCCL has also stated that in the APR for 2010 – 2011, and 2011 – 2012 and 2012 – 2013 the Commission had also not considered the interest on normative debt though the same was admitted in the tariff order. In this regard it is stated that the equity contribution is considered in the APR for any year is based on the actual addition to original cost of fixed asset as per provision of the Tariff Regulations. The Commission considers admissible equity for return as per provisions of the Tariff Regulations and the same is found less than the actual equity contributed. The Commission considers not to allow interest on normative loan as claimed by WBPDCCL in APR for 2013 – 2014. WBPDCCL may come up in future if such excess equity is utilized for addition to original cost of fixed assets.

4.7 **Transmission Charges paid to PGCIL for Sagardighi Transmission System:**



4.7.1 WBPDCIL has entered into an agreement with PGCIL on 18.02.2013 for operation and maintenance of Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line and associated bays at Parulia (Durgapur) for the period from 28.04.2011 to 31.03.2014. It was directed in order for APR 2012-13 that this will be considered when WBPDCIL will come up with their claim of service charges actually paid to PGCIL as per the agreement executed on 18.02.2013 for operation and maintenance of the 400 kV lines and bays at Parulia for the period from 28.04.2011 to 31.03.2014 with audited documents in their APR for 2013 – 2014. WBPDCIL has accordingly claimed a sum of Rs 163.35 lakh (2011-12), Rs 186.47 lakh (2012-13) and Rs 202.95 lakh (2013-14) as amount paid to PGCIL in their APR petition for 2013-14. This also includes a sum of Rs 5.88 lakh in 2013-14 for replacement of theft tower member for 400 KV line. The Commission admits a sum of Rs 197.88 lakh excluding Rs 5.88 lakh paid for replacement of stolen tower member in 2013-14 for Sagardighi transmission system. The Commission also admits the amount of Rs. 163.35 lakh and Rs. 186.47 lakh for the years 2011-12 and 2012-13 respectively for Sagardighi transmission system aggregating to Rs. 547.70 lakh (Rs. 163.35 lakh + Rs. 186.47 lakh + Rs. 197.88 lakh).

4.8 Interest on Working Capital and interest on temporary accommodation:

4.8.1 The Commission allowed in its tariff order for the year 2013 – 2014 the amounts towards interest on working capital for the generating stations of WBPDCIL as per regulation 5.6.5.1 and 5.6.5.2 of the Tariff Regulations. In actual, WBPDCIL needed to take working capital loans from the nationalized banks on payment of interest. The weighted average rate of actual interest on working capital is less than that of the normative rate based on PLR of SBI as on 1st April, 2011. During the year 2013 – 2014, the rate of interest varied from 10.5% to 14.75% for meeting the working capital requirement. The Prime Lending Rate (PLR) of the State Bank of India was 14.75% as on 1 April, 2012. Now, in terms of regulation 5.6.5.1 of the Tariff Regulations,



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



the Commission proceeds to determine the normative amount of interest on working capital as under:

Rs. in Lakh

Particulars	Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi
Annual Fixed Charges for 2013-14 (excluding working capital)	36925.64	81942.87	14822.46	49978.00	37616.50
Fuel Cost for 2013-14	158321.12	143563.37	42845.95	53983.82	71119.28
Total	195246.76	225506.24	57668.41	103961.82	108735.78
Less:					
Depreciation	761.54	18867.47	114.12	9617.62	11291.63
Advance against Depreciation	0.00	0.00	0.00	0.00	182.24
Return on Equity	7581.60	28325.64	2822.55	14405.33	16377.47
Total	8343.14	47193.11	2936.67	24022.95	27851.34
Allowable fixed charges for working capital	186903.62	178313.13	54731.74	79938.87	80884.44
Allowable Working Capital (10% of above)	18690.36	17831.31	5473.17	7993.89	8088.44
Interest on Working Capital @ 14.75%	2756.83	2630.12	807.29	1179.10	1193.04
Actual interest paid	4964.32	5453.85	1240.38	1607.67	2612.64
Interest on Working Capital admitted	2756.83	2630.12	807.29	1179.10	1193.04

4.8.2 It is seen from the above that the actual interest on working capital paid by WBPDCCL during the year is more than the normative interest on working capital and the Commission admits the normative interest.

4.8.3 WBPDCCL in their APR petition had come with their proposal for excess interest paid for non-recovery of their expenses in time under separate head in terms of regulation 5.6.5.4 of the Tariff Regulation.

Regulation 5.6.5.4 states "The Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company / licensee from any source to a reasonable extent of unrealized arrears from consumers / beneficiaries."

The Loan balance as per audited accounts as on 31.03.2014 vis-à-vis their claim for Temporary accommodation and working capital is as below:

Particulars	As per Audited A/cs	Claimed as per Form C	Interest Claimed
Capital Borrowings	Rs in Lakh	Rs in Lakh	Rs in Lakh



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Long Term Borrowings	703046.98	719280.09	44432.02
Current Maturities of Long-Term Loans	155676.85		
	858723.83	719280.09	44432.02
Short Term Borrowings			
Working Capital Loan	77588.91	71139.67	9154.02
Short Term Loan			7993.55
	77588.91	71139.67	17147.57

The Commission finds that figures in Form C varies with that of Accounts. Accordingly, in absence of clarificatory evidence with respect to the amount of loan drawn for the purpose of Temporary accommodation, the balance remaining after adjusting the Working Capital Loan from the total of Short-Term Borrowings as depicted in audited accounts i.e. Rs. 6449.24 lakhs [Rs. 77588.91 – 71139.67 lakhs] shall be considered as their loan availed for temporary accommodation. Therefore, applying the weighted average rate of their claim for temporary accommodation (8.96%) the interest on temporary accommodation works out at Rs. 577.85 lakhs and the Commission admits the same. The admitted amount is allocated to the generating stations in proportion to their claim as detailed below:

Generating Station	KTPS	BkTPS	BTPS	STPS	SgTPS	Total
Amount in Rs lakh	175.78	195.79	37.53	75.43	93.33	577.86

4.9 Other Finance Charges:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.9.1 As per the audited annual accounts of WBPDCCL for the year 2013 – 2014, an amount of Rs. 436.21 lakh was booked in the accounts under 'other borrowing cost' towards loan processing charges.

4.9.2 In the tariff order for the year 2013 – 2014, other finance charges were not allowed for any generating stations of WBPDCCL as there was no claim under that head by WBPDCCL. In their APR application for 2013 – 2014 WBPDCCL has claimed a total amount of Rs. 464.26 lakh on account of other finance charges for all the generating stations. A sum of Rs 28.05 lakh has been included in their claim which has been shown as bank Charges under 'Other Expenses' in note 28 to Annual Accounts 2013-14. No station wise breakup of the same is available. As per their submission other finance charges include bank charge, loan processing charges, LC commission charges, etc. Since the expenditure under this head is categorized as uncontrollable in the Tariff Regulations, WBPDCCL has prayed to allow the amount through tariff. Bank Charges are purely cost of banking transactions and cannot be termed as Other Finance Charges related to capital drawing as per regulation 5.6.4.2 of the Tariff Regulations. The Commission decides to admit the total amount of Rs. 436.21 lakh towards other finance charges as found in the annual accounts for 2013 – 2014 and appropriated to all the generating stations in the ratio of their submitted claim of Rs 464.26 lakh as proposed by WBPDCCL in APR 2013-14. The admitted amount of other finance charges are as under:

Rs. in Lakh

Generating Station	Amount admitted in APR for 2013 – 2014
Kolaghat	42.81
Bakreswar	341.51
Bandel	9.43
Santaldih	18.61
Sagardighi	23.85
Total	436.21

4.10 Depreciation:

4.10.1 The amounts of depreciation for the different generating stations as claimed by WBPDCCL are as under:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Rs. in Lakh

Generating Station	Actual amount charged unit wise P&L A/c
Kolaghat	761.54
Bakreswar	18867.47
Bandel	114.12
Santaldih	10589.84
Sagardighi	11291.63
Total	41624.60

- 4.10.2 The Commission decides to go by the amounts of depreciation as charged in the books of accounts of WBPDC in respect of all the generating stations for the year 2013 – 2014 as shown in the unit wise audited accounts for 2013 – 2014.
- 4.10.3 The amount of depreciation so claimed for the Bakreswar generating station includes an amount of Rs. 1725.42 lakh pertaining to the transmission system associated to that station. As that system is being operated by WBSETCL, the amount of depreciation was ordered to be recovered from that company. In the order dated 05.09.2013 on APR for the year 2011 – 2012, WBPDC was directed to submit the details of calculation etc. for depreciation in regard to the different transmission assets along with APR application for 2012 – 2013 failing which 10% of the chargeable amount of depreciation of Bakreswar transmission systems was decided to be deducted from the total amount of depreciation. Accordingly, an amount of Rs. 18666.49 lakh after deducting an amount of Rs. 172.54 lakh being 10% of the depreciation of transmission assets of Bakreswar transmission system (Rs. 18839.03 lakh – 172.54 lakh) was admitted for Bakreswar generating station in the APR for 2012 – 2013. **However, WBPDC in their review petition for 2012-13 prayed for review of such decision and submitted the relevant extracts of the Asset Register duly certified by the Statutory Auditors. After considering the same, the Commission vide its order dated 29.08.2018 on the review petition of 2012 – 2013 in case no. APR-39/13-14 released the amount of Rs. 172.54 lakhs retained in the APR order for the year 2012 – 2013.**



It is seen from Form – B of APR petition 2013-14, that depreciation of transmission assets of Bakreswar transmission system has been charged @ 3.60% on Rs. 17232.37 lakh and @ 6% on Rs. 18417.57 lakh aggregating to Rs. 1725.42 lakh. Although it has been disclosed under Note 12.2 of the audited financial statements for the year ending March, 2014 that the rates of depreciation for assets pertaining to transmission system has been charged following the Tariff Regulations pursuant to latest direction from the Commission, the Commission observed during annual performance review of WBPDC for 2012-13 dated 21.07.2014 in case no. APR-39/13-14 that WBPDC submitted break-up of transmission assets in their submitted Form-B only in two categories. In their submission in Form-B of the APR petition for 2013 – 2014, WBPDC adopted the same manner of calculation without providing detailed category wise break-up of assets. **However, WBPDC, in paragraph 5.11.2 of their APR petition for the years 2013 – 2014 has mentioned the submission of such documents in its Review Petition of 2012 – 2013 based on which the withheld amount of Rs. 172.54 lakh was released by the Commission in its order dated 29.08.2018. The Commission, therefore, decides to admit Rs. 18867.47 lakh (inclusive of Rs.172.54 lakh) towards depreciation for Bakreswar generating station in the APR for 2013 – 2014.** The above amount of depreciation, however, includes the depreciation of the transmission assets of Bakreswar transmission system for an amount of Rs. 1725.42 lakh which is recoverable from WBSETCL.

- 4.10.4 The depreciation claimed for Santaldih generating station includes an amount of Rs. 966.60 lakh pertaining to transmission system related to Santaldih generating station (Units V & VI) which is not recoverable from WBSETCL for the reasons stated in paragraph 4.6.6 of this order. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraph. The depreciation for Santaldih generating station as claimed in APR petition also includes a sum of Rs 5.62 lakh which has been shown under Prior period expenses in note 30 to Annual Accounts 2013-14. No explanatory clarification for the same has been furnished in the petition



and the Commission does not admit the amount of Rs. 5.62 lakh. The Commission admits depreciation of Rs. 9617.62 lakh after deducting the disallowed amount of Rs. 966.60 lakh and Rs. 5.62 lakh as mentioned above from the amount of Rs. 10589.84 lakh as claimed in form B of Annexure – I to Tariff Regulations.

- 4.10.5 The depreciation admitted for Sagardighi generating station includes an amount of Rs. 1631.12 lakh pertaining to transmission system related to Sagardighi generating station. A part of the transmission system has been handed over to WBSETCL and the remaining part is lying with WBPDCCL as WBSETCL has declined to maintain that portion. Paragraph 2.6.5 of the order dated 05.09.2013 on APR for 2011 – 2012 in case no. APR-31/12-13 may be referred to in this context. In the order dated 05.09.2013 on APR for the year 2011 – 2012, WBPDCCL was directed to furnish all relevant information in regard to the depreciation of Sagardighi – Gokarna 220 KV transmission systems since handed over to WBSETCL. Such information was not submitted in APR petition 2012-13 and in the absence of which the Commission could not consider proportionate amount of depreciation of the above transmission systems recoverable from WBSETCL while determining depreciation in APR 2012-13. Now while going through APR petition for 2013-14 it is observed from Form – B that such relevant information in respect of the above transmission system has not been submitted separately by WBPDCCL in 2013-14. In absence of detailed calculation of the proportionate amount of depreciation of the above transmission system, recoverable amount from WBSETCL out of the total chargeable amount of depreciation of Rs. 1631.12 lakh could not be ascertained and the entire depreciation amount as charged in unit wise books of account for Sagardighi generation station is considered. The station wise depreciation as allowed by the Commission are as follows:

Rs. in Lakh

Sl. No.	Generating Station	Amount of Depreciation admitted in APR for 2013 – 2014
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In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



1	Kolaghat	761.54
2	Bakreswar	18867.47
3	Bandel	114.12
4	Santaldih	9617.62
5	Sagardighi	11291.63
Total		40652.38

4.11 Advance against Depreciation (AAD):

4.11.1 The Commission did not allow any amount towards advance against depreciation while determining tariff for the year 2013 – 2014 under multiyear tariff framework though WBPDCCL projected the requirement of advance against depreciation in respect of Santaldih and Sagardighi generating stations in their tariff petition. WBPDCCL was advised to come up with their proposal for advance against depreciation as per provision of the Tariff Regulations along with the statement of repayment of loan during the year and depreciation allowed for the year in their APR application for the year 2013 – 2014.

4.11.2 WBPDCCL in their submission of APR for 2013 – 2014 has claimed Rs. 182.24 lakh towards AAD, in respect of Sagardighi generating station.

4.11.3 The Tariff Regulations provide for advance against depreciation to a generating company or a licensee when the amount of repayment on borrowed capital exceeds the amount of depreciation allowable during the year. Further, regulation provides that such advance against depreciation shall be restricted to 1/10th of the principal amount of original approved loans minus the amount of depreciation allowable under these regulations with the proviso that once the repayment of entire loan amount is completed, the original cost of fixed asset shall be reduced by the aggregate of accumulated depreciation and advance against depreciation availed by the generating company or the licensee and resulting depreciable value shall be spread over the balance useful life of the fixed asset.

4.11.4 In the table below the Commission now proceeds to determine the allowable amount of advance against depreciation in respect of Sagardighi generating stations of WBPDCCL during the year 2013 – 2014:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Rs. in Lakh

Sl. No.	Generating Station	Principal amount of original capital borrowing at the beginning of the year 2013-14	Amount of Loan Repayment during 2013 – 2014	Admitted amount of depreciation for 2013 – 2014	Amount of Loan repayment in excess of Depreciation	1/10 th of original capital borrowing	Admitted amount of Advance against Depreciation during 2013 – 2014
1	Sagardighi	120475.65	11473.87	11291.63	182.24	12047.57	182.24

4.11.5 The Commission admits the amount of Rs. 182.24 lakh towards advance against depreciation against the aforesaid generating stations of WBPDC in the APR 2013 – 2014.

4.12 Reserve for Unforeseen Exigencies:

4.12.1 In terms of regulation 5.11.1 of the Tariff Regulations, an appropriation towards Reserve for Unforeseen Exigencies is allowable @ 0.25% of the gross value of fixed assets at the beginning of the year annually for dealing with unforeseen exigencies subject to an overall ceiling of 5% of such gross value of fixed assets. The Commission has already allowed a sum of Rs. 2905.84 lakh towards reserve for unforeseen exigencies upto the year 2010 – 2011 and nothing has been allowed during the years 2011 – 2012, 2012 – 2013 and 2013-14 in this respect. WBPDC has not claimed any amount towards reserve for unforeseen exigencies in APR for 2013 – 2014.

4.12.2 According to sl. No. 3 of notes to financial statements of annual report for 2013 – 2014, balance of reserve for unforeseen exigencies as on 1st April, 2013 was Rs. 9077.82 lakh while balance of reserve for interest earned on investment of fund relating to unforeseen exigencies as on 31st March, 2014 was Rs. 2848.28 lakh including interest of Rs. 1072.35 lakh earned during the year 2013 – 2014. On the other hand, WBPDC has separately confirmed that balance of investment in fixed deposits relating to reserve for unforeseen exigencies as on 30th November, 2012 was Rs. 9187.00 lakh while interest on investment earned and reinvested for this purpose was Rs. 1108.91 lakh.

4.12.3 The Commission did not allow any amount on account of reserve for unforeseen exigencies in the tariff order for the year 2013 – 2014 to avoid



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



future hike in tariff which will ultimately affect the end users of electricity. Thus no amount on account of reserve for unforeseen exigencies has been allowed in the APR for 2013 – 2014 also. WBPDCCL is, however, directed to disclose the actual status of investment in fixed deposits relating to reserve for unforeseen exigencies separately in the annual report.

4.13 Rebate on sale of power:

4.13.1 In 2012 – 2013 the Commission, admitted the amount of Rs. 1042.44 lakh under the sub-head rebate on sale of power in the APR for 2012 – 2013 for different generating stations of WBPDCCL. In the APR Petition 2013-14 WBPDCCL has not claimed such amount as the same has not been incurred by them as reported in Note 28 of Annual Accounts 2013-14.

4.14 Return on Equity Base:

4.14.1 The returns on Equity for different operating generating stations of WBPDCCL, as were considered in the tariff order for the year 2013 – 2014 and as now being claimed by them are as under:

Rs. in Lakh

Sl. No.	Generating Station	As per Tariff Order	As claimed
1	Kolaghat	23546.46	17004.68
2	Bakreswar	25262.30	21547.89
3	Bandel	1745.52	912.38
4	Santalidih	13482.48	10933.73
5	Sagardighi	14357.09	12579.32
	Total	78393.85	62978.00

4.14.2 Paid-up Equity Shares:

4.14.2.1 The paid-up equity shares in respect of different generating stations at the beginning of 2013 – 2014 as per unit wise audited accounts are stated below:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



SI No	Generating Station	Amount in Rs. in lakh at the beginning of the year 2013 – 2014
		Actual Equity Share
1	Kolaghat	87329.40
2	Bakreswar	139910.14
3	Bandel	5665.00
4	Santaldih (Unit V & Unit VI)	72900.00
5	Sagardighi	97700.00
	Total	403504.55

4.14.2.2 The equity share of Santaldih generating station is Rs. 72900.01 lakh consists of equity share of unit V for Rs. 42900.01 lakh and that of unit VI for Rs. 30000.00 lakh. The equity shares in respect of Sagardighi generating station is Rs. 97700.00 lakh.

4.14.2.3 The issue of computation of equity base for the years 2008 – 2009, 2009 – 2010 and 2010 – 2011 for the purpose of return on equity was sub-judice in the Appellate Tribunal for Electricity (APTEL). The Hon'ble Appellate Tribunal was pleased to pass an order dated 19.08.2014 with the following directions:

“The matter relating to Return on Equity is remanded to the State Commission with the direction to the State Commission to reconsider the issue after hearing the parties to the present Appeal and pass order without being influenced by its finding in the impugned tariff order, within three months from the date of issue of this order.”

4.14.2.4 The Commission after hearing the representatives of HCCI and WBPDC on 18.11.2014 and perusing the papers submitted by them, felt that the submission made by HCCI has merit and therefore decided the following:

- i) To recast the admissible equity base of different generating stations of WBPDC with effect from 01.04.2006 for the purpose of computing return on equity in line with the provisions of the Tariff Regulations, 2007 and the Tariff Regulations, 2011, as applicable, considering only such component of free reserve which were utilized for capitalization in the core business of WBPDC during the period 2006 – 2007 and onwards.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



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- ii) The tariff order for 2011-2012, 2012-2013 and 2013-2014 are subject to truing up through Annual Performance Review (APR) in terms of Regulations, 2011. The APRs for the years 2011-2012 and 2012-2013 have already been finalized and orders have been issued. The APR petition for the year 2013-2014 is to be submitted by WBPDC by 30.11.2014 as per the provision of the Regulations, 2011. The Commission will review the admissible equity base and return thereon for the years 2011-2012 and 2012-2013 in the APR for 2013-2014 and make necessary adjustments, if any.
- iii) The submission of HCCI about claim of WBPDC towards addition of fresh equity of Rs. 40.00 crore in respect of new projects at Santaldih (Extension Unit 5: 1 x 205 MW) and Sagardighi (2 x 300 MW) in the equity base during the year 2004-2005 has no merit in view of the fact that those new projects at Santaldih and Sagardighi are commissioned before 2011-2012 whereas this order is limited to de-novo determination of equity base of WBPDC and return thereon for the period comprising the years 2011-2012, 2012-2013 and 2013-2014.

The matter was disposed off with the above conclusions through an order dated 18.11.2014 in case no. WBERC/AT/41

4.14.2.5 Before ascertaining admissible ROE for the year 2013-14, based on the audited Annual Accounts of different generating stations of WBPDC for the year, the Commission goes by its decision in the order dated 18.11.2014 in case No. WBERC/AT/41 to determine the admissible equity base, available free reserve and free reserve utilized for capitalization in the core business of different generating stations, de novo, separately for each generating station for the years 2006-2007 to 2012-2013.

4.14.2.6 The amount of free reserve at the beginning of each financial year 2006-2007 to 2012-2013 is considered from the Balance Sheet of each generating station for the respective year. The negative free reserves as available from



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



the audited accounts at the beginning of each year have been adjusted with the positive free reserves in the proportion of positive free reserves. In absence of actual addition to equity in a particular year, the Commission considered normative addition to admissible equity base out of the available balance of free reserve at the beginning of that year. Free reserve at the beginning of a year has got reduced to the extent it is utilized for capitalization, and also added with free reserve created during the year to arrive at the amount of free reserve at the end of the year. Table at Annexure 4K attached to this chapter exhibits detail of computation.

4.14.2.7 Generating station-wise calculation of admissible equity base for the years 2006-2007 to 2012-2013 is available in the tables at Annexure 4F to 4J attached to this chapter.

4.14.2.8 **The balance ROE payable based on the generating station wise calculation of admissible equity base for the years 2006 – 2007 to 2012 – 2013 is given at Annexures 4L to 4P. The amount in totality payable to WBPDCCL on account of arrear ROE for each generating station during the period 2006 – 2007 to 2012 – 2013 is given in the following table:**

Generating Station	Arrear ROE payable during the years 2006 – 2007 to 2012 – 2013 (Rs. in lakh)
Kolaghat	1379.00
Bakreswar	143.74
Bandel	39.42
Santaldih	528.95
Sagardighi	298.93
Total	2390.04

4.14.2.9 The admitted equity base and ROE considered in APR orders for 2011-2012 & 2012-2013 and recalculated return for 2011-2012 & 2012-2013 in the manner narrated in foregoing paragraphs are given in the tables below. Amounts of excess/short adjustment of ROE in the APR orders for 2011-



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



2012 and 2012-2013 through truing up over the actual adjustable ROE for those years as has been recalculated are also given in the tables.

2011-2012

SI No	Generating Station	ROE as per APR Order	ROE as per actual recalculated	Excess(-)/short(+) admitted in APR 2011-12 to be adjusted in APR 2013-2014
		2	3	6 (2-3)
1	Kolaghat TPS	16867.00	13183.81	- 3683.19
2	Bakreswar TPS	18423.89	21143.31	2719.42
3	Bandel TPS	0.00	915.96	915.96
4	Santaldih TPS	6152.80	7079.58	926.78
5	Sagardighi TPS	10847.53	12453.42	1605.89
	TOTAL	52291.22	54776.08	2484.86

2012-2013

SI No.	Generating Station	ROE as per APR Order	ROE as per actual recalculated	Excess(-)/short(+) admitted in APR 2012-13 to be adjusted in APR 2013-2014
		2	3	6
				(4-5)
1	Kolaghat TPS	16917.42	13234.23	-3683.19
2	Bakreswar TPS	18529.18	21248.61	2719.43
3	Bandel TPS	0.00	915.96	915.96
4	Santaldih TPS	8593.27	10567.08	1973.81
5	Sagardighi TPS	10924.22	12530.11	1605.89
	TOTAL	54964.09	58495.99	3531.90

4.14.2.10 Based on the methodology adopted for re-determination of admissible equity base for the purpose of calculation of Return the Commission determined the admissible ROE for each generating station of WBPDC for the year 2013-14.

4.14.2.11 Return on Equity for each generating station for the year 2013-14 are calculated as below:

Sl. No.	Particulars	Link	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
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In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



1	Actual Equity base at the beginning (Govt. sanction)		87329.40	139910.14	5665.00	72900.00	97700.00
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	0.00	38000.00
3	Deletion of Equity base during the year		0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. sanction)	(1+2+3)	87329.40	139910.14	5665.00	72900.00	135700.00
5	Admissible equity base at the beginning of the year		87077.48	137326.05	6098.38	70566.43	81725.16
6	Available Free Reserve at the beginning of the Year	(Annexure 4K)	64006.06	44092.06	76.87	490.18	2572.44
7	Net addition to the original cost of fixed assets		3095.37	331.87	256.23	1633.92	8574.79
8	Normative addition of Fixed Assets @ 30%		928.61	99.56	76.87	490.18	2572.44
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	0.00	0.00
10	Addition to equity base considered from available free reserve	Lower of 6 & 8	928.61	99.56	76.87	490.18	2572.44
11	Admissible equity base at the closing of the year	(3+5+9+10)	88006.09	137425.62	6175.25	71056.61	84297.60
12	Average Equity Base	(5+11/2)	87541.79	137375.83	6136.81	70811.52	83011.38
13	Return on equity @15.5%		13568.98	21293.25	951.21	10975.79	12866.76

4.14.2.12 Such return after adjustment of ROE for 2011-12 and 2012-13 and considering the arrear ROE payable during the period from 2006 – 2007 to 2012 – 2013 stands as follows:

Sl. No	Generating station	ROE admitted for 2013-14	Adjusted ROE for 2011-12 and 2012-13 as per para 4.14.9	Arrear ROE during the period 2006 – 2007 to 2012 as per para 4.14.2.8	ROE for Transmission Assets for 2013-14	ROE admitted in APR against generation segment for the year 2013 – 2014
1	2	3	4	5	6	7=(3+4+5)-6
1	Kolaghat TPS	13568.98	- 7366.38	1379..00	0	7581.60
2	Bakreswar TPS	21293.25	5438.85	143.74	1449.80	28325.64
3	Bandel TPS	951.21	1831.92	39.42	0	2822.55
4	Santaldih TPS	10975.79	2900.59	528.95	673.92	14405.33
5	Sagardighi TPS	12866.76	3211.78	298.93	0	16377.47
	Total	59655.99	6016.76	2390.04	2123.72	69512.59

4.14.3 ROE on Transmission Assets has been derived in proportion of the gross fixed assets under the segment. ROE for Rs. 673.92 lakh for Santaldih transmission assets is not recoverable from WBSETCL for the reasons stated under para 4.6.6 of this order.



4.15 Taxes payable under Income Tax Act:

4.15.1 It is evident from the audited accounts that the incidence of income tax of WBPDC for the year 2013 – 2014 was for Rs. 2079.79 lakh.

4.15.2 WBPDC incurred losses in the books of accounts of Bandel and Sagardighi generating stations and as such, taxes payable towards profits and incomes were arrived at after considering the amounts of losses in the aforesaid generating stations. In form 1.17 WBPDC has furnished the station-wise break-ups as under:

(Rs. in Lakh)

Generating Station	Incidence of Tax for 2012-2013
Kolaghat	829.97
Bakreswar	1211.29
Bandel	0.00
Santaldih	38.54
Sagardighi	0.00
Total	2079.80

4.15.3 The Commission admits an amount of Rs. 2079.79 lakh in APR for 2013 – 2014 towards income tax on profit for the financial year 2013 – 2014 with generating station wise allocation as follows:

(Rs. in Lakh)

Generating Station	Total Income Tax admitted in APR for 2013-14
Kolaghat	829.97
Bakreswar	1211.28
Bandel	0.00
Santaldih	38.54
Sagardighi	0.00
Total	2079.79

4.15.4 WBPDC was allowed the income tax for the financial years 2010 – 2011 and 2011 – 2012 on the basis of amount of income tax provided in the respective annual accounts but WBPDC has not furnished income tax assessment order for the assessment years 2010 – 2011 and 2011 – 2012 to the Commission.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.15.5 WBPDC, in the APR order for 2012 – 2013, was directed to submit copy of assessment order for the year 2012 – 2013 and copies of the challans for deposit of income tax by them for the year in APR petition for the year 2013 – 2014 which they have not submitted. Commission directs WBPDC to submit a status report on the subject while submitting APR 2016-17, failing which no amount towards Income Tax will be allowed.

4.16 Performance Incentives:

4.16.1 No amount was allowed as performance incentive in the tariff order for 2013 – 2014. WBPDC has not achieved generation higher than annual norms in respect during the year 2013– 2014. Further, in schedule – 10 to the Tariff Regulations, it is specifically mentioned that from the third control period, performance incentive for generation higher than the annual norms will not be applicable for any ABT compliant generating station of any generation company. The Commission does not consider any performance incentive in the APR for 2013 – 2014.

4.17 Interest Credit:

4.17.1 In terms of regulation 5.5.3 of the Tariff Regulations, the actual amount of loan repayment during 2013 – 2014 being less than the amount allowed as depreciation, an interest credit at the rate of weighted average cost of debt is provided on such excess depreciation charged in respect of Santaldih generating station. An amount of Rs. 19.65 lakh, as computed hereunder, in respect of Santaldih generating station of WBPDC is deductible from the gross amount of fixed charges.

Sl. No.	Particulars	Amount (Rs. in Lakh)
		As admitted in APR 2013-14
1	Amount of Depreciation	9617.62
2	Loan repayment	9452.93
3	Excess of depreciation over loan repayment (1 – 2)	164.69
4	Weighted average rate of interest	11.93%
5	Interest credit	19.65



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.18 Income from Other Sources / Non-Tariff Income:

4.18.1 As per Note 10 of Unit wise Audited Accounts for 2013-14, income generated by WBPDCCL from the sources other than sale of electricity during the year 2013 – 2014 were reported as under:

Rs. in Lakh						
Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
Sale of scrap	661.37	528.02	259.96	9.78	213.54	1672.67
Interest on Deposits and Bond	1718.79	1625.48	381.64	755.92	883.70	5365.53
Other General Receipts	257.73	249.18	131.07	154.28	198.17	990.43
Total	2637.89	2402.68	772.67	919.98	1295.41	8028.63

4.18.2 The amount of Rs. 8028.63 lakh, however, excludes the interest amount Rs. 1072.35 lakh accrued towards interest income of fixed deposits relating to reserve for unforeseen exigencies which is required to be invested in the fund itself. WBPDCCL in the Form 1.26 to Annexure I in their APR application for 2013 – 2014 for each generating station has included interest on bond with interest on short term deposit. In their submission under the head 'other income', WBPDCCL has stated that the amount of Rs. 5365.53 lakh towards interest income on term deposits and long-term bonds made out of investment required for compliance of Accounting Standard AS-15 on 'employees benefit'. It is observed from the audited annual report and accounts 2013 – 2014 that interest income from term deposits and dividend from bonds is Rs. 5365.53 lakh, which is related to the investment in compliance of AS-15 of employees benefit and thus not to be considered as a pass-through item under income from investment. The Commission, thus, does not consider the interest on deposits of Rs. 5365.53 lakh as mentioned above in income from other sources / non-tariff income.

4.18.3 It is observed from Notes on Accounts of the unit wise audited annual accounts for 2013 – 2014 of WBPDCCL that the miscellaneous income includes rent on BOBR wagon leased to Eastern Railway amounting to Rs. 29.60 lakh. In this context, vide paragraph 5.17 of the Commission's order



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



dated 01.12.2012 in case no TP-54/12-13, it was directed to show the income derived from leasing of wagons and simulation package as well as from hydrogen gas plants separately, since the carrying cost of those elements have been allowed in the fixed charge of Bakreswar Unit. Such direction is yet to be complied with in APR 2012 – 2013 and APR 2013-14. WBPDCCL is further directed to comply with the above direction and submit the report within 3 months from this order failing which necessary adjustment, as may be decided by the Commission, will be made in the APR for 2015 – 2016.

4.18.4 Thus, the Commission admits the amount of Rs. 2663.10 lakh, as shown in the following table, as income from other sources / non-tariff income which is required to be adjusted from the allowable gross amount of fixed charges in the APR for 2013 – 2014:

Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
Sale of scrap	661.37	528.02	259.96	9.78	213.54	1672.67
Other General Receipts	257.73	249.18	131.07	154.28	198.17	990.43
Total	919.10	777.20	391.03	164.06	411.71	2663.10

4.19 Insurance Premium:

4.19.1 The expenditures towards taking appropriate insurance coverage have been categorized as uncontrollable. The actual expenditures on this account as per note 28 to the annual reports of WBPDCCL for the year 2013 – 2014 totaling to Rs. 414.56 lakh has been admitted by the Commission. The generating station wise allocation of the admitted amount is given below:

Rs. in Lakh	
Generating station	Amount as admitted for 2012 – 2013
Kolaghat	58.26
Bakreswar	159.08
Bandel	1.02
Santaldih	47.77
Sagardighi	148.43
Total	414.56



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.20 Rent, Rates and Taxes:

4.20.1 In terms of Tariff Regulations, rates and taxes are recognized as separate items and categorized the same as uncontrollable. It is seen from the note 28 to the annual report for the year 2013 – 2014 that the actual expenditure under the head was Rs. 167.50 lakh. As per note 28, 'other expenses' of the audited accounts, WBPDCCL incurred expenditure on account of 'filing fee' and 'license and registration fee' for Rs. 20.16 lakh and Rs. 84.46 lakh, respectively. Such expenses are categorized under 'rates and taxes' and are accordingly admitted by the Commission. Thus, the total amount admitted under the head 'rates & taxes' comes to Rs. 272.12 lakh (Rs. 167.50 lakh + Rs. 20.16 lakh + Rs. 84.46 lakh). Allocation of the expenditure for different generating stations as per unit wise accounts are as under:

Rs. in Lakh	
Generating station	Amount admitted in APR for 2013 – 2014
Kolaghat	32.89
Bakreswar	115.00
Bandel	55.70
Santaldih	43.33
Sagardighi	25.20
Total	272.12

4.21 ERPC Charges:

4.21.1 WBPDCCL has claimed a sum of Rs 16 lakh as below towards ERPC charges and have been shown under other expenses in note 28 of Annual Accounts 2013-14:

Rs in Lakh						
Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
ERPC Charges	4.87	5.42	1.04	2.09	2.58	16.00



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



4.21.2 WBPDCCL have stated these expenses to be as statutory charges in their petition. The Commission admits the same as per allocation given by WBPDCCL.

4.22 Release of Regulatory Asset:

4.22.1 No amount has been kept as regulatory asset in respect of WBPDCCL in the earlier tariff orders or APR orders.

4.23 Cost of for associated transmission system recoverable from West Bengal State Electricity Transmission Company Limited (WBSETCL):

4.23.1 The transmission systems constructed by WBPDCCL for Bakreswar is an integral part of the transmission system being operated by WBSETCL. For Santaldih generating station no cost is, however, recoverable from WBSETCL for the reasons stated under paragraph 4.6.6 of this order. The annual carrying charges of the assets of Bakreswar generating stations are found as under:

Sl. No.	Particulars	Amount in Rs. in Lakh
		Bakreswar
(i)	Interest on loan (refer paragraph 4.6.4 & 4.6.6)	736.61
(ii)	Depreciation (refer paragraphs 4.10.3 & 4.10.4)	1725.42
(ii)	Return on equity (refer paragraph 4.14.2.11)	1449.80
	Total:	3911.83

4.23.2 Rs. 3911.83 lakh comprising interest, depreciation and return on equity relating to Bakreswar transmission system, considered under the respective cost heads of Bakreswar generating station are deducted from the ARR of Bakreswar generating station as the amount of Rs. 3911.83 lakh related to Bakreswar transmission system stands recoverable from WBSETCL and no cost related to Santaldih transmission system is recoverable by WBPDCCL since the assets are still yet to be commissioned and handed over to WBSETCL.

4.23.3 In the tariff order for 2013 – 2014 WBPDCCL was allowed to recover the cost of Bakreswar transmission system from WBSETCL. Any difference in



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



realization of cost of Bakreswar transmission system and the amount admitted in this APR order for 2013 – 2014 shall be recoverable from WBSETCL by WBPDC. The amount of Rs. 3911.83 lakh is now admitted for recovery from WBSETCL being the charges for Bakreswar transmission system.

- 4.23.4 WBPDC in their supplementary application has submitted the documentary evidence in support of handing over of two-line bays at Bishnupur end of Santaldih Thermal Power Station – Bishnupur 220 kV Double Circuit line to WBSETCL on 11.10.2010 and has also stated that the remaining portion of the transmission system will be handed over to WBSETCL as soon as the same will be ready. It is also stated that the power generated by units V & VI at Santaldih generating station are being evacuated through the existing system of units I to IV. Since the transmission system of Santaldih generating station related to Units V and VI is yet to come into operation, WBPDC shall not claim any amount related to Santaldih transmission system to be recovered from WBSETCL till the system is brought to operation. The fixed cost relating to Santaldih transmission system shall be claimed by WBPDC only after completion of the work to bring the asset in operation for evacuation of power from Santaldih generating stations (Units V & VI).
- 4.23.5 In the MYT order dated 1.12.2012 under third control period in respect of WBSETCL in case no. TP-50/11-12, amounts of Rs. 6242.88 lakh was reimbursable by WBSETCL to WBPDC on account of Bakreswar transmission system for the year 2013 – 2014 including the additional recovery of Rs. 1769.15 lakh in terms of order dated 16.01.2009 in case no. OA-48/08-09.
- 4.23.6 It is seen from the annual accounts of WBPDC for the year 2013 – 2014 that WBPDC received Rs. 4473.73 lakh during the year 2013 – 2014 from WBSETCL on account of Bakreswar transmission system excluding recoverable arrear amount of Rs. 1769.15 lakh each year in instalments. It is also seen from the annual accounts of WBSETCL for the year 2013 – 2014 that WBSETCL paid WBPDC Rs. 6242.88 lakh during the year 2013 – 2014



on account of Bakreswar transmission system which includes the arrear amount of Rs. 1769.15 lakh payable each year in instalments.

4.23.7 The amount of Rs. 3911.83 lakh comprising interest, depreciation and return on equity of Bakreswar transmission assets during the year 2013 – 2014 admitted in paragraph 4.23.2 above is recoverable by WBPDCCL from WBSETCL during the year 2013 – 2014. No amount on accounts of Santaldih transmission assets is recoverable from WBSETCL for the year 2013 – 2014. WBPDCCL recovered Rs. 4473.73 lakh (Rs. 6242.88 lakh – Rs. 1769.15 lakh) on account of Bakreswar transmission assets from WBSETCL for the year 2013 – 2014. Thus, an amount of Rs. 561.90 lakh (Rs. 4473.73 lakh – Rs. 3911.83 lakh) was recovered in excess during the year 2013 – 2014. Necessary adjustment in this regard will be made in any subsequent tariff order of WBPDCCL.

4.24 Based on the foregoing analyses, the amounts of fixed charges allowable under different heads in respect of the concerned generating stations have been shown in Annexure “4A” to “4E”. As shown in the referred annexure, the total amounts of fixed charges for the concerned generating stations come as under:

Rs. in Lakh	
Generating Station	As admitted in APR for 2013 – 2014
Kolaghat	38763.37
Bakreswar	79883.96
Bandel	15238.72
Santaldih	50973.39
Sagardighi	38397.84
Total	223257.28

The above capacity charge is, however, recoverable at the level of Plant Availability Factor (PAF) achieved by the respective generating stations.

4.25 As it comes out from the submission of WBPDCCL and also from the statement received from SLDC, the actual PAF achieved during 2013 – 2014 at different generating stations were below in comparison to norms set for the year, except for the Bakreswar generating station, as shown below, resulting in over recovery of capacity charges:



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



Sl. No.	Generating Station	Normative PAF (%)	PAF achieved (%)	Notional Declared capacity (%)
1	Kolaghat	78	70.89	71.203
2	Bakreswar (units I to II)	85	81.96	82.303
3	Bakreswar (Units IV & V)	85	82.31	82.640
4	Bandel	74	40.13	40.130
5	Santaldih	85	73.59	73.600
6	Sagardighi	85	69.37	69.610

4.26 The re-determined capacity charges of each generating station are now required to be adjusted as per PAF achieved during the year 2013– 2014 following the provisions of the Tariff Regulations. The computations in this regard are given below:

Sl. No.	Particulars	Kolaghat (10 years or more)	Bakreswar (units I, II & III) (10 years or more)	Bakreswar (units IV & V) (less than 10 years)	Bandel (10 years or more)	Santaldih (less than 10 years)	Sagardighi (less than 10 years)
1	Target PAF (%)	78	85	85	74	85	85
2	PAF achieved (%)	70.89	81.96	82.31	40.13	73.59	69.37
3	PAF (Notational) (%)	71.203	82.303	82.64	40.13	73.60	69.61
4	Re-determined capacity charge (Rs. lakh)	38763.37	47930.38	31953.58	15238.72	50973.39	38397.84
5	Coal and Ash Handling charges (Rs. lakh)	1558.76	287.418	191.612	424.61	125.12	139.77
6	Water Charges (Rs. lakh)	22.2	18.93	12.62	184.3	539.63	6.24
7	Capacity charge to be considered for disallowance [(7)= (4)–(5)–(6)] (Rs. lakh)	37182.41	47624.03	31749.35	14629.81	50308.64	38251.83
8	Proportionate capacity charge excluding (5)& (6) (Rs. lakh)	33942.30	46112.95	31308.60	7933.71	46935.00	34682.36
9	Capacity charge allowable on the basis of PAF achieved (Rs. lakh) (9) = (8)+ (5)+(6)	35523.26	46419.29	31512.83	8542.62	47599.75	34828.37

**ANNEXURE - 4A****KOLAGHAT THERMAL POWER STATION**

		Rs. in Lakh
Sl. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	11316.56
2	Water Charges	22.20
3	Coal and Ash Handling charge	1558.76
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	14540.40
7	Insurances Premium	58.26
8	Financing Charges	42.81
9	Interest on borrowed capital	0.00
10	Interest on Working Capital	2756.83
11	Interest on Temporary Accommodation	175.78
12	Depreciation	761.54
13	Advance against Depreciation	0.00
14	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
15	b) Rebate on sale of power	0.00
16	Income Tax	829.97
17	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	7581.60
18	Rent, Rates and Taxes	32.89
19	ERPC charges	4.87
20	Gross Aggregate Revenue Requirement (1 to 17)	39682.47
21	Less Misc. other income	919.10
22	Aggregate Revenue Requirement (Annual) (20 = 18 - 19)	38763.37

**ANNEXURE - 4B****BAKRESWAR THERMAL POWER STATION**

		Rs. in Lakh
Sl. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	7288.80
2	Water Charges	31.55
3	Coal and Ash Handling charge	479.03
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	9754.50
7	Insurances Premium	159.08
8	Financing Charges	341.51
9	Interest on borrowed capital	15167.80
10	Interest on Working Capital	2630.12
11	Interest on Temporary Accommodation	195.79
12	Depreciation	18867.47
13	Advance against Depreciation	0.00
14	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
15	b) Rebate on sale of power	0.00
16	Income Tax	1211.28
17	Rent, Rates and Taxes	115.00
18	ERPC charges	5.42
19	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	28325.64
20	Gross Aggregate Revenue Requirement (1 to 17)	84572.99
21	Less: Misc. other income	777.20
22	Less: Interest Credit	0.00
23	Less: Capital cost recoverable from WBSETCL	3911.83
24	Aggregate Revenue Requirement (Annual) [(22 = 18 - (19 + 20 + 21)]	79883.96

**ANNEXURE – 4C****BANDEL THERMAL POWER STATION**

SI. NO.	PARTICULARS	Rs. in Lakh
		ADMITTED FOR APR 2013 - 2014
1	Employee Cost	5479.21
2	Water Charges	184.30
3	Coal and Ash Handling Charge	424.61
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	5692.95
7	Insurances Premium	1.02
8	Financing Charges	9.43
9	Interest on borrowed capital	0.00
10	Interest on Working Capital	807.29
11	Interest on Temporary Accommodation	37.53
12	Depreciation	114.12
13	Advance against Depreciation	0.00
14	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
15	Income Tax	0.00
16	Rent, Rates and Taxes	55.70
17	ERPC charges	1.04
18	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	2822.55
19	Gross Aggregate Revenue Requirement (1 to 17)	15629.75
20	Less Misc. other income	391.03
21	Aggregate Revenue Requirement (Annual) (20 = 18 - 19)	15238.72

**ANNEXURE – 4D****SANTALDIH THERMAL POWER STATION**

		Rs. in Lakh
SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	5736.78
2	Water Charges	539.63
3	Coal and Ash Handling Charge	125.12
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	3905.00
7	Insurances Premium	47.77
8	Financing Charges	18.61
9	Interest on borrowed capital	15422.75
10	Interest on Working Capital	1179.10
11	Interest on Temporary Accommodation	75.43
12	Depreciation	9617.62
13	Advance against Depreciation	0.00
14	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
15	Income Tax	38.54
16	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	14405.33
17	Rent, Rates and Taxes	43.33
18	ERPC charges	2.09
19	Gross Aggregate Revenue Requirement (1 to 17)	51157.10
20	Less Misc. other income	164.06
21	Less: Interest Credit	19.65
22	Aggregate Revenue Requirement (Annual) [(22 = 18 - (19+20+21))]	50973.39

**ANNEXURE – 4E****SAGARDIGHI THERMAL POWER STATION**

Rs. in lakh

SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	4788.06
2	Water Charges	6.24
3	Coal and Ash Handling Charge	139.77
4	Transmission charges paid to PGCIL	547.70
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	3990.00
7	Insurances Premium	148.43
8	Financing Charges	23.85
9	Interest on borrowed capital	0.00
10	Interest on Working Capital	1193.05
11	Interest on Temporary Accommodation	93.33
12	Depreciation	11291.63
13	Advance against Depreciation	182.24
14	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
15	Income Tax	0.00
16	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	16377.47
17	Rent, Rates and Taxes	25.20
18	ERPC charges	2.58
19	Gross Aggregate Revenue Requirement (1 to 18)	38809.55
20	Less Misc. other income	411.71
21	Aggregate Revenue Requirement (Annual) (21 = 19 - 20)	38397.84

**ANNEXURE – 4F****KOLAGHAT THERMAL POWER STATION**

Rs. in lakh

Sl. No	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning (Govt. sanction)		83329.40	83329.40	83329.40	83329.40	87329.40	87329.40	87329.40	87329.40
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	4000.00	0.00	0.00	0.00	0.00
3	Deletion of Equity base during the year (-)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. Sanction)	(1+2+3)	83329.40	83329.40	83329.40	87329.40	87329.40	87329.40	87329.40	87329.40
5	Admissible equity base at the beginning of the year		83329.40	83597.50	84772.91	84926.11	86401.72	86426.92	86880.18	87077.48
6	Available Free Reserve at the beginning of the year	(Annexure-4K)	15750.73	37859.05	42329.78	46777.49	44564.72	46709.46	62071.59	64006.06
7	Net addition to the original cost of fixed assts		893.67	3918.02	510.67	4918.70	83.99	1510.88	657.68	3095.37
8	Normative addition of Fixed Assets @ 30%		268.10	1175.41	153.20	1475.61	25.20	453.26	197.30	928.61
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Addition to equity base considered from available free reserve	Lower of 6 & 8	268.10	1175.41	153.20	1475.61	25.20	453.26	197.30	928.61
11	Admissible equity base at the closing of the year	(3+5+9+10)	83597.50	84772.91	84926.11	86401.72	86426.92	86880.18	87077.48	88006.09
12	Average Equity Base	(5+11)/2	83463.45	84185.20	84849.51	85663.91	86414.32	86653.55	86978.83	87541.79
13	Return on equity @15.5%							13431.30	13481.72	13568.98

**ANNEXURE – 4G****BAKRESWAR THERMAL POWER STATION**

Rs. in lakh

Sl. No	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning (Govt. sanction)		74854.82	74854.82	74854.82	74854.82	139910.14	139910.14	139910.14	139910.14
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	65055.00	0.00	0.00	0.00	0.00
3	Deletion of Equity base during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. Sanction)	(1+2+3)	74854.82	74854.82	74854.82	139909.82	139910.14	139910.14	139910.14	139910.14
5	Admissible equity base at the beginning of the year		74854.82	74970.79	75002.35	75002.35	135945.42	135967.36	137144.63	137326.05
6	Available Free Reserve at the beginning of the year	(Annexure-4K)	0.00	0.00	0.00	5602.84	9844.74	16785.73	33905.88	44092.06
7	Net addition to the original cost of fixed assets		386.57	105.20	0.00	203143.57	73.13	3924.24	604.74	331.87
8	Normative addition of Fixed Assets @ 30%		115.97	31.56	0.00	60943.07	21.94	1177.27	181.42	99.56
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	60943.07	0.00	0.00	0.00	0.00
10	Addition to equity base considered from total available net free reserve *	Lower of 6 & 8	115.97	31.56	0.00	0.00	21.94	1177.27	181.42	99.56
11	Admissible equity base at the closing of the year	(3+5+9+10)	74970.79	75002.35	75002.35	135945.42	135967.36	137144.63	137326.05	137425.62
12	Average Equity Base	(5+11)/2	74912.81	74986.57	75002.35	105473.89	135956.39	136556.00	137235.34	137375.83
13	Return on equity @15.5%							21166.18	21271.48	21293.25

**ANNEXURE – 4H****BANDEL THERMAL POWER STATION**

Rs. in lakh

Sl. No	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning (Govt. sanction)		5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Deletion of Equity base during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. Sanction)	(1+2+3)	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00
5	Admissible equity base at the beginning of the year		5665.00	5841.68	5849.74	5886.33	5892.32	5909.39	6069.22	6098.38
6	Available Free Reserve at the beginning of the year	(Annexure-2K)	849.05	3228.82	3383.85	3566.35	2610.15	0.00	0.00	0.00
7	Net addition to the original cost of fixed assts		588.93	26.88	121.97	19.95	56.90	532.77	97.20	256.23
8	Normative addition of Fixed Assets @ 30%		176.68	8.06	36.59	5.99	17.07	159.83	29.16	76.87
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Addition to equity base considered from total available net free reserve *	Lower of 6 & 8	176.68	8.06	36.59	5.99	17.07	159.83	29.16	76.87
11	Admissible equity base at the closing of the year	(3+5+9+10)	5841.68	5849.74	5886.33	5892.32	5909.39	6069.22	6098.38	6175.25
12	Average Equity Base	(5+11)/2	5753.34	5845.71	5868.04	5889.33	5900.85	5989.30	6083.80	6136.81
13	Return on equity @15.5%							928.34	942.99	951.21

**ANNEXURE – 4I****SANTALDIH THERMAL POWER STATION**

Rs. in lakh

Sl. No	Particulars		ACTUAL											
			2006-07	2007-08	2008-09	2009-10		2010-11		2011-12		2012-13		2013-14
						Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V
1	Actual Equity base at the beginning (Govt. sanction)		13828.00	13828.00	13828.00	0.00	0.00	42900.00	0.00	42900.00	0.00	42900.00	30000.00	72900.00
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	42900.00	0.00	0.00	0.00	0.00	30000.00	0.00	0.00	0.00
3	Deletion of Equity base during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. Sanction)	(1+2+3)	13828.00	13828.00	13828.00	42900.00	0.00	42900.00	0.00	42900.00	30000.00	42900.00	30000.00	72900.00
5	Admissible equity base at the beginning of the year		13828.00	13833.16	13833.80	0.00	0.00	38174.70	0.00	38337.02	0.00	40212.44	30000.00	70566.43
6	Available Free Reserve at the beginning of the year	(Annexure-2K)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Net addition to the original cost of fixed assts		17.19	2.12	18.66	127249.00	0.00	541.05	0.00	6251.39	104943.25	0.00	1179.95	1633.92
8	Normative addition of Fixed Assets @ 30%		5.16	0.64	5.60	38174.70	0.00	162.32	0.00	1875.42	31482.98	0.00	353.99	490.18
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	38174.70	0.00	0.00	0.00	0.00	30000.00	0.00	0.00	0.00
10	Addition to equity base considered from total available net free reserve *		5.16	0.64	5.60	0.00	0.00	162.32	0.00	1875.42	0.00	0.00	353.99	490.18
11	Admissible equity base at the closing of the year	(3+5+9+10)	13833.16	13833.80	13839.40	38174.70	0.00	38337.02	0.00	40212.44	30000.00	40212.44	30353.99	71056.61
12	Average Equity Base	(5+11)/2	13830.58	13833.48	13836.60	19087.35	0.00	38255.86	0.00	39274.73	15000.00	40212.44	30177.00	70811.52
13	Return on equity @15.5%									6087.58	2325.00	6232.93	4677.43	10975.79

**ANNEXURE – 4J****SAGARDIGHI THERMAL POWER STATION**

Rs. in lakh

Sl. No	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning (Govt. sanction)				0.00	82500.00	82500.00	82500.00	90700.00	97700.00
2	Addition to EB during the year (Govt. sanction)				82500.00	0.00	0.00	8200.00	7000.00	38000.00
3	Deletion of Equity base during the year				0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. Sanction)	(1+2+3)	0.00	0.00	82500.00	82500.00	82500.00	90700.00	97700.00	135700.00
5	Admissible equity base at the beginning of the year				0.00	80167.50	80675.72	80735.64	81089.89	81725.16
6	Available Free Reserve at the beginning of the year	(Annexure-2A)			0.00	0.00	0.00	0.00	0.00	0.00
7	Net addition to the original cost of fixed assts				267225.00	1694.06	199.73	1180.85	2117.57	8574.79
8	Normative addition of Fixed Assets @ 30%		0.00	0.00	80167.50	508.22	59.92	354.26	635.27	2572.44
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	80167.50	0.00	0.00	0.00	0.00	0.00
10	Addition to equity base considered from total available net free reserve *	Lower of 6 & 8	0.00	0.00	0.00	508.22	59.92	354.26	635.27	2572.44
11	Admissible equity base at the closing of the year	(3+5+9+10)	0.00	0.00	80167.50	80675.72	80735.64	81089.89	81725.16	84297.60
12	Average Equity Base	(5+11)/2	0.00	0.00	40083.75	80421.61	80705.68	80912.76	81407.53	83011.38
13	Return on equity @15.5%							12541.48	12618.17	12866.76



ANNEXURE – 4K BALANCE FREE RESERVE AFTER UTILISATION FOR CAPITALISATION

Period	KTPS	BkTPS	BTPS	STPS	SgPTS	TOTAL
Actual As on 01.04.2006	51767.33	-21494.30	2790.55	-16463.80	0.00	16599.78
Actual after adjustment of negative balances as on 01.04.2006	15750.73	0.00	849.05	0.00		16599.78
Addition during 2006-07	16283.02	4280.20	3166.96	1202.69	0.00	24932.87
Utilized for capitalization during 2006-07	268.10	0.00	176.68	0.00	0.00	444.78
Actual As on 01.04.2007	67782.25	-17214.10	5780.83	-15261.11	0.00	41087.87
Actual after adjustment of negative balances as on 01.04.2007	37859.05	0.00	3228.82	0.00		41087.87
Addition during 2007-08	10692.35	2832.00	406.55	-8121.67	0.00	5809.23
Utilized for capitalization during 2007-08	1175.41	0.00	8.06	0.00	0.00	1183.47
Actual As on 01.04.2008	77299.19	-14382.10	6179.32	-23382.78	0.00	45713.63
Actual after adjustment of negative balances as on 01.04.2008	42329.78	0.00	3383.85	0.00	0.00	45713.63
Addition during 2008-09	4344.44	24142.73	70.16	-6660.74	-11473.75	10422.84
Utilized for capitalization during 2008-09	153.20	0.00	36.59	0.00	0.00	189.79
Actual As on 01.04.2009	81490.43	9760.63	6212.89	-30043.52	-11473.75	55946.68
Actual after adjustment of negative balances as on 01.04.2009	46777.49	5602.84	3566.35	0.00	0.00	55946.68
Addition during 2009-10	12890.26	11088.90	-679.03	-11881.81	-10339.40	1078.92
Utilized for capitalization during 2009-10	0.00	0.00	5.99	0.00	0.00	5.99
Actual As on 01.04.2010	94380.69	20849.53	5527.87	-41925.33	-21813.15	57019.61
Actual after adjustment of negative balances as on 01.04.2010	44564.72	9844.74	2610.15	0.00	0.00	57019.61
Addition during 2010-11	3806.71	14448.45	-7066.14	-4627.60	-21.63	6539.79
Utilized for capitalization during 2010-11	25.20	21.94	17.07	0.00	0.00	64.21
Actual As on 01.04.2011	98162.20	35276.04	-1555.34	-46552.93	-21834.78	63495.19
Actual after adjustment of negative balances as on 01.04.2011	46709.46	16785.73	0.00	0.00	0.00	63495.19
Addition during 2011-12	5379.07	22211.86	-8050.99	1841.60	12731.27	34112.81
Utilized for capitalization during 2011-12	453.26	1177.27	0.00			1630.53
Actual As on 01.04.2012	103088.01	56310.63	-9606.33	-44711.33	-9103.51	95977.47
Actual after adjustment of negative balances as on 01.04.2012	62071.59	33905.88	0.00	0.00	0.00	95977.47
Addition during 2012-13	5349.71	18434.71	-14124.92	6388.05	-3548.18	12499.37
Utilized for capitalization during 2012-13	197.30	181.42	0.00	0.00	0.00	378.72
Actual As on 01.04.2013	108240.42	74563.92	-23731.25	-38323.28	-12651.69	108098.12
Actual after adjustment of negative balances as on 01.04.2013	64006.06	44092.06	0.00	0.00	0.00	108098.12
Addition during 2013-14	8904.05	12788.76	-14015.39	340.04	-1247.16	6770.30
Utilized for capitalization during 2013-14	928.61	99.56	0.00	0.00	0.00	1028.17
Actual As on 01.04.2014	116215.86	87253.12	-37746.64	-37983.24	-13898.85	113840.25
Actual after adjustment of negative balances as on 01.04.2014	65022.41	48817.84	0.00	0.00	0.00	113840.25



ANNEXURE – 4L

KOLAGHAT THERMAL POWER STATION

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1	Closing Equity as per APR Order	83329.4	83329.4	83329.4	84805.01	84830.21	85283.47	85480.77	
2	Difference of Closing Equity	268.10	1443.51	1596.71	1596.71	1596.70	1596.71	1596.71	
3	Average Equity Base considered in APR order	83329.40	83329.40	83329.40	84067.21	84817.61	85056.84	85382.12	
4	Difference in Average Equity base	134.05	855.80	1520.11	1596.70	1596.71	1596.71	1596.71	
5	RoE @15.5% on the Differential Average Equity Base	20.78	132.65	235.62	247.49	247.49	247.49	247.49	1379.01



ANNEXURE – 4M

BAKRESWAR THERMAL POWER STATION

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1	Closing Equity as per APR Order	74854.82	74854.82	74854.82	135797.89	135819.8	136997.10	137178.52	
2	Difference of Closing Equity	115.97	147.53	147.53	147.53	147.53	147.53	147.53	
3	Average Equity Base considered in APR order	74854.82	74854.82	74854.82	105326.36	135808.86	136408.47	137087.81	
4	Difference in Average Equity base	57.99	131.75	147.53	147.53	147.53	147.53	147.53	
5	RoE @15.5% on the Differential Average Equity Base	8.99	20.42	22.87	22.87	22.87	22.87	22.87	143.76



ANNEXURE – 4N

BANDEL THERMAL POWER STATION

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1	Closing Equity as per APR Order	5841.68	5849.74	5886.33	5892.32	5909.39	5909.39	5909.39	
2	Difference of Closing Equity	0.00	0.00	0.00	0.01	0.00	159.83	188.99	
3	Average Equity Base considered in APR order	5753.34	5845.71	5868.04	5889.33	5900.85	5909.39	5909.39	
4	Difference in Average Equity base	0.00	0.00	0.00	0.00	0.00	79.91	174.41	
5	RoE @15.5% on the Differential Average Equity Base	0.00	0.00	0.00	0.00	0.00	12.39	27.03	39.42



ANNEXURE – 40

SANTALDIH THERMAL POWER STATION

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10		2010-11		2011-12		2012-13		Total
					Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	
1	Closing Equity as per APR Order	13828	13828	13828	38174.7		38174.7		38174.7	30000	38174.7	30000	
2	Difference of Closing Equity	5.16	5.80	11.40	0.01		162.33		162.32	0.00	2037.74	353.99	
3	Average Equity Base considered in APR order	13828.00	13828.00	13828.00	19087.35	0.00	38174.70	0.00	38174.70	15000.00	38174.70	30000.00	
4	Difference in Average Equity base	2.58	5.48	8.60	0.00	0.00	81.16	0.00	1100.03	0.00	2037.74	177.00	
1	Closing Equity as per APR Order	0.40	0.85	1.33	0.00	0.00	12.58	0.00	170.50	0.00	315.85	27.43	528.94



ANNEXURE – 4P

SAGARDIGHI THERMAL POWER STATION

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1	Closing Equity as per APR Order			80167.5	80167.5	80167.5	80521.76	81157.03	
2	Difference of Closing Equity	0.00	0.00	0.00	508.23	568.14	568.13	568.13	
3	Average Equity Base considered in APR order			40083.75	80167.50	80167.50	80344.63	80839.39	
4	Difference in Average Equity base	0.00	0.00	0.00	254.11	538.18	568.13	568.14	
5	RoE @15.5% on the Differential Average Equity Base	0.00	0.00	0.00	39.39	83.42	88.06	88.06	298.93



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



CHAPTER – 5

AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

- 5.1. Based on the forgoing analyses and admissions of the adjustments under different uncontrollable factors / elements of fixed charges and fuel and power purchase cost, the re-determined allowable fixed charges as well as fuel cost of WBPDCCL during the year 2013 – 2014 came as under:

	(Rs. in Lakh)					
Particulars	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	Total
Admitted Fuel Cost	158321.12	143563.37	42845.95	53983.82	71119.28	469833.54
Fixed / capacity charge	35523.26	77932.12	8542.62	47599.75	34828.37	204426.12
Total	193844.38	221495.49	51388.57	101583.57	105947.65	674259.66

- 5.2. As it comes out from the findings in paragraphs 5.1 above, WBPDCCL has to recover an amount of Rs. 20468.87 lakh with cost centre-wise breakup as given below:

Rs. in Lakh

Generating station	Energy charges recovered	Capacity charges recovered	Amount recovered from sale of power	Recoverable Fuel Cost as per para 3.20 of this order	Recoverable Capacity Charges as per para 4.26 of this order	Total Recoverable	Balance recoverable
1	2	3	4 [(2) + (3)]	5	6	7 [(5) + (6)]	8 [(7)-(4)]
Kolaghat	140159.90	51724.97	191884.87	158321.12	35523.26	193844.38	1959.51
Bakreswar	138092.81	78218.88	216311.69	143563.37	77932.12	221495.49	5183.80
Bandel	35459.38	7930.97	43390.35	42845.95	8542.62	51388.57	7998.22
Santaldih	54383.10	40199.72	94582.82	53983.82	47599.75	101583.57	7000.75
Sagardighi	68883.32	38737.74	107621.06	71119.28	34828.37	105947.65	-1673.41
Total	436978.51	216812.28	653790.79	469833.54	204426.12	674259.66	20468.87

- 5.3. The Additional Secretary to the Government of West Bengal in the Department of Power & NES vide letter no. 148-PO/O/VS/55-30/2016 dated 5th September, 2016 has communicated that in exercise of the power conferred by section 108 read



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



with section 65 of the Electricity Act, 2003, the State Government has agreed for extension of grant equivalent to outstanding loan and interest for an amount of Rs. 456316.00 lakh to WBSEDCL and WBPDCCL in the following manner:

WBSEDCL	Rs. 264709.00 lakh
WBPDCCL	Rs. 191607.00 lakh

- 5.4. It is also mentioned in the aforesaid letter of Additional Secretary to the Government of West Bengal, Department of Power & NES that the grant may be adjusted with the balance regulatory assets upto 2012 – 2013 and realizable amount through APR and FCA / FPPCA claim of the two utilities from 2013 – 2014 onwards. There was no balance regulatory asset in respect of WBPDCCL upto 2012 – 2013. In the order dated 24.08.2017 for FCA/APR of WBPDCCL for the year 2013 – 2014 which has been set aside by the Hon'ble Tribunal Commission finalized the total recoverable amount at Rs. 10475.66 lakh and the same was adjusted against the above Govt. Grant. The Commission has now finalized the total recoverable amount at Rs. 20468.87 lakh. Thus there is an additional recoverable amount of Rs 9993.21 Lakh which is required to be adjusted against the Govt. Grant. In the order dated 13.07.2022 in FPPCA and APR order of WBPDCCL for 2016-17 Commission determined the balance Govt. Grant as Rs 79053.93 lakh after adjustment of the recoverable amount as found in the APR and FPPCA orders for the years 2014-15 to 2016-17. After adjustment of Rs 9993.21 Lakh the balance amount of Govt Grant comes to Rs 69060.72 Lakh (Rs. 79053.93 lakh – Rs. 9993.21 lakh) which will be considered for adjustment subsequently against any recoverable amount through APR and FCA claim of WBPDCCL.
- 5.5. WBPDCCL is directed to file separate petition for correction of Return on Equity for the subsequent years upto 2017 – 18 within 3 (three) weeks from the date of issue of this order. WBPDCCL is also directed to submit a supplementary petition for APR for the years 2018 – 19 and 2019 – 20 considering the impact of ROE as redetermined as on 31.03.2014 within 3 (three) weeks from the date of issue of the order.
- 5.6. The petition of WBPDCCL is thus disposed off.
- 5.7. WBPDCCL is to take a note of this order.



In regard to petition submitted by the West Bengal Power Development Corporation Limited for fresh consideration of issues in the Fuel Cost Adjustment (FCA) and Annual Performance Review (APR) for the financial year 2013-14 in terms of the order dated 15.07.2019 passed by the Hon'ble Appellate Tribunal for Electricity in appeal no. 348 of 2017.



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- 5.8. A copy of the order shall be posted in the website of the Commission.
- 5.9. WBPDCCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

DATE: 01.08.2022

Sd/-
SECRETARY