



**ORDER**

**OF THE**

**WEST BENGAL ELECTRICITY REGULATORY  
COMMISSION**

**IN CASE NO.: APR – 17 / 09 – 10**

**IN RE THE APPLICATION OF THE WEST BENGAL POWER  
DEVELOPMENT CORPORATION LIMITED FOR ANNUAL  
PERFORMANCE REVIEW OF THE FINANCIAL  
YEAR 2008 – 2009 IN TERMS OF REGULATION 2.6  
OF THE WEST BENGAL ELECTRICITY REGULATORY  
COMMISSION (TERMS AND CONDITIONS OF TARIFF)  
REGULATIONS, 2007, AS AMENDED.**

**DATE: 26.07.2010**



## CHAPTER – 1 INTRODUCTION

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- 1.1 In terms of the provisions contained in regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007 and amendment thereof (hereinafter referred to as the 'Tariff Regulations'), the generating companies or the licensees, as the case may be, are subject to an Annual Performance Review (in short 'APR'). The West Bengal Electricity Regulatory Commission (hereinafter referred to as the 'Commission') introduced Multi Year Tariff procedure and as such, APR aims at carrying out adjustments arising out of difference between the actual performances and projected performances under different factors/heads of accounts. Such adjustments are to be done in the manner as specified in the Tariff Regulations. Accordingly, the West Bengal Power Development Corporation Limited (hereinafter referred to as the 'WBPDCCL') submitted its application for the same on 31 December, 2009 for the financial year 2008 – 2009. The application was numbered as APR-17/09-10. It provided the requisite data / information in the specified proforma along with the copy of its audited annual accounts for the concerned year. It also submitted separate generating station-wise audited data in respect of Kolaghat, Bakreswar, Bandel and Santaldih Thermal Power Stations for the year 2008 – 2009.
- 1.2 The instant application of WBPDCCL is its third application for the APR, the first and the second ones were for the financial years 2006 – 2007 and 2007 – 2008 respectively. The adjustments, as were found necessary on review of the performances of those years were effected while determining the amounts recoverable through tariff in respect of its different generating stations during the years following the years of such review. Similarly, the adjustments as may arise out of the review of the instant application for 2008 – 2009 will be considered for giving effect while determining the amount of revenue recoverable through tariff of concerned generating stations during the year 2010 – 2011.



- 1.3 In its instant application for APR in respect of the financial year 2008 – 2009, WBPDCCL brought out the following issues for the consideration of the Commission.
- 1.3.1 Units No. 1 & 2 of its Greenfield Sagardighi Thermal Power Station commenced commercial operation with effect from 7 September, 2009 and 6 November, 2009 respectively and hence, review in respect of the fixed charges and also for fuel cost adjustments for that generating station had been sought along with those of other operating generating stations. It is, however, observed that the dates of starting commercial operation, as mentioned by WBPDCCL, are not correct. As it comes out from the item no. 7 of the Directors' Report for the concerned financial year, such dates are 7 September, 2008 and 6 November, 2008 respectively.
- 1.3.2 Units No. 4 and 6 of its Kolaghat Thermal Power Station remained inoperative for the period of 127 days and 75 days respectively resulting in 5.791% and 3.44% loss in the Plant Load Factors (in short "PLF") of the respective unit. WBPDCCL requested to condone the provisions of the Tariff Regulations for restricting the recovery of full capacity charges on such occurrences.
- 1.3.3 WBPDCCL highlighted the considerable increase in employees' costs over the amounts as were allowed by the Commission in its tariff order for different generating stations in operation mainly due to revision of pay and allowances with effect from April, 2007 and for giving mandatory effect of adopting Accounting Standard (AS) – 15 (revised) issued by the Institute of Chartered Accountant of India (in short "AS-15") in regard to provisions for accumulated benefits to employees. The amounts allowed in the tariff order and as now being claimed for different generating stations, as per submission, had been shown as under. The amounts are inclusive of the centrally maintained expenses.



Rs. in Lakh

Generating Station	As per Tariff Order	As claimed in Application	%age of increase
Kolaghat	4465.77	10321.57	131.13
Bakreswar	1698.59	4773.08	181.00
Bandel	2922.99	4964.24	69.83
Santaldih	2169.51	4654.72	144.55
<b>Total</b>	<b>11256.86</b>	<b>24713.61</b>	<b>119.54</b>

1.3.4 The total number of employees under contractual service and not under the regular establishment during the year under review was stated as 6 (six) and total amount of remuneration paid to them was 14.32 lakh.

1.3.5 In accordance with the transitional provisions of the AS-15, a total amount of Rs. 9391.55 lakh, being the additional liability towards employees' benefits up to the period 31 March, 2007 was stated to be adjusted against accumulated Reserve & Surpluses. WBPDCCL requested to allow the recovery of this amount through tariffs of different generating stations in operation. The station-wise break-up of the total amount so adjusted had been shown as under:

	Rs. in Lakh
Kolaghat	4015.28
Bakreswar	1185.54
Bandel	2270.81
Santaldih	1919.92
<b>Total</b>	<b>9391.55</b>

1.3.6 WBPDCCL also highlighted the considerable increase in the cost of coal and ash handling as well as in other fuel related costs in all the generating stations in operation. Such increase over the amounts so considered in the tariff order, was stated to be mainly due to payments of demurrage charges, revised to nearly by 6 times more and reduction in the free hours compared to earlier rates.



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- 1.3.7 The payments of water cess and water charges at the enhanced rate to the respective statutory authorities for all the generating stations had also been highlighted with the request for consideration of recovery through positive adjustments.
- 1.4 WBPDCCL also clarified the reasons of deviations of actual expenditure under all other different heads of accounts with the provisions considered in the tariff order for the concerned year, i.e., 2008 – 2009. The effect of such deviations in the unit rate of fixed charges had been summarized as under:

<b>Generating Station</b>	<b>Fixed Charges per Unit (Paise / kWh)</b>	
	<b>As per Tariff Order</b>	<b>As per Actual</b>
Kolaghat	48.02	77.45
Bakreswar	67.00	83.74
Bandel	42.86	47.45
Santalalih	60.45	80.13

- 1.5 In addition to adjustments in fixed charges through APR, WBPDCCL also requested for appropriate provisions in the Aggregate Revenue Requirement (in short “ARR”) towards considerable hike in fuel cost over the same considered in the tariff order.
- 1.6 WBPDCCL provided the clarifications in regard to the compliance of different directives.
- 1.7 The Commission has taken careful note of the above representations made by WBPDCCL and the relevant issues will be addressed to and the views will be taken accordingly while examining the admissibility of expenses under different heads of accounts. It is, however, to clarify, at the out set, that the APR aims at examining the admissibility of fixed charges on different accounts and ascertaining the amounts of appropriate adjustments in terms of the



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- Commission's Tariff Regulations. Such examinations will be done with reference to the statements of ARR for the year 2010 – 2011 in respect of different generating stations. The issue relating to revising the amounts of fuel cost of different generating stations / units in operation will be dealt with while ascertaining the amount recoverable through tariff for those generating stations / units. It is also to mention that the recovery of fuel and fixed charges relating to newly commissioned Sagardighi Thermal Power Station were allowed on provisional basis pending the final determination of the amount of ARR for the year 2008 – 2009 subject to adjustment on fixation of tariff for that generating station. The fixation of tariff for Sagardighi Thermal Power Station, new units of Bakreswar Thermal Power Station Extension Units No. IV and V and new unit of Santaldih Thermal Power Station Extension Unit No. V being still under process, the present order will be only in respect of existing units of Kolaghat, Bakreswar (Units I, II & III), Bandel and Santaldih (Units I to IV). The issue relating to allowances of fixed and variable cost for Sagardighi (Units I & II), Bakreswar (Units IV & V) and Santaldih (Unit V) will be viewed while issuing the separate tariff orders for those units.
- 1.8 The APR is to cover the annual fixed charges allowed to the generating company, incentives and the effect of gain sharing as per Schedule – 10 and Schedule – 9B to the Tariff Regulations. Element of gain sharing on account of achieving better operational norms, however, was not considered for WBPDCCL while determining its Aggregate Revenue Requirement (in short 'ARR') for its different generating stations for the year 2008 – 2009. Moreover, the incentives and the sharing of gains in terms of the referred schedules to the Tariff Regulations are made allowable for the year 2008 – 2009 onwards.
- 1.9 The APR for the year 2008 – 2009 is, therefore, the review of the different factor elements of fixed charges, categorized as controllable and uncontrollable, allowed to WBPDCCL for its existing operating units of Kolaghat, Bakreswar,



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Bandel and Santaldih generating stations through the ARR for the year 2008 – 2009, vis-à-vis the actuals as per the audited accounts. The instant application of WBPDCCL for the year 2008 – 2009 is being viewed in the subsequent parts of this order.



## CHAPTER – 2 FIXED CHARGES

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2.1 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 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 the audited accounts of WBPDCCL is being taken up hereunder one by one.

### 2.2 **Employee Cost:**

2.2.1 The employees' cost is an element of uncontrollable fixed charges subject to the norms of Man/MW ratio specified by the Commission in Schedule – 9A of the Tariff Regulations. As per information provided by WBPDCCL in the prescribed Form No. 1.12, the total number of employees in each operating generating station under review is found within the specified Man/MW ratio and, therefore, cost incurred thereon is considered uncontrollable. Employees cost includes mainly salary and wages, contribution to funds for welfare expenses viz. medical expenses and centrally maintained employees cost apportioned to the generating stations. The total employees' cost considered in the Tariff Order for each of the generating stations for the year 2008 – 2009 and the same as per audited accounts are found as under:





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Generating Station	Amount (Rs. in Lakh)	
	As per Tariff Order	Actual
Kolaghat	4465.77	10321.57
Bakreswar (Units I, II & III)	1698.59	4773.08
Bandel	2922.99	4964.23
Santaldih (Units I to IV)	2169.51	4654.72
<b>Total</b>	<b>11256.86</b>	<b>24713.60</b>

2.2.2 As seen from above, there had been 2.20 times increase in the employees' cost in the generating stations over the amounts considered in the Tariff Order. On scrutiny, it is found that WBPDC has revised its pay structure with effect from 1 April, 2007 and considered the same and also recognized "employees benefits" under the requirement of AS - 15 in the Profit and Loss Accounts for the year 2008 - 2009. The pay revision with the retrospective effect necessitated to make arrear payments due to employees during the years concerned. The aggregate amount on these two aspects, after allocation of the amount attributable to Corporate office, for the concerned generating stations comes as under:

Generating Station	Amount (Rs. in Lakh)		
	Impact of Arrear Salary	Impact of AS - 15	Total Impact
Kolaghat	2015.33	3693.71	5709.04
Bakreswar (Units I, II & III)	1029.75	1887.33	2917.08
Bandel	719.76	1407.13	2126.89
Santaldih (Units I to IV)	767.75	1319.18	2086.93
<b>Total</b>	<b>4532.59</b>	<b>8307.35</b>	<b>12839.94</b>

2.2.3 It is observed from the above analysis that beside these two factors, the employees' cost of WBPDC for its generating stations comes to (Rs. 24713.60 – Rs. 12839.94) Rs. 11873.66 lakh compared to Rs. 11256.86 lakh provided in the tariff order for 2008 – 2009. Since the employees' cost is uncontrollable in nature, the Commission decides to admit the actual expenditure of employees'



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cost of Rs. 24713.60 lakh in APR for 2008 – 2009 with the direction that the amount admitted towards “employees 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.

2.2.4 In its application for APR 2008 – 2009, WBPDCCL again claimed the past liability amounting to Rs. 9391.55 lakh on account of AS – 15 upto 31 March, 2007 which had not been favourably considered by the Commission in its order for APR 2007 – 2008. After careful consideration, the Commission decides to admit the claim of Rs. 9391.55 lakh towards transitional provision of AS – 15 upto 31 March, 2007 as the same contributes a part of employees’ cost and is uncontrollable.

2.2.5 The station wise allocation of the employees’ cost is as below:

<b>Rs. in Lakh</b>			
<b>Generating Station</b>	<b>Actual cost for 2008 - 2009</b>	<b>Impact of AS-15 upto 31.03.2007</b>	<b>Amount admitted in APR for 2008 - 2009</b>
Kolaghat	10321.57	4015.28	14336.85
Bakreswar (Units I, II & III)	4773.08	1185.54	5958.62
Bandel	4964.23	2270.81	7235.04
Santaldih (Units I to IV)	4654.72	1919.92	6574.64
<b>Total</b>	<b>24713.60</b>	<b>9391.55</b>	<b>34105.15</b>

**2.3 Water Charges:**

2.3.1 The actual amount of total expenditure incurred by WBPDCCL under this uncontrollable head of accounts was found Rs. 412.17 lakh as against Rs. 248.00 lakh allowed in the tariff for the concerned year as per table given below:



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Generating Station	Amount (Rs. in Lakh)	
	As per Tariff Order	Actual
Kolaghat	30.00	41.49
Bakreswar (Units I, II & III)	5.00	14.35
Bandel	172.00	221.21
Santaldih (Units I to IV)	41.00	135.12
<b>Total</b>	<b>248.00</b>	<b>412.17</b>

2.3.2 The water charges are categorized as uncontrollable. The Commission observed that during 2008 – 2009 actual generation in Kolaghat and Santaldih generating stations falls short of target generation and also that the expenditure has increased in all the generating stations. The Commission decides to view the amount claimed with reference to the targets set for generation and actual generation. The position in this regard comes as under:

**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 2008-09
Kolaghat	7836.696	30.00	6872.097	26.31	41.49	30.00
Bakreswar (Units I, II & III)	4415.040	5.00	4913.457	5.56	14.35	5.56
Bandel	2246.940	172.00	2506.642	191.88	221.21	191.88
Santaldih (Units I to IV)	1419.120	41.00	1277.233	36.90	135.12	41.00
	15917.796	248.00	15569.429	260.65	412.17	268.44

2.3.3 The Commission decides to admit the amount allowed in the tariff order for 2008 – 2009 in case of Kolaghat and Santaldih generating stations and to admit proportionate additional cost in respect to the amount allowed in the tariff order for excess actual generation in Bakreswar and Bandel generating stations aggregating Rs. 268.44 lakh towards water charges in APR for 2008 – 2009.



## 2.4 Coal, Ash Handling and Fuel Related Cost:

2.4.1 The fuel costs, which are classified as uncontrollable in the Tariff Regulations, are inclusive of transportation and handling charges, quality assurance charges, delivery assurance charges and quality enrichment charges, etc. [vide regulation 1.2.1 (la) of the Tariff Regulations]. The adjustments on the purchase and transportation cost of coal, as were considered in the tariff order, has been separately dealt with based on FPPCA applications of WBPDCCL. It now asked for adjustments, on other fuel related cost viz. ash evacuation cost, railway staff cost posted at generating stations and demurrage paid, through the instant application of APR. The amounts of such costs, as were considered in the relevant tariff order and the actual expenditures for different generating stations are found as under:

Generating Station	Amount (Rs. in Lakh)	
	As per Tariff Order	Actual
Kolaghat	1260.00	5230.09
Bakreswar (Units I, II & III)	158.00	318.29
Bandel	575.00	677.71
Santaldih (Units I to IV)	215.67	1034.95
<b>Total</b>	<b>2208.67</b>	<b>7261.04</b>

2.4.2 The considerable variations in the actual expenditures, specially in case of Kolaghat, as reveals from the above, were, as per WBPDCCL, due to payments towards demurrage charges, payable to railways primarily due to steep hike in rates to nearly 6 times and also owing to reduction in the free hours compared to earlier. WBPDCCL has further stated that unloading facility at Kolaghat is almost beyond improvement because of space constraint and thus demurrage charges are unavoidable.

2.4.3 The Commission carefully considered this aspect. The Commission also considered the actual generation with respect to target generation and decides to



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view the amount claimed with reference to the target set for generation and actual generation. The quantum of actual generation achieved during 2008 – 2009 at the different 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.

**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 2008-09
Kolaghat	7836.696	1260.00	6872.097	1104.91	5230.09	1260.00
Bakreswar (Units I, II & III)	4415.040	158.00	4913.457	175.84	318.29	175.84
Bandel	2246.940	575.00	2506.642	704.13	677.71	677.71
Santaldih (Units I to IV)	1419.120	215.67	1277.233	194.11	1034.95	215.67
	<b>15917.796</b>	<b>2208.67</b>	<b>15569.429</b>	<b>2178.99</b>	<b>7261.04</b>	<b>2329.22</b>

2.4.4 As observed from the above, the actual quantum of generation considerably fell short of the targets set for Kolaghat and Santaldih generating stations, whereas, the expenditures incurred in the said generating stations towards other fuel related cost exceeded the amounts considered in the tariff order by manifold. Moreover, the demurrage charges for transportation of fuel related to both the referred generating stations have not been shown separately at Form 1.12. In absence of specific amount of demurrage, the Commission cannot take any view in the matter of demurrage charges paid to railways. The Commission decides to admit the proportionate expenditure with reference to actual quantum of generation where actual generation surpassed target generation, but restricted to the expenditure allowed in tariff order for Kolaghat and Santaldih generating stations applying prudence.



**2.5 Interest on Borrowed Capital:**

2.5.1 The amount of interest on borrowed capital for Kolaghat and Bakreswar generating stations as allowed to WBPDCCL through tariff for the concerned year vis-à-vis actual during the year 2008 – 2009 are as under:

**Rs. in Lakh**

<b>Generating Station</b>	<b>Amount allowed in Tariff</b>	<b>Amount claimed in APR</b>
Kolaghat	123.05	114.01
Bakreswar (Units I, II & III)	3836.61	3836.61
Total	3959.66	3950.62

2.5.2 There was no capital borrowing for Bandel and Santaldih generating stations. WBPDCCL submitted the computations in prescribed proforma for the amounts of interest actually paid and the same is claimed for Kolaghat and Bakreswar in the application for APR for 2008 - 2009 and the Commission found the same in order and admits their claim.

2.5.3 The amount of interest on borrowed capital for Bakreswar, i.e., Rs. 3836.61 lakh, is inclusive of an amount of Rs. 1109.08 lakh pertaining to the construction of associated transmission system. As the transmission system is being operated by West Bengal Electricity Transmission Company Limited (in short “WBSETCL”), WBPDCCL was ordered to recover the said amount from that company, vide paragraph 6.8.2 of the order dated 26 September, 2008 of the Commission in Case No. TP-39/08-09. That amount recoverable from WBSETCL remains un-altered and no adjustment in that regard is found required.

2.5.4 The Commission decides to allow the actual interest towards borrowed capital for the respective generating stations in the APR for 2008 – 2009 as below:



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Rs. in Lakh

Generating Station	Amount admitted in APR for 2008 – 09
Kolaghat	114.01
Bakreswar (Units I, II & III)	3836.61
<b>Total</b>	<b>3950.62</b>

2.6 Interest on Working Capital:

2.6.1 The Commission did not allow in its tariff order for the year 2008 – 2009 any amounts towards interest on working capital for any of the generating stations of WBPDCCL. In actual, WBPDCCL needed to take working capital loans from the United Bank of India on payment of interest @ 10.20% per annum. This rate is lower than the Prime Lending Rate (PLR) of the State Bank of India as on 1 April, 2008. The amounts of such loan taken for different generating stations are found very much within the limit specified in regulation 4.6.5.1 of the Tariff Regulations. The Commission, therefore, admits the amounts of interest on working capital at actual as under:

Rs. in Lakh

Generating station	Amount of Loan	Rate of Interest (%)	Actual Interest paid in 2008 - 2009	Admitted in APR for 2008 – 2009
Kolaghat	2703.22	10.20	6.01	6.01
Bakreswar (Units I, II & III)	1381.24	10.20	3.07	3.07
Bandel	965.44	10.20	2.15	2.15
Santalidih (Units I to IV)	1029.80	10.20	2.29	2.29
<b>Total</b>	<b>6079.70</b>	<b>10.20</b>	<b>13.52</b>	<b>13.52</b>



**2.7 Other Finance Charges:**

2.7.1 In the tariff order for the year 2008 – 2009, other finance charges were allowed to the tune of Rs. 70.00 lakh only for Kolaghat generating station. Such charges were towards Guarantee Fees payable to the Government of West Bengal against the earlier borrowings made from the Power Finance Corporation. As the amount of borrowings are gradually repaid, the payment of Guarantee Fees during the year came to Rs. 14.90 lakh only and the same amount is being admitted in APR for the year 2008 - 2009.

**2.8 Depreciation:**

2.8.1 The amounts of depreciation allowed for its different generating stations in the Tariff Order and as charged to the books of accounts, are shown as under:

Rs. in Lakh

Generating Station	Amount considered in Tariff Order	Actual amount charged
1	2	3
Kolaghat	1180.09	1317.86
Bakreswar (Units I, II & III)	10781.00	10782.42
Bandel	179.00	192.35
Santaldih (Units I to IV)	265.00	266.12
<b>Total</b>	<b>12405.09</b>	<b>12558.75</b>

2.8.2 It has been observed from the significant accounting policies in item no. 3(b) of the Schedule – 13 to the audited annual report for 2008 – 2009, the WBPDCCL is in practice of providing depreciation only on fixed assets in existence at the beginning of the year and no depreciation is being provided on additions and for retirements during the year. This practice is not in accordance with the provision





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of the regulation 4.6.2(vi) of the Tariff Regulations wherein it has been provided that “in case of operation of the asset for part of the year, depreciation shall be charged on pro-rata basis”. WBPDCCL is directed to take note of the aforesaid provision in the Tariff Regulations and to take corrective actions in this regard. The Commission, however, decides to go by the amount of depreciations as adopted in audited books of accounts.

2.8.3 The amount of depreciation so admitted for the Bakreswar Thermal Power Station includes an amount of Rs. 1498.54 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. The amount recoverable from WBSETCL remained uncharged and no adjustments in that regard is found required.

**2.9 Reserve for Unforeseen Exigencies:**

2.9.1 In terms of regulation 4.11 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. Accordingly, the amount already allowed in the tariff order for the year 2008 – 2009 vis-à-vis the admissible amount in APR 2008 – 2009 work out as under:

**Rs. in Lakh**

<b>Generating Station</b>	<b>Actual cost of gross block</b>	<b>Amount provided in Tariff Order</b>	<b>Amount admitted in APR for 2008 – 2009</b>
Kolaghat	171297.21	418.45	428.24
Bakreswar (Units I, II & III)	292113.35	730.00	730.28
Bandel	22406.05	56.00	56.02
Santalidih (Units I to IV)	20918.17	52.00	52.30
<b>Total</b>	<b>506734.78</b>	<b>1256.45</b>	<b>1266.84</b>



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2.9.2 WBPDCCL was admitted the following amounts towards reserve for unforeseen exigencies in the APR order of the following years for its generating stations as per the table below:

**Rs. in Lakh**

Admitted in APR for the year	Generating Station				Total
	Kolaghat	Bakreswar	Bandel	Santaldih	
2006 – 2007	415.77	729.03	54.38	50.42	1249.60
2007 – 2008	418.45	730.02	55.95	52.29	1256.71
2008 – 2009	428.24	730.28	56.02	52.30	1266.84
Total	1262.46	2189.33	166.35	155.01	3773.15

2.9.3 It is evident from schedule 2 – Reserve & Surplus – that WBPDCCL has created a reserve for unforeseen exigencies amounting to Rs. 3887.79 lakh upto the end of 2008 – 2009. WBPDCCL has confirmed in their application for APR 2008 – 2009 that a term deposit has been opened with the Canara Bank, Lee Road Branch, Kolkata for a period of 27 months fetching interest @ 9% per annum. WBPDCCL has further intimated that the investment for reserve for unforeseen exigencies as on 31.03.2009 stands Rs. 3887.93 lakh in their books of accounts.

2.9.4 In terms of regulation 4.24.1 of the Tariff Regulations, the sum appropriated to the reserve for unforeseen exigencies shall be invested separately in the manner as specified therein. The interest accrued from such investment shall be reinvested under the same reserve and shall be maintained separately under separate head of accounts. WBPDCCL is directed to invest the amount of Rs. 1266.84 admitted in the APR for 2008 – 2009 along with amount admitted in APR for 2006 – 2006 and 2007 – 2008 in this reserve in terms of regulation 4.24.1 of the Tariff Regulations and a separate disclosure of its investment shall be made in its audited accounts.



2.10 Return on Equity Base:

2.10.1 The returns on Equity for different operating generating stations of WBPDCCL, as were considered in the tariff order for the year 2008 – 2009 and as now being claimed by it are as under:

**Rs. in Lakh**

<b>Generating station</b>	<b>As per Tariff Order</b>	<b>As claimed</b>
Kolaghat	17013.00	22223.80
Bakreswar (Units I, II & III)	10768.00	13444.66
Bandel	1261.00	1609.14
Santalalih (Units I to IV)	1096.00	1368.49
<b>Total</b>	<b>30138.00</b>	<b>38646.09</b>

2.10.2 Quoting the Notification No. L-7/145(160)/2008-CERC dated 19 January, 2009 of the Central Electricity Regulatory Commission (in short CERC), WBPDCCL asked for allowing returns @ 17.48% (applicable for generating companies paying minimum alternative tax). It is to observe that the aforesaid rate of return has been arrived at by the CERC on pre-tax return basis after grossing up the rate of minimum alternative tax @ 11.33%. WBPDCCL separately claimed reimbursement of actual taxes paid by them under the provision of the Income Tax Act and the same is being considered separately. Moreover, the above mentioned quoted regulation has come into force on 1 April, 2009. The Commission, therefore, decides to retain the post-tax rate of return i.e., 14% as was considered in the tariff order for the concerned year.

2.10.3 The admitted return on equity thus arrived at, following the methodology specified in Formula 1.20(a) of the Tariff Regulations, are shown hereunder and the Commission decides to admit the same in APR for 2008 – 2009:



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Rs. in Lakh

SI No	Particulars	Generating Station				Total
		Kolaghat	Bakreswar	Bandel	Santalidih	
	<b>Actual Equity Base (Opening)</b>					
1	(a) Share Capital	83329.40	76910.14	5665.00	7828.00	173732.54
	(b) Free Reserve	43801.79	-	3540.11	-	47341.90
	Actual equity base at the beginning of the year [(a)+(b)]	127131.19	76910.14	9205.11	7828.00	221074.44
	<b>Admissible Equity Base (Opening)</b>					
2	(a) Share Capital	83329.40	76910.14	5665.00	7828.00	173732.54
	(b) Free Reserve	31566.79	31.56	1757.79	-	33356.14
	Admissible equity base at the beginning of the year 2008 - 2009 [(a)+(b)]	114896.19	76941.70	7422.79	7828.00	207088.68
3	Actual addition to equity base during the year	4344.44	24142.73	70.16	(6660.75)	21896.58
	<b>Actual Equity Base (Closing)</b>					
4	(a) Share Capital	83329.40	76910.14	5665.00	7828.00	173732.54
	(b) Free Reserve	48146.23	24142.73	3610.27	(6660.75)	69238.48
	Actual equity base at the end of the year [(a)+(b)]	131475.63	101052.87	9275.27	1167.25	242971.02
5	Net Addition to the original cost of fixed assets during the year	-	-	-	-	-
6	Normative addition to equity base (30% of 5)	-	-	-	-	-
7	Addition to equity base considered for the year (lower of 3 and 6)	-	-	-	(6660.75)	(6660.75)
	<b>Admissible Equity Base (Closing)</b>					
8	(a) Share Capital	114896.19	76941.70	7422.79	7828.00	207088.68
	(b) Free Reserve	-	-	-	(6660.75)	(6660.75)
	Equity base considered at the end of the year [(a)+(b)]	114896.19	76941.70	7422.79	1167.25	200427.93
9	Average equity base for allowing returns (2+8)/2	114896.19	76941.70	7422.79	4497.63	203758.31
10	Excess of actual closing equity base over admitted closing equity base for the purpose of computation of ROE (4-8)	16579.44	24111.17	1852.48	-	42543.09
11	Return on Equity in %	14	14	14	14	-
12	Return on Equity admitted in APR for 2008 - 2009	16085.47	10771.84	1039.19	629.67	28526.17



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2.10.4 The amount of return for Bakreswar Thermal Power Station, as computed above includes Rs. 838.76 lakh for each year pertaining to Transmission system @ 14% on equity capital of Rs. 5991.14 lakh. This amount will not form part of the fixed charges for Bakreswar Power Station and will separately be recoverable from WBSETCL.

**2.11 Taxes payable under Income Tax Act:**

2.11.1 It is evident from the audited accounts that the incidence of income tax of WBPDCCL for the year 2008 – 2009 under different sub-heads are as below:

<b>Rs. in Lakh</b>	
<b>Particulars</b>	<b>Incidence of Tax</b>
Income Tax	1498.14
Fringe Benefit Tax	45.39
<b>Total</b>	<b>1543.53</b>

2.11.2 WBPDCCL incurred losses in the books of Santaldih and newly commissioned Sagardighi Thermal Power Stations and as such, taxes payable towards profits and incomes were arrived at after netting of the amounts of losses in the aforesaid generating stations. The station-wise break-ups of the amount of Rs. 1543.53 lakh in this regard were arrived at as under:

<b>Rs. in Lakh</b>	
<b>Generating Station</b>	<b>Amount</b>
Kolaghat	623.58
Bakreswar (Units I, II & III)	3195.24
Bandel	20.96
Santaldih (Units I to IV)	(-) 835.09
Sagardighi	(-) 1461.16
<b>Total</b>	<b>1543.53</b>



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2.11.3 The Commission decides to admit the income tax in regard to Kolaghat, Bakreswar, Bandel and Santaldih Thermal Power Stations in APR for 2008 – 2009 as below:

**Rs. in Lakh**

<b>Generating Station</b>	<b>Amount</b>
Kolaghat	623.58
Bakreswar (Units I, II & III)	3195.24
Bandel	20.96
Santaldih (Units I to IV)	(-) 835.09
<b>Total</b>	<b>3004.69</b>

**2.12 Performance Incentives:**

2.12.1 Paragraph 10.4 of the tariff order dated 26.07.2007 for the year 2007 – 2008 stipulated for payment of incentive on the quantum of ex-bus generation in excess of the targets set for that. Accordingly, the target ex-bus generation vis-à-vis the actual so achieved during 2008 – 2009 at different generating stations of WBPDCCL are as under:

**In Million Unit**

<b>Generating station</b>	<b>Target ex-bus generation</b>	<b>Actual ex-bus generation</b>
<b>1</b>	<b>2</b>	<b>3</b>
Kolaghat	7045.190	6074.207
Bakreswar (Units I, II & III)	4017.686	4348.197
Bandel	2007.641	2214.942
Santaldih (Units I to IV)	1258.759	1057.314
<b>Total</b>	<b>14329.276</b>	<b>13694.660</b>

2.12.2 As observed from the above, there was considerable shortfall in the quantum of target ex-bus generations at Kolaghat and Santaldih. The quantum of additional sent-out from Bakreswar and Bandel could not compensate the whole of such shortfall in the former two generating stations. WBPDCCL was, therefore, found not entitled for any performance incentive.



**2.13 Incomes from Non-Tariff Sources:**

2.13.1 Income generated by WBPDCCL from the sources other than sale of electricity during the year 2008 – 2009 were as under:

**Rs. in Lakh**

Sl. No.	Particulars	Generating Stations				Total
		Kolaghat	Bakreswar	Bandel	Santaldih	
1	Sale and repair of lamp and other apparatus	595.54	11.36	43.51	-	650.41
2	Income from Investments	4174.10	2132.79	1490.75	1590.14	9387.78
3	Other General Receipts	277.42	787.83	156.30	46.30	1267.85
	<b>Total</b>	<b>5047.06</b>	<b>2931.98</b>	<b>1690.56</b>	<b>1636.44</b>	<b>11306.04</b>

2.13.2 WBPDCCL proposed to adjust the total amount of such receipts from the gross amount of fixed charges allowable. It was observed that the amounts of interest income from investment are inclusive of an amount of Rs. 131.34 lakh which was accrued on the investment of Rs. 2500.00 lakh out of the Reserve for the Unforeseen Exigencies. WBPDCCL is to take a note of the provisions of regulation 4.24 of the Tariff Regulations to see that the amount of interest accrued on such fund requires to be reinvested and is not to be considered as free income of the company. The amount of Rs. 131.34 lakh was not, therefore, considered as income. The admitted incomes from other sources from the concerned generating stations in APR 2008 – 2009 has been arrived as under:

**Rs. in Lakh**

Generating Station	Actual Income for 2008 - 2009	Income from the investment of Reserve for Unforeseen Exigencies	Amount admitted in APR for 2008 - 2009
Kolaghat	5047.06	41.68	5005.38
Bakreswar (Units I, II & III)	2931.98	78.96	2853.02
Bandel	1690.56	5.53	1685.03
Santaldih (Units I to IV)	1636.44	5.17	1631.27
<b>Total</b>	<b>11306.04</b>	<b>131.34</b>	<b>11174.70</b>



**2.14 Operation & Maintenance Expenses:**

2.14.1 The operation and maintenance expense, including general administrative expenses, repairs and cost of consumables therefor are categorized as controllable. The amounts of the total provisions allowed in the tariff as per norms is admitted in APR 2008 – 2009 disregarding actual expenditure on this score as in terms of the Tariff Regulations, the savings / excess in expenditures under the controllable heads are to be in the accounts of the generating company.

**Rs. in Lakh**

<b>Generating Station</b>	<b>Amount allowed in Tariff Order for 2008 – 2009</b>	<b>Amount admitted in APR for 2008 – 2009</b>
<b>1</b>	<b>2</b>	<b>3</b>
Kolaghat	11957.40	11957.40
Bakreswar (Units I, II & III)	4542.30	4542.30
Bandel	4459.50	4459.50
Santaldih (Units I to IV)	4756.80	4756.80
<b>Total</b>	<b>25716.00</b>	<b>25716.00</b>

**2.15 Release of amount withheld for Safety Audit:**

2.15.1 An amount of Rs. 5.00 lakh for each of the four concerned generating stations of WBDCL was withheld for not submitting the safety audit reports. Since the copies of such reports have now been submitted, the Commission considers not to make any deduction in this regard from the allowable fixed charges.

**2.16 Cost of Capital recoverable from West Bengal State Electricity Transmission Company Limited (WBSETCL):**

2.16.1 The Bakreswar transmission system constructed by the WBDCL is an integral part of the transmission system being operated by WBSETCL. This annual carrying charges of the assets are found as under:





	<b>Rs. in Lakh</b>
(i) Interest on loan from Govt. of West Bengal	1109.08
(ii) Depreciation	1498.54
(iii) Return on equity	838.76
<b>Total:</b>	<b>3446.38</b>

2.16.2 Rs. 3446.38 lakh comprising interest, depreciation and return on equity relating to Bakreswar transmission system, considered under the respective cost heads of Bakreswar Thermal Power Station, is deducted from the ARR of Bakreswar Thermal Power Station as the same amount of Rs. 3446.38 lakh is recoverable from WBSETCL.

**2.17 Admissibility of recovery of full Capacity Charges and treatment of inoperative assets of generating stations for more than 3 (three) months and consequential impact on recovery of Capacity Charges:**

2.17.1 In terms of regulation 5.4.2 of the Tariff Regulations, from the second control period, the recovery of capacity charge for all the generating stations of the licensee and generating company shall be against the normative availability.

2.17.2 In case of generating station of WBPDCCL, the fixed cost recovery is done on the basis of availability. WBPDCCL in its application for APR 2008 – 2009 submitted that the Units 4 and 6 of Kolaghat Thermal Power Station remained inoperative from 09.10.2008 to 13.02.2009 and 26.11.2008 to 09.02.2009 respectively. Again, from the reports received in connection with Santaldih Thermal Power Station, it reveals that Units No. 3 and 4 had been permanently withdrawn from operation with effect from 20.01.2009 and 07.10.2008 respectively. In terms of regulation 4.25.1 of Tariff Regulations, in case any asset of the generating station remained inoperative for more than 3 (three) months resulting in shortfall in achieving target availability for that generating station, then except employees'



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cost, interest on borrowed capital, depreciation and advance against depreciation, if any, the other fixed costs will be allowed to be recovered partly.

- 2.18 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 “A” to “D”. As shown in the referred annexure, the re-determined total amounts of fixed charges for the concerned generating stations come as under:

<b>Rs. in Lakh</b>		
Generating Station	As per Tariff Order	As admitted in APR for 2008 – 2009
Kolaghat	33826.78	41168.94
Bakreswar (Units I, II & III)	26922.91	33702.38
Bandel	8599.49	12200.41
Santaldih (Units I to IV)	7603.98	10072.13
Total	76953.16	97143.86

- 2.18.1 The amount of admitted fixed charge in APR for 2008 – 2009 for different generating stations, as shown above, require to be adjusted with the amounts determined on APR in regard to fixed charges for the year 2006 – 2007 for arriving at the amounts of capacity charges recoverable through tariff. Such adjustable amounts, vide paragraph 7.2 of Commission’s order dated 26 September, 2008 in Case No. TP-39/08-09, are as under:

<b>Rs. in Lakh</b>	
Kolaghat	(-) 4255.18
Bakreswar	(+) 157.33
Bandel	(-) 2134.08
Santaldih	(-) 1310.37



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2.18.2 As it comes out from the submission of WBPDCCL, the actual Plant Availability Factor (PAF) achieved during 2008 – 2009 at different generating stations in comparison to norms set for the year was as under:

Generating Station	Normative PAF (%)	Actual PAF (%)	Shortfall in PAF (%)
Kolaghat	76.00	61.45	14.55
Bakreswar (Units I, II & III)	85.00	87.03	N.A.
Bandel	62.00	63.21	N.A.
Santaldih (Units I to IV)	36.00	28.45	7.55

2.18.3 As may be seen from above, there had been shortfall in achieving PAF at normative level by 14.55% at Kolaghat and 7.55% at Santaldih generating stations resulting in short recovery of re-determined capacity charges for those two generating stations. The amounts of such under recovery works out as follows:

		Rs. in Lakh
Kolaghat	$\frac{41168.94 \times 14.55}{76.00}$	7881.69
Santaldih	$\frac{10072.13 \times 7.55}{36.00}$	2112.35

2.18.4 The above amount of short recovery of capacity charges include proportionate charges for the elements of employees' cost, interest on capital borrowings and depreciation. In terms of regulation 4.25.1 of the Tariff Regulations, the Commission considers to allow full recovery of fixed charges in respect of those three elements. Such full recoveries are effected by reducing the amounts of capacity charges as worked out above. The relevant amounts in regard to Kolaghat and Santaldih generating stations come out as under:



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Sl. No.	Particulars	Amount in Rs. in Lakh	
		Kolaghat	Santalidih
1	Employees' cost	14336.85	6574.64
2	Interest on borrowed capital	114.01	0.00
3	Depreciation	1317.86	266.12
	Total	15768.72	6840.76
<b>4</b>	<b>Non recoverable amount of fixed cost included in part recovery due to shortfall in availability under regulation 4.25.1 of Tariff Regulations.</b>	<b>3018.88</b>	<b>1434.66</b>

2.18.5 Allowable recovery of capacity charges for different generating stations of WBPDCCL for the year 2008 – 2009, therefore, come as under:

Sl No.	Particulars	Amount (Rs. in Lakh)			
		Kolaghat	Bakreswar	Bandel	Santalidih
1	Fixed cost as admitted in APR 2008 – 2009	41168.94	33702.38	12189.77	10072.13
2	Less: Short recovery due to shortfall in plant availability under provisions of regulation 5.4.2 of the Tariff Regulations	7881.69	0.00	0.00	2112.35
3	Add: Allowable under provision of regulation 4.25.1 of Tariff Regulations (vide paragraph 2.18.4)	3018.88	0.00	0.00	1434.66
4	Net disallowance of fixed charges 4=(2-3)	4862.81	0.00	0.00	677.69
5	Fixed cost of 2008 – 2009 allowed to be recovered through capacity charges 5=(1-4)	36306.13	33702.38	12189.77	9394.44

2.18.6 The amount of re-determined fixed charges for different generating stations for the year 2008 – 2009, after carrying out the adjustments in regard to fixed charges for 2006 – 2007 come as under:

Particulars	Amount (Rs. in Lakh)			
	Kolaghat	Bakreswar	Bandel	Santalidih
Fixed cost of 2008 – 2009 allowed to recover through capacity charges	36306.13	33702.38	12189.77	9394.44
Adjustment of fixed charges relating to 2006 – 2007	(-) 4255.18	(+) 157.33	(-) 2134.08	(-) 1310.37
Re-determined capacity charges	32050.95	33859.71	10055.69	8084.07



**Order on APR of WBPDCCL for the year 2008-09**

- 2.19 As is seen from the submission of WBPDCCL with reference to its audited accounts, the revenue it billed to the West Bengal State Electricity Distribution Company Limited (in short "WBSEDCL") for the sale of electricity during 2008 – 2009 from the concerned generating stations / units were as follows:

**Rs. in Lakh**

<b>Generating Station</b>	<b>Sales (MU)</b>	<b>Energy Charge</b>	<b>Capacity Charge</b>	<b>Total</b>
Kolaghat	6074.207	80355.68	23910.18	104265.86
Bakreswar (Units I,II & III)	4349.492	48414.20	28479.56	76893.76
Bandel	2214.942	33879.75	6465.41	40345.16
Santaldih (Units I to IV)	1057.314	16334.44	4973.70	21308.14
<b>Total</b>	<b>13695.955</b>	<b>178984.07</b>	<b>63828.85</b>	<b>242812.92</b>

- 2.20 Summing up the analyses and findings as stated in the preceding paragraphs, the Commission now takes up to ascertain the amount adjustable on APR separately for each of the concerned generating stations of WBPDCCL for the year 2008 – 2009. Such adjustable amounts work out as under:

<b>Particulars</b>	<b>Amount (Rs. in Lakh)</b>			
	<b>Kolaghat</b>	<b>Bakreswar (Units I,II&amp;III)</b>	<b>Bandel</b>	<b>Santaldih (Units I-IV)</b>
Admitted capacity charges in APR for 2008 – 2009 (vide paragraph 2.18.6)	32050.95	33859.71	10055.69	8084.07
Actual capacity charge recovered during 2008 - 2009 (vide paragraph 2.19)	23910.18	28479.56	6465.41	4973.70
<b>Positive adjustment of capacity charge for 2008 – 2009</b>	<b>8140.77</b>	<b>5380.15</b>	<b>3590.28</b>	<b>3110.37</b>



## ANNEXURE - 2A

## KOLAGHAT THERMAL POWER STATION

Sl. No.	Head of Fixed Charges		Amounts (Rs. in Lakh)		
			As per the Tariff Order		As admitted in APR for 2008 - 2009.
1	Employee cost		4465.77	14336.85	
2	Coal, Ash Handling & Fuel Related Cost		1260.00	1260.00	
3.	Water Charges / Cess		30.00	30.00	
4.	<b>Operation &amp; Maintenance Expenses</b>				
	(a) Repairs & Maintenance (Including cost of Consumables)		11957.40	11957.40	
	(b) Admn. & General Charges				
5	Interest		123.05	114.01	
6	Finance charges		70.00	14.90	
7	Interest on working capital		0.00	6.01	
8	Depreciation		1180.09	1317.86	
9	Reserve for unforeseen exigencies		418.45	428.24	
10	Taxes under Income Tax Act		0.00	623.58	
11	Returns		17013.00	16085.47	
12	Performance Incentives		0.00	0.00	
13	Fixed charges for the year (1 to 12)		36517.76	46174.32	
<b>Less:</b>					
14	Income from non-tariff sources	2686.00		5005.38	
	Amount withheld for not conducting safety audit	5.00	2691.00	0.00	5005.38
15	Total charges (13 - 14)		33826.76	41168.94	
16	Less: Disallowance of fixed charges for inoperative assets of generating station for more than 3 months.		-	4862.81	
17	<b>Net Fixed Charges</b>		<b>33826.76</b>	<b>36306.13</b>	



## ANNEXURE - 2B

## BAKRESWAR THERMAL POWER STATION (UNITS I, II &amp; III)

Sl. No.	Head of Fixed Charges	Amounts (Rs. in Lakh)	
		As per the Tariff Order	As admitted in APR for 2008 - 2009.
1	Employee cost	1698.59	5958.62
2	Coal & Ash Handling Charges	158.00	175.84
3.	Water Charges / Cess	5.00	5.56
	<b>Operation &amp; Maintenance Expenses</b>		
4.	(a) Repairs & Maintenance (Including cost of Consumables)	4542.30	4542.30
	(b) Admn. & General Charges		
5	Interest	3836.61	3836.61
6	Finance charges	0.00	0.00
7	Interest on working capital	0.00	3.07
8	Depreciation	10781.00	10782.42
9	Reserve for unforeseen exigencies	730.00	730.28
10	Taxes under Income Tax Act	0.00	3195.24
11	Special Allocation	8.79	0.00
12	Returns	10768.00	10771.84
13	Performance Incentives	0.00	0.00
14	Fixed charges for the year (1 to 13)	32528.29	40001.78
<b>Less:</b>			
15	Income from non-tariff sources	2154.00	2853.02
	Amount withheld for not conducting safety audit	5.00	0.00
	Fixed charge recoverable from WBSETCL towards cost of capital employed in Transmission system.	3446.38	3446.38
16	<b>Net Fixed Charges (14 - 15)</b>	<b>26922.91</b>	<b>33702.38</b>

**ANNEXURE - 2C****FOR BANDEL THERMAL POWER STATION**

Sl. No.	Head of Fixed Charges	Amounts (Rs. in Lakh)	
		As per Tariff Order	As admitted in APR for 2008 - 2009.
1	Employee cost	2922.99	7235.04
2	Coal & Ash Handling Charges	575.00	677.71
3.	Water Charges / Cess	172.00	191.88
	<b>Operation &amp; Maintenance Expenses</b>		
4.	(a) Repairs & Maintenance (Including cost of Consumables)	4459.50	4459.50
	(b) Admn. & General Charges		
5	Interest	0.00	0.00
6	Finance charges	0.00	0.00
7	Interest on working capital	0.00	2.15
8	Depreciation	179.00	192.35
9	Reserve for unforeseen exigencies	56.00	56.02
10	Taxes under Income Tax Act	0.00	20.96
11	Returns	1261.00	1039.19
12	Performance Incentives	0.00	0.00
13	Fixed charges for the year (1 to 12)	9625.49	13874.80
<b>Less:</b>			
14	Income from non-tariff sources	1021.00	1685.03
	Amount withheld for not conducting safety audit	5.00	0.00
15	<b>Net Fixed Charges (13 - 14)</b>	<b>8599.49</b>	<b>12189.77</b>





## ANNEXURE - 2D

## FOR SANTALDIH THERMAL POWER STATION (UNITS I TO IV)

Sl. No.	Head of Fixed Charges	Amounts (Rs. in Lakh)	
		As per Tariff Order	As admitted in APR for 2008 - 2009.
1	Employee cost	2169.51	6574.64
2	Coal & Ash Handling Charges	215.67	215.67
3.	Water Charges / Cess	41.00	41.00
	<b>Operation &amp; Maintenance Expenses</b>		
4.	(a) Repairs & Maintenance (Including cost of Consumables)	4756.80	4756.80
	(b) Admn. & General Charges		
5	Interest	0.00	0.00
6	Finance charges	0.00	0.00
7	Interest on working capital	0.00	2.29
8	Depreciation	265.00	266.12
9	Reserve for unforeseen exigencies	52.00	52.30
10	Taxes under Income Tax Act	0.00	(-) 835.09
11	Returns	1096.00	629.67
12	Performance Incentives	0.00	0.00
13	Fixed charges for the year (1 to 12)	8595.98	11703.40
<b>Less:</b>			
14	Income from non-tariff sources	987.00	1631.27
	Withhold Amount	5.00	0.00
15	<b>Total charges (13 - 14)</b>	<b>7603.98</b>	<b>10072.13</b>
16	Less: Disallowance of fixed charges for inoperative assets of generating station for more than 3 months.	0.00	677.69
17	<b>Net Fixed Charges</b>	<b>7603.98</b>	<b>9394.44</b>



## CHAPTER – 3 AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

- 3.1 Based on the foregoing analyses and admissions thereof, the positive adjustments of capacity charges in respect of the concerned generating stations of WBPDCCL for the year 2008 – 2009 as shown in paragraph 2.20 of the preceding chapter, are as below:

Generating Station	Amount (Rs. in Lakh)
Kolaghat	8140.77
Bakreswar (Unit I,II & III)	5380.15
Bandel	3590.28
Santaldih (Unit I to IV)	3110.37
<b>Total</b>	<b>20221.57</b>

- 3.2 In terms of the Tariff Regulations, the entire amount of such positive adjustment or part thereof in respect of any of the generating stations of WBPDCCL may be adjusted with the Aggregate Revenue Requirement of that generating station of WBPDCCL for the year 2010 – 2011 or that of any other ensuing year, as may be decided by the Commission. The decision of the Commission in this regard will be given in the tariff order of WBPDCCL for the year 2010 – 2011.
- 3.3 WBPDCCL is to take a note of this order.

**Sd/- 26.07.2010**  
**(R. P. SAMADDAR)**  
**MEMBER**

**Sd/- 26.07.2010**  
**(PURNENDU GUPTA)**  
**MEMBER**

**Sd/- 26.07.2010**  
**(PRASADRANJAN RAY)**  
**CHAIRPERSON**

**DATE: 26.07.2010**