

West Bengal Electricity Regulatory Commission

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West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2020

STATEMENT OF REASONS

Dated: __/__/2020

1. Introduction

The West Bengal Electricity Regulatory Commission (hereinafter referred as 'WBERC' or 'the Commission'), in exercise of its power under section 181 and in compliance with the requirement of previous publication under sub-section (3) of section 181 of the Electricity Act, 2003, published the draft West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2019 (hereinafter referred as the "draft Third Amendment 2019") on its website and invited suggestions/objections/comments vide public notice No WBERC/Regulations-56/19-20/4516 dated 14.08.2019 published in 5nos of leading newspapers on 15.08.2019. The last date of submission of comments was 12.09.2019. Subsequently, the Commission vide notice no. WBERC/Regulation-56/19-20/4671 dated 13.09.2019 extended the last date of submission of suggestions/objections/ comments upto 21.10.2019 and published the notice in the same newspapers on 15.09.2019.

2. Objective and background of the Draft Amendment 2019

The Commission in exercise of its power under sub-section (1) and (2) of section 181 read with section 41, subsection (2) of section 45, sections 51, 61, 62, 63, 64, 65 and sub-section (1) of section 86 of the Electricity Act 2003 had notified the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 vide notification no 48/WBERC on 25th April, 2011. Subsequently two amendments have been made vide notification no 49/WBERC on 27.08.2012 and notification no 54/WBERC on 30.07.2013. The West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended hereinafter referred to as the 'Principal Regulations'. Subsequently, to cope up with the changes in Regulatory sector WBERC had published a draft 3rd Amendment of the Tariff Regulations on 19.07.2017 vide public notification No WBERC/ Regulations/49/16-17/0632 and sought comments from stakeholders. In the meantime, CERC started activities for revising their Tariff Regulations

and published their draft consultation paper on Tariff Regulations on 24.05.2018. In order to capture the latest changes in the sector the Third Amendment 2017 was not finalised.

Considering the time gap and the Tariff Regulations 2019 published by CERC it was felt that, a thorough review of the issues in light of recent developments in the sector is required. However, to address the burning issues of the time, a limited amendment of the Existing Tariff Regulations was proposed. Accordingly, the Commission decided to publish a fresh draft namely West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2019 [hereinafter referred as 'Draft 3rd Amendment 2019'], incorporating the further developments of the Power Sector in supersession of the earlier draft published vide notification no WBERC/ Regulations/49/16-17/0632 dated 19.07.2017

Objective of the Draft 3rd Amendment 2019 is to address the followings:

(i) **Migration from UHV to GCV and computation of the Energy Charge accordingly:**

At present coal is being billed by the Coal India Limited considering the Gross Calorific value since 01.01.2012. However due to various reasons in the existing Tariff Regulations the earlier concept of UHV is being continued with an empirical formula of conversion from GCV to UHV, which was used by the CIL during transition from UHV to GCV regime. As the purchase as well as quality assurance of coal is based on GCV it is required to consider the GCV value itself while computing fuel cost instead of converting the same into UHV, based on empirical formula. CERC and all other SERCs are also determining the fuel cost based on "as received GCV" value of the coal.

Moreover, in terms of section 61 of the Electricity Act the State Commission shall be guided by the principles and methodology specified by Central Commission for determination of Tariff applicable to generating companies and transmission licensees. Thus, it is felt to do away with the provision of UHV and amend the regulation in sync with CERC with state specific modifications and to determine the energy charge based on "as received GCV". This will bring uniformity in approach throughout the nation, force the generators for better fuel management, reduce the energy charge and in the long run shall help the generating companies to survive in future concept of national merit order despatch.

(ii) **Extending the payment time-line for agricultural consumers:**

Considering the time gap between sowing seeds and harvesting in the State, it is proposed to provide some relief to the L&MV agriculture consumers to make payment of bills. Hence, it is suggested to increase the time line required for LPSC payment by the L&MV agriculture consumers. LPSC payment clause for rest of the consumers shall remain same as per the existing regulations.

(iii) **To bring in more clarity in e-payment mode regarding rebate and applicable gateway charges.**

(iv) Introducing new tariff category for EV charging infrastructure for Electric Vehicle in line with government policies.

(v) Introducing new tariff category for MES and Airport under RCS-UDDAN.

3. Analysis of the Suggestions / objections / comments received on Third Amendment Regulations 2019:

The Commission received suggestions/objections/comments from seven (7) stakeholders including generating companies, distribution licensees, industrial consumers and consumer association within the extended timeline. List of the stakeholders who submitted their comments is enclosed as Annexure-I.

The Commission, after detailed analysis and due consideration of various issues raised by the stakeholders on Draft 3rd Amendment 2019, finalised the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2020 (herein after referred as “Final 3rd Amendment”) for notification in the Kolkata Gazette Extraordinary. The proposed regulations, suggestions/objections/comments received from the various stakeholders and the rationale /decisions of the Commission thereon have been discussed in the succeeding paragraphs.

4. Regulation 1:

4.1 Proposed in Draft 3rd Amendment 2019

“1. Short Title and Commencement:

- (i) *These Regulations may be called the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2019.*
- (ii) *They shall come into force after their publication in the Official Gazette.*
- (iii) *These amendments shall be applicable from 01.10.2019 onwards.*
- (iv) *Any Aggregate Revenue Requirement (ARR), Annual Performance Review (APR), Fuel Cost Adjustments (FCA), Fuel and Power Purchase Cost Adjustment (FPPCA) for the period prior to 01.10.2019 shall be as per the regulations existing prior to the Amendment.”*

4.2 Comments Received:

(a) Comments from WBPDC:

WBPDC requested to make the amendment to the Regulations applicable with effect from 01.04.2020 and not from 01.10.2019 onwards. WBPDC mentioned that it has already filed MYT petition including for FY 2019-20 and many of the elements under ARR are subject to truing up

through APR and FCA. Bringing the Third amendment in operation in the middle of the Financial Year would necessitate revision and reconciliation of a large number of projections and thus, create incongruities. WBPDCCL also submitted that being a thermal plant coal alone accounts for 60 – 70% of total cost incurred. Therefore, replacement of UHV with GCV in the mid-term will lead to change in all projections related to heat value of coal. WBPDCCL also submitted that such variation in heat value is bound to affect the annually computable charges under Tariff Regulations viz. incentive, gain sharing.

(b) Comments from CESC Ltd.:

CESC submitted that the Multi-year tariff petition has already been submitted for 2018-19 and 2019-20 based on the prevailing tariff regulations. By proposing the amendments to be effective from 1 October 2019, retrospective implications have been proposed for just six months of a multi-year control period. Since the intent of multi-year tariff regulations includes removal of risks and uncertainties, CESC suggested that the proposed amendments to the regulations be made effective from 1 April 2020.

CESC also mentioned that, applicability of a regulation from the middle of a financial year, where significant changes have been proposed, may not be practical from the business perspective of the licensees / generators and also for end consumers, as new categories have been proposed in the draft Regulations. Also, the proposed amendments include material changes in the basis of cost computation, introduction of new categories of consumers, all of which will be more practicable to implement from the start of any tariff year. It is also submitted that approach to planning and procurement with implied economy and efficiency gets settled based on roll down of monthly quantities and identification of collieries for a substantial part of procurement, particularly with linkage quantities of primary fuel, usually takes some lead time.

Thus, CESC prayed that the amendments be made applicable from the next control period with sufficient lead time for the licensees and generating companies to assimilate the amendments and plan their businesses accordingly.

(c) Comments from HEL:

HEL submitted that, the amendment regulations applicable from middle of a year will have a far-reaching impact on the business of the company. HEL also requested to note that, all present operations are in line with the MYT submission. Roll down of Monthly Quantities and identification of collieries for the same takes some lead time usually. Thus, imposing changes mid-way will unsettle a clearly chalked out plan of action which has already been operationalized. HEL inter-alia submitted that, as the changes proposed include material changes in the methods of cost basis, it will

be more practical to implement from the start of a year. HEL finally suggested that, the proposed amendments to the regulations be made effective from 1 April 2020.

4.3 Analysis and Commission's Decision:

The Commission finds the submission made by WBPDC, CESC Ltd. and HEL logical and finds it suitable to implement the Third Amendment on and from 1st April 2020. Further, considering the date of notification, it is decided to modify the title of the Amendment accordingly.

4.4 Provision in final 3rd Amendment:

"1. Short Title and Commencement:

- (i) These Regulations may be called the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2020.*
- (ii) This shall come into force on & from 01.04.2020, after it's publication in the Official Gazette.*
- (iii) Any Aggregate Revenue Requirement (ARR), Annual Performance Review (APR), Fuel Cost Adjustments (FCA), Fuel and Power Purchase Cost Adjustment (FPPCA) for the period prior to 01.04.2020 shall be governed by the regulations existing prior to the Amendment."*

5. Regulation 1.2.1(lxa):

5.1 Proposed in Draft 3rd Amendment 2019

"1.2.1 (lxa) "GCV as received" means the GCV of coal as measured at the unloading point of the thermal generating station through collection, preparation and testing of samples from the loaded wagons, trucks, ropeways, Merry-Go-Round (MGR), belt conveyors and ships in accordance with the IS 436 (Part-1/ Section 1)- 1964 and clause 6.2 of IS 1350 (Part-II)- 1970:

Provided that the measurement of coal shall be carried out through sampling by third party to be appointed by the generating companies from the list maintained by Ministry of Coal / Coal India Limited:

Provided further that samples of coal shall be collected either manually or through hydraulic augur or through any other method considered suitable keeping in view the safety of personnel and equipment:

Provided also that the generating companies may adopt any advanced technology for collection, preparation and testing of samples for measurement of GCV in a fair and transparent manner."

5.2 Comments Received:

(a) Comments from CESC Ltd.:

CESC submitted the followings:

- As per the prevailing regulations, fuel cost is computed on Useful Heat Value (UHV) basis considering typical characteristics of Indian coal. It may be brought to the kind attention of the Hon'ble Commission that with improvement in technology and design parameters, the boilers are designed for low grade coal with low heat content. Incidentally these are the grades that have the maximum variations in GCV and UHV. The prevailing method of consideration of UHV helps mitigate this risk to a certain extent. Therefore, the prevailing method of assessment of heat value of coal, i.e. UHV may kindly not be altered with. Proposal of computation of fuel cost on Gross Calorific Value (GCV) basis would require suitable revision in prevailing norms of Station Heat Rate, which may be required to be adjusted by at least around 10% considering set size of above 200 MW and design coal for present day Pulverised Fuel (PF) stations.
- It is a widely accepted fact that considerable heat loss occurs during transportation of coal from loading end to unloading point. Therefore, if the GCV basis of fuel cost determination has to be adopted, then consideration of heat value for determination of fuel cost as per the draft regulations is a welcome step. To establish the authenticity of heat value for all the stakeholders, "3rd party sampling" is a crucial necessity, which has been acknowledged in the proposed regulations.

(b) Comments from HEL:

HEL submitted the followings:

- As per the prevailing regulations, fuel cost is computed on Useful Heat Value (UHV) basis considering typical characteristics of Indian coal. The Hon'ble Commission may kindly consider the fact that with improvement in technology and design parameters, the boilers are designed for low grade coal with low heat content. Incidentally these are the grades that have the maximum variations in GCV and UHV. The prevailing method of consideration of UHV helps mitigate this risk to a certain extent. Therefore the prevailing method of assessment of heat value of coal, i.e. UHV may kindly not be altered with. Proposal of computation of fuel cost on Gross Calorific Value (GCV) basis would require suitable revision in prevailing

norms of Station Heat Rate considering the coal mix of relatively lower grades where the difference of UHV and GCV significantly increases.

- However, if the Hon'ble Commission decides to change to GCV basis, then the normative heat rates as given vide Order dated 20 January 2016 in Case No OA-121 / 11-12 may be appropriately modified as the heat value basis will undergo a significant change.

(c) Comments from WBPDC:

All Power generating companies including WBPDC face trouble in collection of coal samples from wagon top due to high voltage overhead electrical lines at unloading end. In the proposed regulation GCV testing method has been mentioned on "As received basis". Hence, WBPDC proposes that, considering practical difficulty in measuring GCV from wagon top, collection of Rail borne coal sample, after primary crusher, at Thermal Power Station end may be permitted. Also, GCV testing method to be adopted should be on "Air Dried Basis".

(d) Comments from ABECA:

In respect of First proviso ABECA proposed that, the measurement of Coal shall be carried out not through sampling but through the actual measurement through the weighing machine. Accordingly, they propose to delete the second proviso.

Regarding third proviso ABECA suggested that generating companies shall adopt the advance technology as it is adopted by other generating companies of the country with the guideline and approval of the Central Electricity Regulatory Commission.

5.3 Analysis and Commission's Decision:

1. Regarding submission of CESC Ltd. and HEL the Commission observes that at present the purchase and quality assurance of the coal is done based on GCV value of the coal. CIL has shifted from UHV to GCV since January, 2012 and fuel cost through-out the country is determined based on GCV value of the coal. Further, the empirical formula used for conversion from GCV to UHV was a transitional tool specified by CIL during 2012. Now as the whole system of coal procurement either from linkage source or from e-auction are being settled in GCV, the Commission finds it suitable to do-away with the UHV mechanism. Moreover, in terms of sub-section (a) of section 61 of the Electricity Act 2003, the State Commission has to be guided by CERC regulations while determining tariff for a generating company.

2. The concern of CESC Ltd. and HEL regarding low quality assurance of coal has already been addressed to by considering “as received GCV” of coal at the unloading point of the thermal generating station through 3rd party sampling. Regarding their proposal of revision Station Heat Rate, the Commission observes that SHR of CESC Ltd. and HEL are quite compatible with the SHR norms of CERC.
3. Regarding submission of WBPDCCL the Commission observes that in the amendment it has clearly mentioned that collection and sampling of coal to be done following the IS 436 (Part-1/ Section 1)-1964 and clause 6.2 of IS 1350 (Part-II)-1970, which is a widely accepted standard procedure. WBPDCCL may adopt suitable advanced technology for collecting samples in terms of 3rd proviso of the proposed regulation.
4. Regarding suggestion of measuring through weighing machine by ABECA, Commission observes that, the use of weighing machine as mentioned by ABECA is for quantity measurement and the instant regulation is related to quality measurement only. As such use of weighing machine has no relevance on this issue. The Commission also observes that for quality checking of GCV of coal 3rd party sampling is a widely accepted method. Further Commission has already specified the standard practice for sampling as per IS standards.
5. In view of above the Commission decides to carry on with the proposed regulation.

5.4 Provision in final 3rd Amendment:

The draft regulation is retained with minor change in language to enhance the clarity of expression without changing in intent or impact.

6. Regulation 4.14:

6.1 Proposed in Draft 3rd Amendment 2019

“4.14.1 The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges by a consumer, except the L&MV agriculture consumers, shall be 1.00% per month of delay or pro-rated for part thereof upto 3 months of delay, at 1.50% per month of delay or pro-rated for part thereof for any period beyond 3 months of delay but upto the next 3 months and at 2.00% per month of delay or pro-rated for part thereof beyond first 6 months of delay. Delay in payment shall be counted from the due date for payment.

4.14.2 The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges for the L&MV agriculture consumers shall be as follows:

<i>Sl. No.</i>	<i>Period of non-payment</i>	<i>LPSC Rate</i>
1	Up to 3 months	Nil
2	From 91 days to 180 days	1% per month or prorated for part thereof
3	From 181 days to 365 days	1.25% per month or prorated for part thereof
4	From 365 days onwards	1.5% per month or prorated for part thereof

4.14.3 These delayed payment surcharges are without prejudice to the provisions of disconnection under the Act and the Regulations made thereunder. However, if necessary, Commission through any tariff order or any other order may, from time to time, change the applicable rate in percentage for determination of delayed payment surcharge.”

6.2 Comments Received:

(a) Comments from WBSEDCL:

WBSEDCL suggested to amend the last sentence of regulation 4.14.1 as below:

*“Delay in payment shall be counted from the due date for payment upto date of payment.
Delayed payment surcharge shall not applicable beyond termination of Agreement”*

(b) Comments from ABECA:

ABECA suggested that delayed payment surcharge cannot be more than savings Bank rate of interest and it cannot be charged before exhausting the amount of security deposit money kept in the custody of the licensee. ABECA also suggested that no delayed payment surcharge can be charged after the deemed disconnection of supply. ABECA also suggested LPSC rate for delayed payment as 0.5%.

(c) Comments from M/s Rashmi Metaliks Ltd.:

M/s Rashmi Metaliks Ltd. observed that in the amendment the applicable surcharge has been kept same as in principal regulation but, the allowable time for payment i.e. time of delay has been drastically reduced to half. On this ground they requested to keep the regulation 4.14.1 unchanged.

6.3 Analysis and Commission’s Decision:

1. Commission observes that WBSEDCL suggested that delayed payment surcharge shall not be applicable beyond termination of agreement and ABECA suggested that no delayed payment surcharge after deemed disconnection of supply. ABECA also suggested that rate of delayed payment

surcharge shall not be more than bank rate and it cannot be charged unless security deposit with the licensee is exhausted.

2. ABECA's contention that delayed payment surcharge cannot be charged before exhausting security deposit is not correct. The Commission observes that there are two aspects (i) value of money and (ii) penalty on non-payment in time. Delayed payment Surcharge is a penal measurement to ensure payment of bills by the consumers in time whereas security deposit is payment security mechanism to realise the outstanding amount in case of non-payment of dues by the consumers for a considerable time. In respect of non-payment of money, the delayed payment surcharge is to be charged till the same is not paid. That is the reason it is clearly mentioned in regulation 4.14.3 that, 'these delayed payment surcharges are without prejudice to the provisions of disconnection under the Act and the Regulations made there under. Termination of agreement and its consequence has been dealt in WBERC (Electricity Supply Code) Regulations 2013, hence the Commission does not find it appropriate to deal the issue in this amendment particularly when it was not included in the draft amendment published for comments and suggestions.
3. As already mentioned delayed payment surcharge is not only to compensate loss of money but also to act as a penal measure. Thus the Commission has decided a higher rate for such delayed payment surcharge than the bank rate to ensure the payment in time by the consumers, otherwise it will increase the working capital requirement of the licensee. However, regulation 4.14.3 provides for reviewing the rate of delayed payment surcharge.
4. Regarding suggestion of M/s Rashmi Metaliks Ltd., the Commission observes that the amendment only provides a relaxed-norms for L&MV agricultural consumers keeping parity with the sowing and harvesting time line under 4.14.2. For all other category of consumers, the provisions are kept same under 4.14.1 in line with the existing regulations. The existing regulation vis-à-vis proposed amendment is reproduced below for ready reference:

Existing Regulation	Proposed Draft Third Amendment 2019
<p>4.14.</p> <p><i>The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges by a consumer shall be 1.00% per month of delay or pro-rated for part thereof upto 3 months of delay, at 1.50% per month of delay or pro-rated for part thereof for any period beyond 3 months</i></p>	<p>4.14.1</p> <p><i>The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges by a consumer, <u>except the L&MV agriculture consumers</u>, shall be 1.00% per month of delay or pro-rated for part thereof upto 3 months of delay, at 1.50% per month of delay or pro-rated for</i></p>

<i>of delay but upto the next 3 months and at 2.00% per month of delay or pro-rated for part thereof beyond first 6 months of delay. Delay in payment shall be counted from the due date for payment.</i>	<i>part thereof for any period beyond 3 months of delay but upto the next 3 months and at 2.00% per month of delay or pro-rated for part thereof beyond first 6 months of delay. Delay in payment shall be counted from the due date for payment.</i>
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5. In line of the above analysis the Commission finds it suitable to modify 4.14.1 proposed in the draft amendment. Regulation 4.14.2 and 4.14.3 of the draft remained unchanged, except minor language change without any change in intent or impact,

6.4 Provision in final 3rd Amendment:

“4.14.1 The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges by a consumer, except the L & MV agriculture consumers, shall be 1.00% per month of delay or pro-rated for part thereof upto 3 months of delay, 1.50% per month of delay or pro-rated for part thereof for any period beyond 3 months of delay but upto the next 3 months and 2.00% per month of delay or pro-rated for part thereof beyond first 6 months of delay. Delay in payment shall be counted from the due date for payment upto the date preceding the date of payment. However, in case of disconnected consumers for a prolonged period, delayed payment surcharge shall be charged upto the date of termination of agreement or date of deemed termination of agreement as per provision of West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013, whichever is earlier.

4.14.2 The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges for the L & MV agriculture consumers shall be as in the following table:

Sl. No.	Period of non-payment	LPSC Rate
1	Up to 3 months	Nil
2	From 91 days to 180 days	1% per month or prorated for part thereof
3	From 181 days to 365 days	1.25% per month or prorated for part thereof
4	Above 365 days	1.5% per month or prorated for part thereof

4.14.3 These delayed payment surcharges are without prejudice to the provisions of disconnection under the Act and the Regulations made thereunder. However, if necessary, Commission through any

tariff order or any other order may, from time to time, change the applicable rate in percentage for determination of delayed payment surcharge”.

7. Regulation 5.8.1:

7.1 Proposed in Draft 3rd Amendment 2019

“5.8.1 Determination of the Energy charges for thermal generating stations shall be done on the basis of the landed fuel cost (LFC) of a generating station and shall consist of the following cost:

- (a) Landed Fuel Cost of primary fuel;*
- (b) Cost of secondary fuel oil consumption; and*
- (c) Cost of limestone or any other reagent, as applicable:*

Provided that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall be adjusted in fuel cost:

Provided further that the supplementary energy charges, if any, on account of meeting the revised emission standards in case of a thermal generating station shall be determined separately by the Commission.”

7.2 Comments Received:

(a) Comment from CESC Ltd. and HEL:

Both CESC and HEL submitted the following points in their suggestions:

- Ministry of Power, in exercise of the power conferred under section 107 of the Electricity Act, 2003, issued direction to CERC to allow additional capital expenditure and operational cost incurred by the thermal power plants to meet new environmental norms as pass through in tariff as the same is of the nature of change in law.
- The proposal in the draft regulations is a welcome step, as it provides regulatory certainty about pass-through of variable costs and cost of reagent incurred to meet statutory requirements.
- However, installation of FGD would entail significant capital expenditure and additional O&M expenses for the generators. As such expenses need to be passed through in tariff.
- The Commission may consider all the relevant factors related to the matter at appropriate point of time including impact of capital expenditure, O&M cost as above as well as necessary additional allowance of normative parameters.

7.3 Analysis and Commission's Decision:

The Commission notes the observations / suggestions submitted by the stakeholders and express that determination of supplementary energy charge, in terms of second proviso of this regulation will be done either during tariff determination or through inviting suggestion or objections. For any capital expenditure the utility may approach the Commission in terms of provisions under the extant regulation. However while scrutinizing the draft regulation it is observed that in clause (b) and (c) instead of the word 'cost' it would be 'landed cost' and accordingly clause (b) and (c) are modified.

7.4 Provision in final 3rd Amendment:

The regulation is reworded as below:

"5.8.1 Determination of the Energy charges for thermal generating stations shall be done on the basis of the landed fuel cost (LFC) of a generating station and shall consist of the following costs:

- (a) Landed Fuel Cost of primary fuel;*
- (b) Landed cost of secondary fuel oil; and*
- (c) Landed cost of limestone or any other reagent, for the purpose of removing SO_x and NO_x as applicable;*

Provided that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall be adjusted in fuel cost:

Provided further that the supplementary energy charges, if any, on account of meeting the revised emission standards in case of a thermal generating station shall be determined separately by the Commission."

8. Regulation 5.8.2:

8.1 Proposed in Draft 3rd Amendment 2019

"5.8.2 Landed fuel cost of primary fuel: The landed fuel cost of primary fuel for any month shall consist of base price or input price of fuel corresponding to the grade and quality of fuel and shall be inclusive of statutory charges as applicable, washery charges, transportation cost by rail or road or any other means and loading, unloading and handling charges:

Provided that procurement of fuel at a price other than Government notified prices may be considered, if it is based on competitive bidding through transparent process;

Provided that landed fuel cost of primary fuel shall be worked out based on the actual bill paid by the generating company including any adjustment on account of quantity and quality;

Provided that, for new generating stations or extension of existing generating stations commissioned after 25.04.2011 no demurrage charge of railways rake shall be allowed unless free time by railways is reduced by more than 20% from the existing value.

Provided also that in case of coal-fired or lignite based thermal generating station, the Gross Calorific Value shall be measured by third party sampling and the expenses towards the third-party sampling facility shall be reimbursed by the beneficiaries.”

8.2 Comments Received:

(a) Comments from WBPDC:

Regarding first proviso WBPDC submitted that, where there is shortage of coal from available sources like CIL and captive coal and there is an urgency to augment supply of coal to maintain generation, it may not be possible to carry out bidding process for procurement of coal. The test should be, whether generating company has (i) acted at arm's length; (ii) procured coal at competitive market rates; (iii) tried to negotiate with at least two coal companies before taking a decision.

Regarding 3rd proviso WBPDC submitted that demurrage can result from the following unavoidable situations that are faced by the Power Stations. WBPDC highlighted the following cases where delays are not attributable to the generating company nor within their reasonable control:

- (i) Delay in un-loading due to oversize coal and stone boulders beyond 250 mm which a violation of Fuel Supply Agreement (FSA) conditions. As per FSA stone-free sized coal < 250 mm is required).
- (ii) Delay in unloading of coal due to non-availability of Railway logistic support and bunching of rakes.
- (iii) Delay in unloading of coal due to defective rolling stock identification and isolation.
- (iv) Up-gradation of Railway Network may ensure faster placement for unloading for which the Railways changes their allowance for free time which may not ensure unloading and evacuation of coal until the system is synchronized, due to poor physical quality of coal (i.e., dusty coal, muddy coal, sticky & wet coal large size boulders).

Under the aforesaid conditions WBPDC concluded that, elimination of entire demurrage charges may not be possible. On above score WBPDC suggested that, the generating company may be

allowed the opportunity to claim an exemption from such proviso, to the extent it can be demonstrated clearly on facts, and by evidence, that the delay in unloading was neither attributable to the generating company nor within their reasonable control.

(b) Comments from ABECA:

ABECA suggested that the statutory charges shall have to be shown separately in detailed head-wise charges with separate annexure sheets. Regarding 1st provision ABECA suggested that the detail records of competitive bidding needs to be furnished before the Commission so that transparency can be verified. On 4th proviso ABECA suggested for third party measurement on actual quantum instead of sampling.

(c) Comments from WBSEDCL:

WBSEDCL observed that, no upward limit has been proposed in the draft regulation. Any undue increase in coal price in auction markets can have adverse impact on the tariff that generators may impose on WBSEDCL.

8.3 Analysis and Commission's Decision:

1. In view of WBPDCCL's submission on difficulties regarding purchase of coal through competitive bidding, the Commission observes that, in terms of sub-section(c) of section 61 of the Electricity Act 2003 the Commission is duty bound to encourage competition, efficiency and economic usage of resources. Commission also notes that in terms of CERC regulations all the inter-state generating stations follow competitive bidding while purchasing coal at price other than notified price. Thus, it is the responsibility of generating company to plan their requirement well ahead and purchase through competitive bidding.
2. Regarding WBPDCCL's submission on demurrage charge of railways rake, the Commission is of the view that, demurrage charge being a commercial terms and conditions related to freight, it is also an indicator of efficiency of rake unloading capacity of the generating station. In clause (vi) of 5.8.1 of the Principal regulations notified in 2011 it was also specified that demurrage for existing generating stations will gradually be reduced. The Commission is of view that, any inefficiency on the part of generating company cannot be shifted to end consumers by way of tariff. However, for any demurrage not attributable to generating company may be allowed subject to prudence check by the Commission. Generating company have to ensure that, they have taken sufficient measures to avoid the occurrence of demurrage.

3. As suggested by ABECA the Commission finds it suitable to modify the regulation to ensure submission of detail records of competitive bidding of coal along with the FCA / FPPCA petitions for trueing up exercise.
4. Regarding suggestion of WBSEDCL the Commission observes that already in regulation 5.8.7A, it is proposed that in case of increase in energy charge beyond the specified limit generating company has to make prior consultation with the beneficiaries. Thus, the beneficiary has enough scope to avoid any excess energy charge, if they can arrange cheaper power.
5. Further in absence of scope of lignite based generating station in perspective of West Bengal at present, it is found appropriate to delete the provisions related to lignite-based generation in the 3rd Amendment.

8.4 Provision in final 3rd Amendment:

The Regulation is reworded as below:

“5.8.2 Landed fuel cost of primary fuel: The landed fuel cost of primary fuel for any month shall consist of base price or input price of fuel corresponding to the grade and quality of fuel and shall be inclusive of statutory charges as applicable, washery charges, transportation cost by rail or road or any other means and loading, unloading and handling charges:

Provided that procurement of fuel at a price other than Government notified prices may be considered, if it is based on competitive bidding through transparent process. Detailed documents of competitive bidding are to be submitted along with the application for FCA / FPPCA:

Provided that landed fuel cost of primary fuel shall be worked out based on the actual bill paid by the generating company including any adjustment on account of quantity and quality:

Provided that, no demurrage charge of railways rakes shall generally be allowed. However, for any demurrage charge cause of which is not attributable to generating company may be allowed subject to prudence check by the Commission. Generating company has to ensure that, it has taken sufficient measures to avoid the occurrence of any demurrage:

Provided also that in case of coal-fired thermal generating station, the Gross Calorific Value shall be measured by third party sampling and the expenses towards the third-party sampling facility shall be reimbursed by the beneficiaries.”

9. Regulation 5.8.3

9.1 Proposed in Draft 3rd Amendment 2019:

“5.8.3. Transit and Handling Losses: For coal the transit and handling losses shall be as per the norms specified in Schedule-9A and 9D of these Regulations.”

9.2 Comments received: No comments / suggestions received from stakeholders.

9.3 Provision in final 3rd Amendment: In absence of any comments/suggestions/objection from the stakeholders the draft regulation is retained.

10.Regulation 5.8.4(1):

10.1 Proposed in Draft 3rd Amendment 2019

“5.8.4(1) The gross calorific value for computation of energy charges as per paragraph 8.1(ii) of Schedule-1 of these regulations shall be done considering weighted average ‘GCV of coal as received’, in kCal / kg for coal-based stations less 120 kCal/Kg on account of variation during storage at generating station.”

10.2 Comments Received:

(a) Comment from ABECA:

ABECA submitted that by taking into account “less 120 kCal/kg” at a flat rate will open a scope to the licensee to gain undue profit at the cost of hardships to the consumers through the increased tariff as an effect of such less allowance. Thus, ABECA suggested to delete such less allowance.

(b) Comment from CESC Ltd.:

CESC and HEL inter-alia submitted the followings:

- Considerable loss of heat value occurs during transportation of coal from loading end to feeding into the boiler. Therefore, if the GCV basis of fuel cost determination has to be

adopted, then consideration of heat value for determination of fuel cost as per the draft regulations mitigate the effect of such loss to some extent. Moreover, third party sampling renders authenticity and acceptability to the process

- Heat losses occur at multiple storage points before the actual firing point of the boiler. Moreover, such heat loss is more prominent for Indian coal as the loss depends on the Volatile Matter of the coal and the number of days of storage. As per past experience, we believe that the loss of GCV due to storage may be greater than 120 kCal / kg.
- Available coal procurement options presently are not always in sync with generation plan. The final loss in GCV from coal stockyard to the point of feeding into the boiler, i.e. coal as fired, can go much higher than 120 kCal / kg if coal has been stored for a longer period of time. In essence, the proposed methodology of heat value determination, while addressing certain shortfalls of quality determination, still does not reflect quality of coal being fed to the boilers in its ambient conditions.
- Besides, the fact that with ageing of the machines the performances of the plant have a natural deterioration, power plants will face hardship to maintain the specific coal consumption of the units within the normative specific coal consumption as per the applicable SHR.
- Therefore, margin of 120 kCal / kg may not be sufficient for consideration of heat value of coal in computation of allowable fuel cost. The Hon'ble Commission may kindly consider to allow a higher margin, if GCV basis of fuel cost computation has to be adopted.
- Alternately, to ensure recovery of costs in a reasonable manner and rewarding efficiency of performance as envisaged under Section 61 of the Electricity Act, 2003, the Hon'ble Commission is requested to allow an additional 2% margin to the Station Heat Rate for an interim period of five years with the consideration of heat value as proposed in the Draft Third Amendment Regulations, 2019. The margin may further be reviewed after 5 years.

10.3 Analysis and Commission's Decision:

1. It is observed that CESC and HEL have suggested to increase the allowable heat loss limit or provide additional margin and on the contrary ABECA has suggested to delete such scope of allowance. The Commission has to balance the interests of utility and the consumer considering the technical aspects.
2. In regard to submissions made by CESC Ltd. and HEL, the Commission observes that, the heat loss from loading point to unloading point has already been addressed to by way of considering "as received GCV" at unloading point. The Commission further notes that heat loss of 120 kCal/kg has already been allowed on account of loss from unloading point to stacking of coal, storing and upto feeding to boiler. Though CESC and HEL expressed that this loss may go more than 120 kCal/kg, but

the Commission finds it suitable to rely on Central Electricity Authority's (CEA) recommendations for operating norms vide no CEA/TETD-TT/2018/N-15/145 dated 10.12.2018. In the report CEA mentioned that, "CEA is of opinion that a margin of 85-100 kCal/kg for pithead station and a margin of 105-120 kCal/kg for non-pithead stations may be considered as a loss of GCV measured at wagon top at unloading point till the point of firing of coal in boiler". Considering the fact that most of generating stations in the State are non-pithead in nature it is suggested to consider 'as received GCV' at unloading point with an adjustment of 120 kCal/kg.

10.4 Provision in final 3rd Amendment:

The draft regulation is retained.

11. Regulation 5.8.4(2):

11.1 Proposed in Draft 3rd Amendment 2019

"5.8.4 (2) The generating company shall provide to the beneficiaries of the generating station the details in respect of GCV and price of fuel i.e. domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel etc. as per the Form D at Annexure-I to these regulations:

Provided that the additional details of the weighted average GCV of the fuel on as received basis used for generation during the period, blending ratio of the imported coal with domestic coal, proportion of e-auction coal shall be provided, along with the bills of the respective month;

Provided further that copies of the bills and details of parameters of GCV and price of fuel such as domestic coal, imported coal, e-auction coal, lignite, natural gas, RLNG, liquid fuel, details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal shall also be displayed on the website of the generating company."

11.2 Comments Received:

(a) Comment from WBPDC:

WBPDC submitted that, the periodicity for submission of the stated information to the beneficiaries has not been prescribed. In view of the practical difficulty for obtaining required details regularly, WBPDC proposed that the Generating companies should be allowed to submit the required details annually along with the claim for Fuel Cost Adjustment including Website publication.

(b) Comment from CESC Ltd.:

CESC submitted the followings:

- Existing format of submission of information in Forms D1, D2, D3 covers all requisite information pertaining to coal used in generating stations. Therefore, the prevailing format may kindly be continued with. Alternately proposed Form D may require certain adjustment as indicated hereunder. Modified version of Form D, duly incorporating the suggestions has been placed in Annexure-1 for kind consideration of the Hon'ble Commission.
- **Source wise opening stock:** Coal is procured from diverse sources. Coal from different sources with different characteristics and prices gets mixed up in the plant's stock-pile and it is not possible to maintain source-wise stock of coal. The multitude of coal sources makes it impossible to stock the coal source-wise and to quantify the actual quantity of coal available at any point of time from a particular source. Therefore, source-wise details of opening, closing stocks and procured volume are practically not feasible to maintain, since maintenance of information with such granularity will require a vast stockyard with suitable space provisions and associated cost, not necessarily in consumers' interest.
- **Consideration of coal mix and rate:** The quantity of coal from a source fed to the boiler is dependent on various factors like actual transit losses, actual GCV of coal as fired or the actual performance parameters for the period. The proposed format does not arrive at correct rate as per principles envisaged for fuel cost in the Tariff Regulations. This will be achieved by considering fuel mix source-wise with appropriate heat value and allowable normative auxiliary consumption, specific oil consumption rate and station heat rate, as detailed in the regulations and Form 1.11 of Annex 1. Proportionate mix of coal from different sources are relevant for computation of allowable fuel cost. In view of the above it is proposed that generating stations will provide source-wise mix of coal received at the station with heat value applicable for calculation of energy charge and average cost of coal in Rs. per Tonne, to the extent practicable for the period - that is relevant for the purpose of calculation of fuel cost in terms of these regulations.
- **Adjustment requirement:** Further In fact, actual rate per tonne is to be arrived at neutralising the effect of actual transit loss through adjustment of actual receipt of coal before considering any effect of normative transit loss in terms of the extant Regulations. It is submitted that the relevant form (Form 1.11 of Annex 1) of the extant Tariff Regulations provides for the above philosophy for determination of fuel cost. The specified format under Form D (Item B, Sr. Nos. 4 to 7), by considering cost and tonnage with normative transit loss is not in accordance with the regulations and would not bring correct allowable consumption

in terms of the regulations nor the cost thereof. Necessary adjustment in coal stock may kindly be built in under this head.

- **Consideration of Heat Value:** Draft regulations proposes determination of fuel cost based on “as received” coal quality (as defined in the proposed draft regulations and as measured in terms of mechanism provided for in the draft regulations) with suitable adjustment for storage loss. Therefore, information sought on “as billed” GCV may not be material for fuel cost computation.
- GCV used for billing purpose is the Equilibrated GCV of coal that is measured after drying the coal. This equilibrated GCV is considerably higher than GCV as received, on account of the difference in ambient conditions of the coal during testing and point of receiving coal at station. According to the proposed Draft Regulations, the GCV as received will be used for calculating the quantity of coal required for power generation.
- In addition, power plants also use coking coal – washery grades I to IV. Such coal is classified based on the ash content and has no definite GCV associated with them. In these cases, even the range of GCV of coal as billed cannot be determined.
- Hence for calculation of energy charge the reference to GCV as per bills of the coal company is neither possible to determine nor is it relevant in any way for the final determination of fuel cost.
- Hence, the details, which are required to be furnished through proposed Form D, are not relevant for determination of fuel cost in terms of the said draft regulations. Prevailing practice of submission of information in Forms D1, D2, D3 is sufficient for arriving at cost of fuel. In the alternate, modified Form-D, in line with our humble submissions, is placed as Annexure-1 for kind consideration of the Hon’ble Commission.
- **Furnishing of information:** Relevant details for determination of fuel cost are already maintained in the website in terms of the extant regulations. Moreover, in terms of the extant regulations, all such details are submitted before the Hon’ble Commission for fuel cost determination. Therefore, the parametric details which are proposed to be maintained in the website, requirement of submission of fuel details (blending ratio of imported coal, proportion of e-auction coal etc.) along with the monthly bills and submission of Form D to the beneficiary may kindly be avoided.

(c) Comment from HEL:

HEL submitted that, these details are already submitted to the Hon’ble Commission for fuel cost determination as per the extant Regulations. Prevailing practice of submission of information in

Forms D1, D2, D3 is sufficient for arriving at cost of fuel. Thus, HEL commented that, the aforesaid procedures do not seem to be necessary. HEL also proposed a modified Form-D, for kind consideration of the Hon'ble Commission.

11.3 Analysis and Commission's Decision:

1. Regarding submission of WBPDC, the Commission observes that the information related to coal are the primary input to determine the energy charge and MFCA. Without the weighted average price and "as received GCV" of coal, the generating company cannot raise bills for MFCA. In the amendment it is proposed to submit the details in specified Format to the beneficiary licensees. This will bring more transparency in the whole process. The argument put up by WBPDC is not tenable as the similar regulation by CERC is already in vogue for all the Inter State Generating Stations. Generating companies have to submit the details under Form-D to the beneficiary licensees along with monthly bills. The Generating Companies shall also submit the fuel details in Form-D before the Commission during MYT petition and Truing up. Audited reports as specified in the notes under Form-D are to be provided during truing up. Licensees having own generating stations have to maintain the monthly records as a part of their MVCA computations.
2. CESC Ltd. and HEL in their submission raised difficulties of maintaining source-wise stock of coal. They also suggested to continue with the existing Forms D1, D2, D3 or consider an alternative Format as provided by them. After detailed analysis of the submissions made by CESC and HEL as well as the alternative Form suggested by them, the Commission observes the followings:
 - Proposed Form D includes all information regarding coal to arrive at weighted average price and weighted average "as received GCV" of coal. Hence, there is no further requirement of D1, D2 and D3.
 - Similar format is considered in CERC regulations to compute weighted average price and GCV and the same is used by all the Inter-state generating stations to compute. As already mentioned that in terms of sub-section (a) of section 61 of the Act, State Commission has to be guided by the principles specified by CERC. However, the Commission finds it suitable to modify the draft format by deleting rows related to opening stock GCV, blending ratio and by including rows for coal consumption during the period, closing stock quantum and value so that the table covers all the parameters related to computation of energy charge only in line with Form 1.11 of the Principal Regulations.
 - Regarding their submission on source-wise detail of coal, the Commission is of the view that the generating stations shall submit the coal details separately for five major categories -

sourced from FSA, e-auction, captive mine, imported and others in Form-D. Grade-wise breakup for each category to be provided in Form D(a), D(b), D(c), D(d) and D(e).

- Regarding submission of “as billed GCV” in Form-D, the Commission observes that the variations between “as billed GCV” and “as received GCV” will provide the real picture before the Commission to suggest suitable change in Policy.
 - Regarding transit and handling loss Commission observes that, as normative transit and handling loss in quantity is allowed in Form 1.11 while determining fuel cost, hence it is required to be deleted from Form-D, other-wise it would lead to double counting.
3. In view of the above the Commission decides to reword regulation 5.8.4(2), modify Form-D and provides Form D(a) to D(e).

11.4 Provision in final 3rd Amendment:

The regulation 5.8.4(2) is reworded as below:

“5.8.4 (2) The generating company shall provide to the beneficiary licensee(s) of the generating station the details in respect of GCV and price of fuel, i.e., domestic coal procured through linkage, coal from captive mine, e-auction coal, imported coal, natural gas, RLNG, liquid fuel etc. as per the Form D and Form D(a) to D(e) as prescribed at Annexure-I to these regulations along with monthly bills and submit the yearly details to the Commission during FCA / FPPCA, as the case may be:

Provided that the additional details of blending ratio of the imported coal with domestic coal shall be provided, along with the bills of the respective month:

Provided further that copies of the bills and details of parameters of GCV and price of fuel such as domestic coal procured through linkage, coal from captive mine, e-auction coal, imported coal, natural gas, RLNG, liquid fuel, details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal shall also be displayed on the website of the generating company.”

Form-D is modified as below:

Form - D: Details of Source wise Fuel for Computation of Energy Charges

Name of the Petitioner:

Name of the Generating Station:

SL. No.	Description	Unit	For preceding Year / Month
			<YEAR> / < Month>

			FSA (1)	Captive mine (2)	e- Auction (3)	Imported (4)	Others (5)
A)	OPENING QUANTITY						
1	Opening Quantity of Coal	(MT)					
2	Value of Stock	(Rs.)					
B)	QUANTITY for current year / month						
3	Quantity of Coal supplied by Coal Company	(MT)					
4	Adjustment (+/-) in quantity supplied made by Coal Company	(MT)					
5	Coal supplied by Coal Company (3+4)	(MT)					
C)	COST OF COAL						
6	Amount charged by the Coal Company	(Rs.)					
7	Adjustment (+/-) in amount charged made by Coal Company	(Rs.)					
8	Handling, Sampling and such other similar charges	(Rs.)					
9	Total amount Charged (6+7+8)	(Rs.)					
D)	TRANSPORTATION COST						
10	Transportation charges by rail/ship/road transport	(Rs.)					
	By Rail						
	By Road						
	By Ship						
						
11	Adjustment (+/-) in amount charged made by railways/Transport Company	(Rs.)					
12	Demurrage Charges, if any	(Rs.)					
13	Cost of diesel in transporting coal through MGR system, if applicable	(Rs.)					
14	Total Transportation Charges (10+11+12+13)	(Rs.)					
15	Total amount Charged for coal supplied including Transportation (9+14)	(Rs.)					
E)	TOTAL COST						
16	Landed cost of coal (2+15)/(1+5)	(Rs./MT)					
17	Consumption of coal	(MT)					
18	Closing stock [1 + 5 – 17]	(MT)					
19	Closing value [2 + 15 – 16 x 17]	(Rs.)					
20	Weighted average cost of coal [$\sum(16 \times 17) / \sum 17$]	(Rs./MT)					
F)	QUALITY						
21	'GCV as billed' of Coal supplied	(kCal/Kg)					
22	Weighted average 'GCV as billed' of coal	(kCal/Kg)					
23	'GCV as received' of Coal supplied	(kCal/Kg)					

24	Weighted average 'GCV as received' of coal	(kCal/Kg)	
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Note:

1. Similar details to be furnished for natural gas/liquid fuel for CCGT station and secondary fuel oil for coal based thermal plants with appropriate units.
2. As billed and as received GCV, quantity of coal, and price should be submitted as certified by statutory auditor.
3. Details to be provided for each source separately in form D(a) to D(e).
4. Break-up of the amount charged by the Coal Company is to be provided separately.

Applicant

Following forms D(a) to D(e) to be inserted after Form D:

Form - D(a): Details of coal sourced through FSA

Name of the Petitioner:

Name of the Generating Station:

Sl No	Description	Unit	< YEAR> / <MONTH>					
			Grade-wise details					
			<G4>	<G5>	<G6>	<W1>	<W2>
1	<source 1>							
	Quantity	MT						
	Amount charged by the coal company	Rs. / MT						
	Handling, Sampling and such other similar charges	Rs. / MT						
	Transportation cost	Rs./MT						
	GCV as billed	kCal/kg						
	GCV as received	kCal/kg						
2	<source 2>							
							
							
							
A	TOTAL QUANTITY	MT						
B	TOTAL COST OF COAL	Rs.						
C	TOTAL OF HANDLING, SAMPLING AND SUCH OTHER SIMILAR CHARGES	Rs.						
D	TOTAL TRANSPORTATION COST	Rs.						
E	Wt. average GCV as billed	kCal/kg						
F	Wt. average GCV as received	kCal/kg						

Note: Add rows for more sources.

Form - D(b): Details of coal sourced from captive mines

Name of the Petitioner:

Name of the Generating Station:

Sl No	Description	Unit	< YEAR> / <MONTH>					
			Grade-wise details					
			<G4>	<G5>	<G6>	<W1>	<W2>
1	<source 1>							
	Quantity	MMT						
	Input price of coal	Rs. / MT						
	Handling, Sampling and such other similar charges	Rs. / MT						
	Transportation cost	Rs./MT						
	GCV as billed	kCal/kg						
	GCV as received	kCal/kg						
2	<source 2>							
A	TOTAL QUANTITY	MT						
B	TOTAL COST OF COAL	Rs.						
C	TOTAL OF HANDLING, SAMPLING AND SUCH OTHER SIMILAR CHARGES	Rs.						
D	TOTAL TRANSPORTATION COST	Rs.						
E	Wt. average GCV as billed	kCal/kg						
F	Wt. average GCV as received	kCal/kg						

Note: Add rows for more sources.

Applicant

Form - D(c): Details of coal sourced through e-auction

Name of the Petitioner:

Name of the Generating Station:

Sl No	Description	Unit	< YEAR> / <MONTH>					
			Grade-wise details					
			<G4>	<G5>	<G6>	<W1>	<W2>
1	<source 1>							
	Quantity	MT						
	Amount charged by the coal company	Rs. / MT						
	Handling, Sampling and such other similar charges	Rs. / MT						
	Transportation cost	Rs.						

	GCV as billed	kCal/kg						
	GCV as received	kCal/kg						
2	<source 2>							
A	TOTAL QUANTITY	MT						
B	TOTAL COST OF COAL	Rs.						
C	TOTAL OF HANDLING, SAMPLING AND SUCH OTHER SIMILAR CHARGES	Rs.						
D	TOTAL TRANSPORTATION COST	Rs.						
E	Wt. average GCV as billed	kCal/kg						
F	Wt. average GCV as received	kCal/kg						

Note: Add rows for more sources.

Applicant

Form - D(d): Details of imported coal

Name of the Petitioner:

Name of the Generating Station:

Sl No	Description	Unit	< YEAR> / <MONTH>
1	<source 1>		
	Quantity	MT	
	Amount charged by the coal company	Rs. / MT	
	Handling, Sampling and such other similar charges	Rs. / MT	
	Transportation cost	Rs./MT	
	GCV as billed	kCal/kg	
	GCV as received	kCal/kg	
2	<source 2>		
A	TOTAL QUANTITY	MT	
B	TOTAL COST OF COAL	Rs.	
C	TOTAL OF HANDLING, SAMPLING AND SUCH OTHER SIMILAR CHARGES	Rs.	
D	TOTAL TRANSPORTATION COST	Rs.	
E	Wt. average GCV as billed	kCal/kg	
F	Wt. average GCV as received	kCal/kg	

Note: Add rows for more sources.

Form - D(e): Details of coal from other sources

Name of the Petitioner:

Name of the Generating Station:

Sl No	Description	Unit	< YEAR> / <MONTH>					
			Grade-wise details					
1	<source 1>							
	Quantity	MT						
	Amount charged by the coal company	Rs. / MT						
	Handling, Sampling and such other similar charges	Rs. / MT						
	Transportation cost	Rs.						
	GCV as billed	kCal/kg						
	GCV as received	kCal/kg						
2	<source 2>							
A	TOTAL QUANTITY	MT						
B	TOTAL COST OF COAL	Rs.						
C	TOTAL OF HANDLING, SAMPLING AND SUCH OTHER SIMILAR CHARGES	Rs.						
D	TOTAL TRANSPORTATION COST	Rs.						
E	Wt. average GCV as billed	kCal/kg						
F	Wt. average GCV as received	kCal/kg						

Note: Add-up rows for more sources.

Applicant

12.Regulation 5.8.5:**12.1 Proposed in Draft 3rd Amendment 2019*****"5.8.5 Landed cost of Reagent:***

(1) Where specific reagents such as Limestone, Sodium Bi-Carbonate, Urea or Anhydrous Ammonia are used during operation of emission control system for meeting revised emission standards, the landed cost of such reagents shall be determined based on normative

consumption and purchase price of the reagent through competitive bidding, applicable statutory charges and transportation cost.

(2) The normative consumption of specific reagent for the various technologies installed for meeting revised emission standards shall be notified separately."

12.2 Comments Received:

(a) Comment from WBPDC:

WBPDC submitted that, as there is presently no available data on actual consumption of lime stone / other reagents in Indian conditions, the normative values may have to be arrived after 3-5 years of operation and during that period the actual consumption values needs to be considered during the stabilization of the systems. Similarly, the NOx control system is still at the pilot stage and as such providing specific consumptions at this stage would be premature.

(b) Comment from CESC Ltd. and HEL:

Both CESC and HEL suggested that, the word 'revised' may be replaced with 'applicable' as the emission standards may be subject to further revision in future, necessitating appropriate change in the applicable norm for chemical / reagent consumption.

(c) Comment from ABECA:

ABECA suggested that there should not be any "normative consumption and purchase price" it should be specific consumption and specific price.

12.3 Analysis and Commission's Decision:

Considering the suggestion of the stakeholders the Commission finds that till any norms is specified in terms of clause (2) of 5.8.5, the actual consumption shall be considered. However, the Commission is of the view that it is required to set norms to encourage efficiency and any consumption beyond the norms will not be allowed and at the same time efficiency by way of lower consumption to be rewarded. Accordingly, it is decided to reword the regulation.

12.4 Provision in final 3rd Amendment:

"5.8.5 Landed cost of Reagent:

(1) Where specific reagents such as Limestone, Sodium Bi-Carbonate, Urea or Anhydrous Ammonia are used during operation of emission control system for meeting revised emission standards, the landed cost of such reagents shall be determined based on normative consumption and purchase price of the reagent through competitive bidding, applicable statutory charges and transportation cost.

(2) The normative consumption of specific reagent for the various technologies installed for meeting revised emission standards shall be notified separately:

Provided that till norms are specified by the Commission, actual consumption of specific reagent shall be considered."

13.Regulation 5.8.6:

13.1 Proposed in Draft 3rd Amendment 2019

"5.8.6 Input price of coal and lignite from integrated mines:

(1) Where the generating company has the arrangement for supply of coal or lignite from the integrated mine(s) allocated to it, for use in one or more of its generating stations as end use, the energy charge component of tariff of the generating station shall be determined based on the input price of coal or lignite, as the case may be, from such integrated mines computed in accordance with the regulations to be notified separately by the Commission

(2) Till the regulation for computation of input price of coal is notified, the generating company shall continue to adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine:

Provided that after notification of the regulation for input price of coal, the same shall be applicable from the date of notification or the date of commercial operation of the integrated mine, whichever is later, and the difference between the input price of coal so decided and the input price of coal for quantity billed shall be adjusted in accordance with the regulations to be notified.

(3) Till the regulations for computation of input price of lignite is notified, the input price of lignite shall continue to be determined as per the guidelines specified by Ministry of Coal, Government of India.

(4) In case of auction coal mines, the Commission shall determine the input price on case to case basis."

13.2 Comments Received:

(a) Comment from ABECA:

Regarding clause (2) of the draft regulation ABECA suggested that the generating company shall continue to adopt 50% less of the notified price of Coal India Limited, instead of what is stated in the draft.

Regarding clause (4) of the draft regulation ABECA suggested that the Commission should determine the price on the basis of data to be collected from all India figure of auction sale in this respect and minimum price of the input should be considered, instead what is stated in the draft.

(b) Comment from CESC Ltd.:

CESC submitted that, regulatory uncertainty about recovery of legitimate expenditure for coal sourced from integrated auctioned coal mines has affected the energy sector and the end consumers adversely. CESC mentioned that, proposal for determination of input price of auctioned coal mines on a case-to case basis is a positive step towards sustainable operation of the energy sector as a whole, which is expected to take a balanced view of the interests of all the stakeholders in the electricity value chain.

13.3 Analysis and Commission's Decision:

1. The Commission observes that ABECA did not specify any reason in support of their proposal of considering 50% less cost. On the contrary the Commission finds that CERC in their Tariff Regulations also relied on the CIL price in case. Thus, Commission finds it suitable to consider the CIL notified price of the respective grade of coal till the regulation for computation of input price is notified. Relevant portion of CERC regulation is produced below for ready reference:

“36(2) Till the regulation for computation of input price of coal is notified, the generating company shall continue to adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine:

Provided that after notification of the regulation for input price of coal, the same shall be applicable from 1.4.2019 or the date of commercial operation of the integrated mine, whichever is later, and the difference between the input price of coal so decided and the input price of coal for quantity billed shall be adjusted in accordance with the regulations to be notified.”

2. In respect of the suggestion of ABECA regarding clause (4) of the regulation, the Commission observes that the determination process of the input price of coal, for auction coal mine shall go through prudent check and inviting suggestion / objection.
3. In line with the views already mentioned in paragraph 8.3.5 above clause (3) of the regulation related to lignite based thermal plant is deleted.

13.4 Provision in final 3rd Amendment:

“5.8.6 Input price of coal from integrated mines:

- (1) Where the generating company has the arrangement for supply of coal from the integrated mine(s) allocated to it, for use in one or more of its generating stations as end use, the energy charge component of tariff of the generating station shall be determined based on the input price of coal from such integrated mines computed in accordance with the regulations to be notified separately by the Commission.
- (2) Till the regulation for computation of input price of coal is notified, the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine will be the ceiling cost for computing feedstock cost of coal:

Provided that after notification of the regulation for input price of coal, the same shall be applicable from the date of notification or from the date of commercial operation of the integrated mine, whichever is later, and the difference between the input price of coal so decided and the input price of coal as billed shall be adjusted for the relevant quantity, in accordance with the regulations to be notified.

- (3) In case of auction coal mines, the Commission shall determine the input price on case to case basis. “

14.Regulation 5.8.7:

14.1 Proposed in Draft 3rd Amendment 2019

“5.8.7 The Commission through specific tariff orders to be issued for each generating station shall approve the energy charge rate at the start of the control period. During tariff determination fuel mix of different type of fuel or among different quality of same type of fuel shall be considered as per mixing proportion of last one year, subject to specific provision in the PPA, if any, or any proposed deviation by the licensee or generating company with proper supporting document and also subject to prudence check. The price of each type of fuel for the first ensuing year shall be as per the latest declared price of such fuel received from the tariff applicant or from the declared price list of the coal company. The energy charge rate for subsequent years shall be computed considering the escalation rates notified by the CERC for payment purposes from time to time under competitive bidding guidelines:

Provided that, during FPPCA/ FCA calculations the actual price of fuel shall be considered. However, in case where applicant cannot provide actual data of different fuel, fuel mix of different type of fuel or among different quality of same type of fuel, it shall be considered as per mixing proportion of the fuel received in the year for which FPPCA is under calculation."

14.2 Comments Received:

(a) Comment from ABECA:

ABECA suggested to reword the 5th line and 6th line of the first paragraph as "declared price of such fuel received from the tariff applicant on the basis of the declared price list (copy shall be attached with the application) of the Coal company." ABECA also observed that the last three lines are confusing and may lead to dispute. ABECA suggested that the Energy charges for the subsequent years should be computed on the basis of the rate of the CERC on this issue.

14.3 Analysis and Commission's Decision:

On the contrary to the submission by ABECA, Commission finds that due consideration has not been given while addressing the issue. Tariff fixation is an exercise for determination of tariff of coming years based on the previous data by way of projections. In case of fuel mix it is proposed to consider the last one years' actual mix or any specific deviation proposed by the generating company. As there may be purchase from linkage source, e-auction, import or own mine, hence except linkage source of coal notified / declared price list is not available and projection is to be based on the actual price data submitted / declared by the licensee along with supporting documents. Once the energy charge for first ensuing year is determined, for subsequent years, the energy charge will primarily vary with coal price. As an index based on all India figures for power quality coal is notified by CERC as a recommendation under competitive bidding guideline of Government of India, it is suggested to consider the same adjustment to arrive at energy charge for subsequent ensuing years.

14.4 Provision in final 3rd Amendment:

The draft regulation is retained with some minor modification without any change in intent or impact.

15.Regulation 5.8.7A:

15.1 Proposed in Draft 3rd Amendment 2019

“5.8.7 A. In case of part or full use of alternative source of fuel supply by coal based thermal generating stations other than as agreed by the generating company and beneficiaries in their power purchase agreement for supply of contracted power or the fuel mix considered in the Tariff order on account of shortage of fuel or optimization of economical operation through blending, the use of alternative source of fuel supply shall be permitted to generating station:

Provided that in such case, prior permission from beneficiaries shall not be a precondition, unless otherwise agreed specifically in the power purchase agreement:

Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 10% of base energy charge rate as approved by the Commission for that year, in that event, prior consultation with beneficiary shall be made at least three days in advance.”

15.2 Comments Received:

(a) Comment from ABECA:

ABECA suggested that the alternative source of fuel supply may be allowed if it is more economical and prior permission from the Commission is taken in this respect.

(b) Comment from WBPDC:

Regarding the last proviso to the proposed amendment of Clause 5.8.7A WBPDC suggested as below:

(i) where the energy charge rate based on weighted average price of use of fuel including alternative source of fuel exceeds 30% (in place of proposed 10%) of base energy charge rate as approved by the Commission for that year; or

(ii) energy charge rate based on weighted average price of use of fuel including alternative sources of fuel exceeds 20% of energy charge rate based on based on weighted average fuel price for the previous month, whichever is lower shall be considered and, in that event, prior consultation with beneficiary shall be made not later than three days in advance

(c) Comments from CESC Ltd. and HEL:

Both CESC and HEL inter-alia submitted the followings:

- This proviso may be modified to accommodate a little higher flexibility in use of alternative source of fuel, because under the present coal supply scenario coupled with the related policies, availability of the desired grade of fuel, that too at the notified prices are becoming increasingly difficult.
- Alternative coal is being procured normally through e-auction or through domestic open market / import through competitive bidding in a transparent manner. However, during the process of such procurement the generating stations have no control on the discovered prices. For example, when the prices during e-auction of coal exceed the budget / projections of the year, the generating stations are compelled to match the prices and to procure such minimum quantity as is required to fulfil the projected demand of the beneficiaries. Prior consultation with beneficiaries may not be possible at that point of time.
- Further, any adverse impact on fuel cost arising due to delivered quality of coal cannot be predicted during the procurement process. Hence, it is proposed that generating stations may be allowed to procure alternative coal without prior consent of beneficiaries up to a maximum ceiling of 30% of energy charge rate as approved by the Hon'ble Commission for the year. All such procurement will be subject to prudence check by the Hon'ble Commission as per the extant Regulatory provisions.
- In light of the above submissions, the second proviso to Regulation 5.8.7 may kindly be reworded as given below:

“Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year, in that event, prior consultation with beneficiary shall be made at least three days in advance.”

15.3 Analysis and Commission's Decision:

Commission observes that due to real time variations in availability of coal from the sources as considered during ARR determination, the generating companies have to arrange coal from alternative sources either through e-auction or import or from some other sources. Such procurement of coal from alternative sources is some-time required to maintain overall quality of coal and sometime to maintain the generation. However, there always lies a possibility of increase in energy charge rate. Now it is required to achieve a trade-off between the requirement of such alternative coal vis -a -vis the cost of power. Further, with provisions of open access, beneficiary licensees can avail the opportunity of getting cheaper power from some other source. Thus, if energy charge due to use of such alternative source of coal exceeds 10% of the base energy charge as determined in the

Tariff order, prior consultation with beneficiary licensees are required. After all, the licensees are entrusted to supply reliable and quality power.

It is also observed that CERC has provided a limit upto 30% of base energy charge for that year or 20% of energy charge rate of previous month whichever is lower. The relevant proviso of clause (3) of regulation 43 of CERC Tariff Regulations is produced below for ready reference.

“Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and in that event, prior consultation with beneficiary shall be made at least three days in advance.”

Considering the difficulties expressed by the WBPDC and CESC on account of only 10% margin proposed in draft and the relevant proviso of CERC regulations, it is decided to modify the regulation in line with CERC Tariff Regulations. Beside this some minor correction in language is also made to enhance the clarity of expression.

15.4 Provision in final 3rd Amendment:

“5.8.7 A. In case of part or full use of alternative source of fuel supply by coal based thermal generating stations other than as agreed by the generating company and beneficiaries in their power purchase agreement for supply of contracted power or the fuel mix considered in the Tariff order on account of shortage of fuel or optimization of economic operation through blending, the use of alternative source of fuel supply shall be permitted to generating station:

Provided that in such case, prior permission from beneficiaries shall not be a precondition, unless otherwise agreed specifically in the power purchase agreement:

Provided also that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission in the Tariff Order for that year or exceeds 20% of effective energy charge rate including MFCA of previous month whichever is lower shall be considered and in that event, prior consultation with beneficiary shall be made at least three days in advance.”

16. Regulation 5.8.15

16.1 Proposed in Draft 3rd Amendment 2019:

"Regulation 5.8.15 of the Principal Regulations shall be deleted."

16.2 Comment received: No suggestion / objection has been received.

16.3 Provision in final 3rd Amendment: Commission decides to carry on with the proposed deletion.

17.Regulation 2.8.1.4.2 and 2.8.1.4.4

17.1 Proposed in Draft 3rd Amendment 2019:

"For clause (a) of regulations 2.8.1.4.2(i) and regulation 2.8.1.4.4(i) of the Principal Regulations the word "UHV" shall be substituted with the word "GCV"."

17.2 Comment received: No suggestion / objection has been received.

17.3 Provision in final 3rd Amendment: In absence of any suggestion / comments from the stakeholders the draft regulation is retained with modification in language to enhance the clarity of expression without any change in intent or impact.

18.Regulation 8.5.4:

18.1 Proposed in Draft 3rd Amendment 2019

"8.5.4 Notwithstanding anything contained in these Regulations and in supersession of any regulation pertaining to this subject mentioned in any other Regulations of the Commission, for any payment made within due date, an additional rebate of 1% of the amount of energy bill excluding meter rent, taxes, duties, levies and arrears (not being arrears due to revision of tariff) will be applicable subject to a maximum limit of Rs 10,000.00 (Rupees Ten Thousand) per bill, if such payment is made through e- payment gateway using (i) debit card or (ii) credit card or (iii) internet banking or (iv) NEFT/ RTGS or (v) National Automated Clearing House (NACH) or (vi) electronic clearing system or (vii) any other mode viz. valued card wallet system or USSD or Instapay of banks or (viii) online payment through mobile software application which is an optional payment scheme to the consumer for payment of energy bill to any licensee other than payment mode through own cash counter of the licensee. The applicable e-payment gateway service charge, if any, to the service provider is to be provided by the Licensee. Licensee shall maintain proper accounting of such charges which shall be adjusted during APR after prudence check.

Provided that such additional 1% rebate is not applicable for payment through Letter of Credit (LC) mechanism maintained with any bank by the consumer:

Provided also that any additional charges claimed by banks or service provider like LC charges, charge for NEFT/ RTGS, etc. are to be paid by the consumers themselves.

***Illustration:** Any payment to the licensee through LC mechanism shall not be qualified for additional rebate of 1% as revenue collection through LC mechanism is not always free from manual intervention from the licensee's end even when payment is made through the modes (i) to (viii) mentioned in this regulation and depends upon the agreement / arrangement between the LC issuing bank and the consumer, leaving a possibility of non-payment of full amount of the bill when it exceeds the LC amount."*

18.2 Comments Received:

(a) Comment from M/s Rashmi Metaliks Ltd.:

M/s Rashmi Metaliks Ltd. inter-alia submitted that, the industries at present enjoy a rebate @1% for e-payment of electric bill which enables the industries to keep its average consumption cost within a manageable limit. As such further limitation of e-payment rebate upto Rs. 10000/- shall increase the cost of energy and they shall loss their share in business volume ad it will be difficult to run the business and in turn there will be increase in unemployment in the State.

(b) Comment from CESC Ltd.:

CESC welcomed the provision of pass through of e-payment gateway service charge and other additional charge claimed by banks / service providers as the same will ensure recovery of all reasonable expenses incurred by the licensee.

However, CESC expressed its concern that, putting a cap on the e-payment rebate may act as a deterrent for large consumers to adopt this method of payment. Thus, suggested to review the Imposition of this cap before finalisation of the regulations.

18.3 Analysis and Commission's Decision:

In view of the submission of M/s Rashmi Metaliks Ltd. and CESC Ltd., the Commission observes that both the consumer and licensee requests to drop the cap for e-payment rebate. Considering the suggestions Commission decides to delete the provision of capping e-payment rebate and modify the regulation accordingly.

18.4 Provision in final 3rd Amendment:

“8.5.4 Notwithstanding anything contained in these Regulations and in supersession of any regulation pertaining to this subject mentioned in any other Regulations of the Commission, for any payment made within due date, an additional rebate of 1% of the amount of energy bill excluding meter rent, taxes, duties, levies and arrears (not being arrears due to revision of tariff) will be applicable, if such payment is made through e- payment gateway using (i) debit card or (ii) credit card or (iii) internet banking or (iv) NEFT/ RTGS or (v) National Automated Clearing House (NACH) or (vi) electronic clearing system or (vii) any other mode viz., valued card wallet system or USSD or Instapay of banks or (viii) online payment through mobile software application which is an optional payment scheme to the consumer for payment of energy bill to any licensee other than payment mode through own cash counter of the licensee. The applicable e-payment gateway service charge, if any, to the service provider is to be provided by the licensee. Licensee shall maintain proper accounting of such charges which shall be adjusted during APR after prudence check:

Provided that such additional 1% rebate is not applicable for payment through Letter of Credit (LC) mechanism maintained with any bank by the consumer:

Provided also that any additional charges claimed by banks or service provider like LC charges, charge for NEFT/ RTGS, etc. are to be paid by the consumers themselves.

Illustration: Any payment to the licensee through LC mechanism shall not be qualified for additional rebate of 1% as revenue collection through LC mechanism is not always free from manual intervention from the licensee's end even when payment is made through the modes (i) to (viii) mentioned in this regulation and depends upon the agreement / arrangement between the LC issuing bank and the consumer, leaving a possibility of non-payment of full amount of the bill when it exceeds the LC amount.”

19. Paragraph 8.1 of Schedule-1

19.1 Proposed in Draft 3rd Amendment 2019:

The parameter CVPF under sl. no (ii) in paragraph 8.1 of Schedule -1 of the Principal Regulations, shall be substituted as below:

- “CVPF = (a) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal-based stations less 120 Kcal/Kg on account of variation during storage at generating station;
- (b) Weighted Average Gross calorific value of primary fuel as received, in kCal per kg, per litre or per standard cubic meter, as applicable for lignite, gas and liquid fuel based stations;

- (c) In case of blending of fuel from different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio.”

After sl. No (iv) of paragraph 8.1 of Schedule -1 of the Principal Regulations, the following paragraph shall be added:

“ (v) Where biomass fuel is used for blending with coal, the landed cost of biomass fuel shall be worked out based on the delivered cost of biomass at the unloading point of the generating station, inclusive of taxes and duties as applicable. The energy charge rate of the blended fuel shall be worked out considering consumption of biomass based on blending ratio as specified by Authority or actual consumption of biomass, whichever is lower.”

19.2 **Comment received:** No suggestion / objection has been received.

19.3 **Provision in final 3rd Amendment:** In absence of any suggestion / comments from the stakeholders the draft regulation is retained with modification in language to enhance the clarity of expression without any change in intent or impact.

20. Paragraph A and B of Schedule -7A

20.1 **Proposed in Draft 3rd Amendment 2019:**

The first sentence of parameter ‘FC’ under sl no (iii) in paragraph A and sl no (ii) of paragraph B of Schedule -7A of the Principal Regulations the words “UHV range” shall be deleted.

20.2 **Comment received:** No suggestion / objection has been received.

20.3 **Provision in final 3rd Amendment:** In absence of any suggestion / comments from the stakeholders the draft regulation is retained with modification in language to enhance the clarity of expression without any change in intent or impact.

21.Paragraph B of Schedule -7B

21.1 **Proposed in Draft 3rd Amendment 2019:**

The parameter Coal_{UHV} under Clause (b) of paragraph-B of Schedule-7B of the Principal Regulations shall be substituted as below:

"Coal_{GCV} = Average Gross Calorific Value (GCV) of coal as received (Kcal/Kg)"

In clause (d) of paragraph-B of Schedule-7B of the Principal Regulations the word "Coal_{UHV}" shall be substituted with the word "Coal_{GCV}".

21.2 Comment received: No suggestion / objection has been received.

21.3 Analysis and Commission's Decision:

It is observed that due to inadvertent error the expression of 'Coal_{GCV}' in the proposed draft does not include the margin of heat loss of 120 kCal/kg, which is mentioned in clause (1) of 5.8.4 as well as in the expression of 'CVPF' in sl no (ii) in paragraph 8.1 of Schedule-1 of these regulations. Hence, the expression of 'Coal_{GCV}' is accordingly modified.

21.4 Provision in final 3rd Amendment:

The parameter Coal_{UHV} under Clause (b) of paragraph-B of Schedule-7B of the Principal Regulations shall be substituted as below:

"Coal_{GCV} = Average Gross Calorific Value (GCV) of coal as received (Kcal/Kg) less 120 kCal/kg"

In clause (d) of paragraph-B of Schedule-7B of the Principal Regulations the word "Coal_{UHV}" shall be substituted with the word "Coal_{GCV}".

22. Annexure C1:

22.1 Proposed in Draft 3rd Amendment 2019

"13.1 For the Table in Annexure – C1 of the principal Regulations, the following shall be added at the under "HV & EHV Consumers":

Sl No	Class of consumers	WBSEDCL	CESC LTD	DVC	DPL	DVC
(xix)	Metro rail/ Airport under RCS-UDDAN	Applicable	Applicable	Applicable	Applicable	Applicable
(xx)	Military Engineering services (MES)	Applicable	Applicable	Applicable	Applicable	Applicable
(xxi)	EV charging station	Applicable	Applicable	Applicable	Applicable	Applicable

22.2 Comments Received:

(a) Comments from CESC Ltd.:

CESC mentioned that the Hon'ble Commission has designed two-part tariff for all the existing consumer categories. Accordingly, CESC suggested that appropriate two-part tariff structure for the proposed consumer categories considering cost of supply may be provided.

22.3 Analysis and Commission's Decision:

The Commission observes that tariff structure will be specified within tariff schedule in the tariff order after getting proposals from the licensees and obtaining suggestions / objections.

22.4 Provision in final 3rd Amendment:

The draft regulation is retained with minor modification in language to enhance the clarity of expression without change in intent or impact.

23. Additional comments of WBSEDCL:

23.1 Comments from WBSEDCL:

WBSEDCL submitted that, at present in the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended, no norms of O&M expenses of Hydro and Solar generating Stations for the year 2018-19 and onwards. Hence WBSEDCL suggested that, norms of O&M expenses of Hydro and Solar generating Stations for 2018-19 and onwards may be fixed.

23.2 Analysis and Commission's decision:

Commission observes that though in Schedule -9A, O&M norm is specified upto FY 2016-17, but procedure for determination of O&M norms for thermal and hydro generating stations from 2017-18 onwards has been specified in 2.8.6.1 of the Principal Regulations. As O&M norms for solar generating station was not included in the draft amendment, no such norms can be finalised at this stage. Commission has noted the concern of the stakeholder and may deal with the issue of O&M norms of solar generators separately following due procedures.

24. Comments submitted by M/s Vishnu Cotton Mills Ltd.

Comments submitted by M/s Vishnu Cotton Mills Ltd. are basically a prayer for reducing their retail tariff. The matter is not related to any specific provision of the proposed draft. However, the Commission feels that with implementation of the proposed amendment, it will bring down the cost

and increase transparency and competition in the sector. The impact is detailed in the subsequent paragraph.

Annexure-1

List of the stakeholders submitted suggestions / objections within due date:

Sl No	Name of the Stakeholder
1.	West Bengal State Electricity Distribution Company Limited (WBSEDCL)
2	West Bengal Power Development Corporation Limited (WBPDCCL)
3	CESC Limited
4	Haldia Energy Limited
5	All Bengal Electricity Consumers' Association
6	Rashmi Metaliks Limited
7	Vishnu Cotton Mills Limited.

sd/-

(PULAK KUMAR TEWARI)
MEMBER

sd/-

(DURGADAS GOSWAMI)
MEMBER

sd/-

(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: _____

21.01.2020
21/01/2020