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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

*NOTIFICATION*

No. 25/WBERC

Dated: 21.11.2005

In exercise of the powers conferred by sub-sections (1) and (2) of section 181 read with sub-section (2) of section 45, sections 61, 62 and 64 of the Electricity Act, 2003 (36 of 2003) and all powers enabling on that behalf and in supersession of the 'West Bengal Electricity Regulatory Commission (Tariff) Regulations, 2003', issued under Notification No. 18/WBERC dated 9th June, 2004, published on 15th June, 2004 in the *Kolkata Gazette, Extraordinary* and in consequential modification of the 'West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2003', issued under Notification No. 12/WBERC dated 12th November, 2003, published on 1st March, 2004 in the *Kolkata Gazette, Extraordinary*, West Bengal Electricity Regulatory Commission (WBERC) hereby makes the following Regulations.

**CHAPTER 1**  
**GENERAL**

**1.1 Short title, commencement and interpretation**

These Regulations may be called the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005.

- (i) These shall come into force on the date of the publication in the Official Gazette unless otherwise stated in these Regulations and shall be concurrent within the area of jurisdiction of West Bengal Electricity Regulatory Commission.
- (ii) The General Clauses Act, 1897 (10 of 1897) shall apply to the interpretation of these Regulations unless otherwise indicated in these Regulations or inconsistent with the provisions of the Electricity Act, 2003.
- (iii) These shall be applicable for determination of tariff by the Commission in accordance with section 62 of the Act.
- (iv) These shall not be applicable to co-generation and generation of electricity from renewable sources of energy except to the extent covered by the instant Regulations. These Regulations shall not also be applicable for Captive Power Plants supplying its entire generation for its own use.

## 1.2. Definitions

1.2.1 In these Regulations, unless the context otherwise require:

- (a) "The Act" means the Electricity Act, 2003;
- (b) "Accounting Statement" means for each financial year, the following statements, together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;
  - (i) Balance sheet, prepared in accordance with the statute of incorporation;
  - (ii) Profit and loss account, prepared in accordance with the statute of incorporation;
  - (iii) Cash flow statement prepared in accordance with the accepted norms;
  - (iv) Report of the statutory auditors';
  - (v) Proformas A to F under Cost Accounting Records (Electricity Industry) Rules, 2001 to the extent applicable;
  - (vi) Cost Audit Reports where such audit has been ordered;
- (c) "Aggregate Revenue Requirement" means the requirement of a Licensee or a Generating Company for recovery, through tariffs, of allowable expenses, allocations, return on equity and other permitted allowances, in accordance with these Regulations;
- (d) "Allocation Statement" means for each financial year, a statement in respect of each of the separate businesses of the Licensee, showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either;
  - (i) Charged from or to each such separate business together with a description of the basis of that charge; or
  - (ii) Determined by apportionment or allocation between the Licensed Business and every other separate business of the Licensee, together with a description of the basis of the apportionment or allocation;
- (e) "Allotted Transmission Capacity" means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a long-term customer on the intra-State transmission system under the normal circumstances and the expression "allotment of transmission capacity" shall be construed accordingly;
- (f) "Applicant" means a Licensee or Generating Company who has made an application for determination of tariff in accordance with the Act and these Regulations and includes a Licensee or Generating Company whose tariff is the subject of a review by the Commission;
- (g) "Approved original project cost" means the original project cost approved by the Commission;
- (h) "Aggregate Technical & Commercial (ATC) Loss" means the difference between the energy inputs (66/33kV) and energy realized;
- (i) "Auxiliary Consumption" in relation to a period, means the quantum of energy consumed by auxiliary equipment of the generating station and transformer losses within the generating station, and shall be expressed as a percentage of the sum gross energy generated at the generator terminals of all the units of the generating station;
- (j) "Availability in terms of Availability Based Tariff in relation to a thermal generating station for any period" means the average of the daily average declared capacities for all the days during that period expressed as a percentage of the installed capacity (in MW) of the generating station minus normative auxiliary consumption as specified in these Regulations and shall be computed in accordance with the following formula:

$$\text{Availability} = 10000 \times \sum_{i:1}^N DC_i / \{N \times IC \times (100 - AUX_n)\} \%$$

Where—

N = Number of time blocks in the given period;

DC<sub>i</sub> = Average Declared Capacity for the i<sup>th</sup> time block in such period;

IC = Installed Capacity of the generating station in MW;

AUX = Normative auxiliary consumption as a percentage of gross generation;

- (k) "Availability in relation to a transmission system for a given period" means the time in hours in that period the transmission system is capable of transmitting electricity at its rated voltage expressed in percentage of total hours in the given period;
- (l) "Balancing and Settlement Code" refers to such code as may be published by the State Load Despatch

Center and approved by the Commission, for the balancing of energy accounts and settlement of differences between energy scheduled and actual energy among the users of the grid in the State of West Bengal;

- (m) "Block" in relation to a combined cycle thermal generating station includes combustion turbine – generator(s), associated waste heat recovery boiler(s), connected steam turbine – generators and auxiliaries;
- (n) "Bulk Power Transmission Agreement" means an agreement that contains the terms and conditions under which a Transmission System User is entitled to the access to an intra-State transmission system of a Transmission Licensee;
- (o) "Commission" means the "West Bengal Electricity Regulatory Commission" constituted under section 82 of the Electricity Act, 2003 and in short called WBERC;
- (p) "Core Business" means the regulated activities of generation or transmission or distribution or trading of electricity;
- (q) "Cut-off Date" means the date of the first financial year closing after one year of the date of commercial operation;
- (r) "Date of commercial operation" or COD means,—
  - (i) In relation to a unit of a thermal generating station, the date declared by the Generating Company after at least 14 days continuous trial operation, out of which at least 24 hours in maximum continuous rating, or 3 (three) months from the date of synchronization whichever is earlier. For other types of generating stations, the date(s) of synchronization will be the COD;
  - (ii) In relation to a generating station, the date of commercial operation of the last unit or block of the generating station in accordance with clause (i) above; and
  - (iii) In relation to a capital expenditure project relating to the Transmission Business, Distribution Business or Retail Supply Business of a Licensee, the date on which the project is ready to be put to commercial use;
- (s) "Date of Synchronization" means first date on which a generating unit is synchronized with the bus bar with or without all facilities and auxiliaries of the unit being put into service;
- (t) "Design Energy" in relation to a hydropower generating station means the quantum of energy, which could be generated in a 90 per cent dependable year with 95 per cent installed capacity of the generating station;
- (u) "Distribution Business" means the business of operating and maintaining a distribution system for supplying electricity in the area of the supply of the Distribution Licensee;
- (v) 'Existing Project' means the project declared under commercial operation from a date prior to the notification of these Regulations;
- (w) "Existing Generating Station" means a generating station, which had a date of commercial operation prior to the date of notification of these Regulations;
- (x) "Force Majeure Event" means, with respect to any party, any event or circumstance which is not within the reasonable control of, or due to an act or omission of, that party and which, by the exercise of reasonable care and diligence, that party is not able to prevent;
- (y) "Government" means the Government of West Bengal;
- (z) "Generation Business" means the business of production of electricity from a generating station for the purpose of giving supply to any person or enabling a supply to be so given;
- (aa) "Gross Calorific Value" or GCV in relation to a thermal power generating station means the heat produced in K. Cal by complete combustion of one Kg of solid fuel, one litre of liquid fuel or one standard cubic metre of gaseous fuel, as the case may be;
- (bb) "Gross Station Heat Rate" means the heat energy input in K. Cal for a generating station required to generate one kWh of electrical energy at generator terminals;
- (cc) "Infirm Power" for this regulation means electricity generated prior to commercial operation of the unit of a Generating Station;
- (dd) "Installed Capacity" means the summation of the nameplate capacities of all the units of the generating station or the capacity of the generating station (reckoned at the generator terminals) as already considered by the Commission in its last tariff order or as approved by the Commission from time to time;
- (ee) "Licensee" means a person who has been granted licence by the Commission under section 14 of the Act. It also includes all deemed licensees referred to in the 1st to 5th proviso of the section 14 of the Act. The licensee shall also include a holder of Transmission or Trading licence granted by the Central Electricity Regulatory Commission as may be applicable to and within the State of West Bengal;

- (ff) "Long-Term Transmission Customer" means a person availing or intending to avail access to the intra-State transmission system for a period specified in the Open Access Regulations;
- (gg) "Maximum Available Capacity" in relation to a hydropower generating station means—
- (i) For run-of-river hydro power generating stations with pondage and storage-type power stations, the maximum capacity in MW that the generating station can generate with all units running under prevailing conditions of water levels available for usage and flows over the peaking hours of the next day, and for this purpose, the peaking hours shall be as may be scheduled by SLDC, which shall not be less than 3 (three) hours within a 24 (twenty-four) hour period;
- (ii) For purely run-of-river hydro power generating stations, the maximum capacity in MW that the generating station can generate with all units running, under prevailing conditions of water levels available for usage and flows over the peaking hours of the next day;
- (hh) "Maximum Continuous Rating" or MCR in relation to a unit of a thermal power generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer at rated parameters, and in relation to a unit or block of a combined cycle thermal power generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer with water/steam injection (if applicable) and corrected to 50 HZ grid frequency and specified site conditions;
- (ii) "New Generating Station" means a generating station with a date of commissioning on or after the date of notification of these Regulations;
- (jj) "Non-Tariff Income" means income relating to the Licensed Business other than from tariff, excluding any income from Other Business and, in case of the Retail Supply Business of a Distribution Licensee, excluding income from wheeling and receipts on account of cross-subsidy surcharge and additional surcharge on charges of wheeling;
- (kk) "Officer" means an officer of the Commission;
- (ll) "Open Access Regulations" means the regulations specified by the Commission in exercise of power conferred by section 39(2)(d), 40(c), 42(2), 42(3), 42(4), 86(1) read with section 181 of the Act; called the West Bengal Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2005;
- (mm) "Operation and Maintenance Expenses" or O&M Expenses mean the expenditures incurred on operation and maintenance of the generating station, transmission and distribution including part thereof, and include the expenditures on manpower, repairs, spares, consumables, insurance and overheads;
- (nn) "Original Project Cost" means the actual expenditure incurred on the project as per the original scope up to first financial year closing after one year of the date of commercial operation and as admitted by the Commission;
- (oo) "Other Business" means any business engaged in by a Transmission Licensee under section 41 of the Act or by a Distribution Licensee under Section 51 of the Act for optimum utilization of the assets of such Transmission Licensee or of such Distribution Licensee;
- (pp) "Plant Load Factor" for a given period, means the total energy generated expressed as a percentage of energy corresponding to installed capacity in that period.
- (qq) "Primary Energy" means the quantum of energy generated up to the design energy on annual basis at the hydro power generating stations;
- (rr) "Retail Supply Business" means the business of sale of electricity by a Distribution Licensee to his consumers in accordance with the terms of his licence;
- (ss) "Rated Voltage" in relation to a transmission system means the manufacturer's rated design voltage at which the transmission system is designed to operate, or such lower voltage at which the line is charged, for the time being, in consultation with the Transmission System Users;
- (tt) "Run-of-river power station" means a hydro power generating station with or without upstream pondage;
- (uu) "Salable Energy" means the quantum of energy available for sale (ex-bus) in respect of hydro power station after allowing share of free energy to the other State/Country as per agreement;
- (vv) "Secondary Energy" means the quantum of energy generated in excess of the design energy on annual basis at the hydro power generating station;
- (ww) "Secretary" means the Secretary of the Commission;
- (xx) "Stabilisation Period" in relation to a unit means the period reckoning from the date of commencement of commercial operation of that unit up to the following days:

- |                                    |          |
|------------------------------------|----------|
| (a) Coal-based Generating Stations | 180 days |
| (b) Gas Turbine/CCGT               | 90 days  |

- (yy) "Standards of Performance Regulations" means the regulations as specified by the Commission under section 57 and Section 59 of the Act, called the West Bengal Electricity Regulatory Commission (Standards of Performance of Distribution Licensees Relating to Consumer Services) Regulation, 2005;
- (zz) "Storage type power station" means a hydro power generating station associated with large storage capacity to enable variation in generation of electricity according to demand;
- (aaa) "Transmission Business" means the business of establishing or operating transmission lines;
- (bbb) "Transmission System" means a line with associated sub-stations or a group of lines inter-connected together along with associated sub-stations and the term includes equipment associated with transmission lines and sub-stations;
- (ccc) "Transmission System User" means a person, who had been allotted transmission capacity rights to access an intra-State transmission system pursuant to a Bulk Power Transmission Agreement;
- (ddd) "Unit" in relation to a thermal generating station means steam generator, turbine generator and auxiliaries and in relation to a combined cycle thermal generating station, means turbine, generator and auxiliaries;
- (eee) "Useful Heat Value" in relation to fuel means the established heat value of fuel based on which payments are made to the suppliers of fuel;
- (fff) 'Year' means a financial year.

1.2.2 Words and expression used herein and not defined shall have the meanings assigned to them in the Act, rules or regulations.

**CHAPTER 2****DETERMINATION OF TARIFF****2.1 Scope of Regulation and extent of application**

2.1.1 The Commission shall determine tariff including terms and conditions therefor for all matters for which the Commission has the power under the Act, including in the following cases:—

(i) Supply of electricity by a Generating Company to a Distribution Licensee:

Provided that where the Commission believes that a shortage of supply of electricity exists, it may fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in case of an agreement entered into between a Generating Company and a Licensee or between Licensees, for a period not exceeding one year;

(ii) Intra-State transmission of electricity;

(iii) Rates and charges for use of intervening transmission facilities, where these cannot be mutually agreed upon by the Licensees;

(iv) Wheeling of electricity;

(v) Retail sale of electricity:

Provided that in case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may, for promoting competition among Distribution Licensees, fix only maximum ceiling of tariff for sale of electricity:

Provided further that where the Commission has allowed open access to certain consumers under section 42, such consumers, notwithstanding the provisions of clause (d) of sub-section (1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.

2.1.2 Where the Commission has permitted open access to any consumer or category of consumers under section 42 of the Act; the Commission shall determine only the wheeling charges in accordance with these Regulations, and surcharge and additional surcharge, if any, in accordance with the Open Access Regulations, for such consumer or category of consumers and transmission charges wherever applicable.

2.1.3 Notwithstanding anything contained in Part X of the Act, the tariff for any inter-State supply, transmission or wheeling of electricity, as the case may be, involving the territories of the two or more States may, upon application made to it by the parties intending to undertake such supply, transmission or wheeling, shall be determined by the Commission in cases where the Licensee intending to distribute electricity and make payment therefor is under the Commission's jurisdiction:

Provided that the Commission shall determine such tariff having regard to the terms and conditions specified in these Regulations for applications under this Regulation for determination of tariff for transmission, wheeling and supply of electricity wholesale, bulk or retail as the case may be:

Provided further that the Commission, while determining tariff upon an application made to it under this Regulation, may to the extent considered appropriate also have regard to the terms and conditions of tariff as may be specified by the State Commissions of such other States and/ or the terms and conditions of tariff as may be specified by the Central Commission where any of the parties to such transaction come under the jurisdiction of such State Commissions or of the Central Commission.

2.1.4 Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.

**2.2 Tariff Settings Principles**

2.2.1 Without prejudice to the generality of the powers of the Commission, but subject to the guidelines outlined in section 61 of the Act, the Commission shall be guided by the following while determining the tariff—

(a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) The generation, transmission, distribution and supply of electricity are conducted on commercial principles;

(c) The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

- (d) Safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
- (e) The principles rewarding efficiency in performance;
- (f) Multi-year tariff principles;
- (g) That the tariff progressively reflects the cost of supply of electricity;
- (h) The promotion of co-generation and generation of electricity from renewable sources of energy;
- (i) The National Electricity Policy and tariff policy:

Provided that the Commission may also keep in view and be guided by the requirements relating to the—

- (i) Compliance of environmental standards;
- (ii) Compliance of safety standards;
- (iii) Compliance of different statutory requirements;
- (iv) Compliance of requirement of energy conservation through tariff mechanism to encourage optimum and economic utilization of available electricity and to discourage unnecessary and wasteful use of electricity;
- (v) The need for reserve capacities to fully meet energy and peak demand;
- (vi) Performance standards and other norms as may be specified or directed by the Commission including incentives and penalty relating to such standards;
- (vii) Development of market relating to electricity;
- (viii) Affordability of power and need of power to different sections of society in the interest of the consumer as well as the requirement of the utility;
- (ix) Requirement and need to encourage non-conventional source of energy.
- (x) Requirement and need to insulate the consumers from sudden tariff shocks in a particular year or some of years to protect both the utility and the consumers.
- (xi) Requirement and need to have funds and its availability at short notice to meet unexpected emergent circumstances where power supply is affected materially and cannot be met under normal business activities.
- (xii) Requirement of the minimum level of support required to make electricity affordable to consumers of very poor category;
- (xiii) Requirement of adequate payment security arrangements viz. letter of credit, rotation of cash flow through securitization, escrow mechanism, etc. for the generating company.

Provided further that while determining the tariff, the Commission may keep in view the existing and future balances available under Consumer Account, Tariff & Dividend Control Account, Undistributed Rebates, Development Reserve, Contingency Reserve, Deferred Taxation Reserve along with its investment and income.

Provided further that the Commission may differentiate tariff on the basis of any of the following factors or on the basis of any combination of some factors namely consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which supply is required or the geographical position of the area, the nature of the supply and the purpose for which the supply is required, need for energy conservation, water conservation and environmental pollution abatement. The Commission depending upon the available factors/data/information, or any other material which it may consider appropriate in each case, may, either fix separate rates or by any other method impose extra charges, incentives, penalty etc. on the basic tariff to achieve the purpose for any one or more factors mentioned above to the extent feasible and keeping in view the overall interest of the Consumers, Licensees/Generating Company and/or the Electrical System as a whole.

2.2.2 The Commission at its sole discretion will follow the above principles and suitably apply the same to the extent required in each case. The Commission shall, at its sole discretion, determine the extent to which reliance may be had on any one principle, or more than one principle in any combination in each case having regard to the facts revealed in each such case.

2.2.3. The financial terms and conditions for determination of tariff for the licencees and generating companies shall be as laid down in Schedule 1 (Principles, terms and conditions for determination of tariff for Generating Company), Schedule 2 (Principles, Terms and Conditions for Electricity Purchase and Procurement), Schedule 3 (Principles, terms and conditions for determination of tariff for Transmission Licensee), Schedule 4 (Principles, terms and conditions for determination of tariff for Wheeling of Electricity), Schedule 5 (Principles, terms and conditions for determination of tariff for Retail Sale of Electricity), Schedule 6 (Grant of Subsidy by State Government) and Schedule 7 (Formula for Fuel and Power Purchase Cost Adjustment - FPPCA). In case of overlapping, or in the case of licensees falling under

more than one Schedule, or in those cases where none of the Schedules is applicable, the relevant Principles of Schedule 5 may be followed subject to such modifications, which the Commission may consider appropriate in such a case.

Provided that, if there is difference between such financial terms and conditions and National Electricity Policy and Tariff Policy or principles and methodologies specified by the Central Commission in case of Generating Companies and Transmission Licensees then, the Commission shall be guided by them, as applicable, subject to other provisions of these Regulations which shall also be appropriately taken into account, and not inconsistent with the Act.

2.2.4 The Licensee or the Generating Company shall, before incurring any capital expenditure which does not fall within the capital expenditure programme as approved by the Commission and which exceeds, in any one financial year or in more than one financial year, a sum of Rs. 10 crores or 1% of the gross Fixed Assets whichever is less for one individual/head of item, take the approval of the Commission before incurring the same for the purpose of tariff. The overall annual limit for incurring capital expenditure on all such unapproved capital items shall not exceed Rs. 100 crores or 4% of the opening balance of gross Fixed Assets whichever is lower.

Provided that in case of emergency or emergent circumstances due to its impact on the safety of the assets, life, system or smooth supply or such similar reasons, the Licensee or the Generating Company may incur the necessary expenditure without taking the prior approval of the Commission, but shall intimate the same to the Commission along with the circumstances due to which it was not possible to take prior approval.

Provided further that in case the Commission neither refuses nor gives its consent for incurring of such expenditure within 30 (thirty) days from its filing with all the relevant documents, the Licensee/generating company may presume that the Commission has no objection for the inclusion of same for fixing the tariff.

Provided further that notwithstanding anything contained above, the above procedure shall not be applicable to the extent the capital expenditure programme, as included in the tariff petition, has been approved by the Commission.

### 2.3 Manner for provision of subsidy by State Government

2.3.1 With effect from the date of publication of these Regulations, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall pay in advance the amount to compensate the Licensee/person affected by the grant of subsidy in the manner specified in Schedule 6 of these Regulations.

2.3.2 The amount of subsidy agreed to by the State Government shall be provided in the form of grant by the State Government.

2.3.3 The subsidy shall be passed on to eligible consumers only in proportion to the extent to which the total requirement of the Licensee is paid by the State Government.

Provided that in case of shortfall in actual release of subsidy, either because of errors in estimation or for any other reason, such shortfall, shall be shown clearly in the consumers' bill and shall be distributed on a pro rata basis among the concerned eligible consumers until such time as it is reduced or eliminated.

2.3.4 The Licensee shall clearly indicate in the consumer's bill (a) the amount payable in terms of tariff determined by the Commission; (b) the amount of State Government subsidy and (c) the net amount payable.

### 2.4 Alternative terms and conditions

2.4.1 A Generating Company or Licensee, as the case may be, may agree to any terms and conditions that may vary from the terms and conditions contained in these Regulations where the terms and conditions agreed upon will result in a lower total cost of supply of electricity to consumers in the State during the entire duration of the agreement of which such terms and conditions form part:

Provided that such agreement shall come into effect only with the prior approval of the Commission, except where such approval is not specifically required under the Act or these Regulations.

### 2.5 Procedure for determination of tariff

#### 2.5.1 Procedure for making an application for determination of tariff

2.5.1.1 An application for determination of tariff under the Act shall be submitted 120 days in advance of the effective date of the tariff revision.

2.5.1.2 An application for determination of tariff under the Act shall be made in such form and in such manner as laid down in these instant Regulations and accompanied by such fees as specified in West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2003. Additional information/particulars/documents as considered



appropriate and asked for by the Commission shall also be submitted by a Generating Company or a Licensee, tariff for which is to be determined by the Commission.

Provided that the information, report, computation etc. required to be furnished by the Licensee or the Generating Company in the formats contained in these Regulations for calculating Aggregate Revenue Requirement from Tariff and Charges shall include the particulars specified herein, to the extent applicable. Unless otherwise mentioned, calculations submitted shall include specified details in respect of three years, being 'ensuing year' (the year for which applicable tariff and charges would be determined by the Commission), 'current year' (the year immediately prior to ensuing year) and 'previous year' (the year immediately prior to current year). For multi-year tariff, the Commission may require data relating to such other period, as it considers appropriate. The relevant information is to be furnished in the specified forms annexed to these Regulations as below:

- (i) The relevant information required for the determination of Aggregate Revenue Requirement (ARR) for the period contained in relevant forms as specified in Annex-1.
- (ii) A statement of the current tariff rates and applicable terms and conditions, and the expected revenue for the ensuing year (full financial year) based on the current tariff rates as per the relevant forms as specified in Annex 2.
- (iii) A statement of the proposed tariff rates and proposed terms and conditions and expected revenue for the ensuing year (full financial year) based on the proposed tariff rates as per the relevant forms as specified in Annex 3.
- (iv) Plans to contain and reduce the losses in generation, transmission & distribution both short-term and long-term. Where any energy audit has been conducted, broad details and results thereof may be submitted. Details of transmission & distribution losses may be given as per the relevant forms as specified in Annex 4. The method and system of determining the losses and its bifurcation between technical losses and other than technical losses be suitably explained in detail.
- (v) Performance measurements details may be given as per the relevant forms as specified in Annex 5.
- (vi) Cash flow Statement as per Annex 6.
- (vii) A statement giving full details of subsidies received and receivable, if any, the consumers to whom it is directed and the way in which such subsidy is proposed to be reflected in the proposed tariffs applicable to these consumers.
- (viii) The information relating to average categorywise tariff under prevailing and proposed tariff and the rationale for tariff revision proposal. Category and sub-categorywise details of consumers along with average monthly consumption of energy for each sub-category.
- (ix) Copy of Audited accounts of last 3 years under the statute of incorporation along with Auditor's Report and replies of the management.
- (x) Copy of the Proformas A to F under Cost Accounting Records (Electricity Industry) Rules 2001 to the extent applicable.
- (xi) The operational results of trading activities, if any, may also be shown separately by way of a note.
- (xii) The draft gist of the Tariff Application as specified in Annex 7 for publication.

2.5.1.3 The Commission may specify additional information requirements and/or amend the requirements given above for furnishing the details or in the procedure for calculating the expected revenue.

2.5.1.4 The procedure for receipt of application and its processing and disposal will be governed in accordance with the provisions stipulated in West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2003.

2.5.1.5 In case of the first tariff petition submitted after coming in force of these Regulations, the present applicable terms and conditions, including rebates, incentives, penalties, charges etc. shall also be submitted.

2.5.1.6 Copy of the Annual Report on operation of the Forum for Redressal of Grievance Procedure in case of a distribution licensee is required to be submitted.

2.5.1.7 All information including the contents of the tariff application and all statements, reports, notes etc. submitted under these provisions shall be duly verified in the manner as has been specified in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2003 and failure to submit the required information and documents will entail the rejection of the petition in terms of section 64 of the Act.

2.5.1.8 If a person holds more than one licence and/or is deemed to be Licensee for more than one area of distribution or transmission, he shall submit separate calculation as above in respect of each area of transmission or distribution.

The Licensee shall endeavour to separate the accounts function wise as far as practicable.

2.5.1.9 A Licensee having a Generating Station shall maintain and submit separate records for the licensed business and Generating Station.

2.5.1.10 Transmission Licensee and Distribution Licensee engaged in other business for optimum utilization of their assets shall maintain separate records for such other business and submit with tariff proposal the proportion of revenue realized from such other business which has utilized these assets, to reduce the transmission/wheeling charges.

2.5.1.11 All status/progress reports, plans and schemes which are directed in the current year's tariff order are to be submitted along with the ensuing year's tariff petition.

2.5.1.12 The Commission may suo moto ask the Generating Companies /Licensees to file such application for variation in tariff and other charges and the same shall be filed in the manner and time as directed herein.

2.5.1.13 Notwithstanding the above, the Commission shall be entitled to require the generating company/licensee to give such other or further information, particulars and documents as the Commission may consider appropriate.

2.5.1.14 The applicant shall, within 3 (three) working days of an intimation provided to him intimating him of admission of tariff petition in question, publish a notice containing a gist of the tariff petition approved by the Commission in at least 4 (four) daily newspapers widely circulated in the area to which the petition pertains, at least 1 (one) each of such newspapers being in Bengali and English, inviting suggestions and objections from the members of the public and all stake holders, relating to the tariff petition.

## 2.6 Determination of tariff

### 2.6.1 Determination of generation tariff

The tariff for supply of electricity to a Distribution Licensee by a Generating Company from conventional sources of generation shall be determined in accordance with Schedule 1 of this Regulation.

#### 2.6.1.1 Existing generating station

2.6.1.1.1 Where the Commission has, at any time prior to the notification of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating station then the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission.

2.6.1.1.2 Where, as at the date of notification of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, then the supply of electricity by such Generating Company to such Distribution Licensee after the date of notification of these Regulations shall be in accordance with a power purchase agreement approved by the Commission in accordance with Schedule 2 of these Regulations:

Provided that an application for approval of such power purchase agreement or arrangement shall be made by the Generating Company or the Distribution Licensee to the Commission within a period of three (3) months from the date of notification of these Regulations:

Provided further that the supply of electricity shall be allowed to continue under the present agreement or arrangement, as the case may be, until such time as the Commission approves of such power purchase agreement and shall be discontinued forthwith if the Commission rejects, for reasons recorded in writing, such power purchase agreement.

#### 2.6.1.2 New generating stations

2.6.1.2.1 The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating station shall be in accordance with a power purchase agreement approved by the Commission, except if such power purchase agreement has been exempted from requiring such approval in accordance with Schedule 2 of this regulation.

#### 2.6.1.3 Own generating stations

2.6.1.3.1 Where a Distribution Licensee also undertakes the business of generation of electricity; the cost at which electricity is supplied by the Generation Business of the Distribution Licensee to his Supply Business shall be determined by the Commission:

Provided that the Commission shall have regard to the operational parameters in Schedule 1 of these Regulations in determining the cost for such supply.

2.6.1.3.2 The Distribution Licensee shall maintain separate records for the Generation Business, Trading Business, if any, and shall maintain an Allocation Statement in accordance with the forms prescribed in this regulation.

2.6.1.3.3 The Distribution Licensee shall submit, along with the application for determination of tariff for sale of electricity, the information required under Schedule 1 of these Regulations relating to the Generation Business, so as to enable the Commission determine the supply tariff in accordance with the terms and conditions contained in the said schedule.

2.6.1.3.4 Notwithstanding anything contained in this Regulation, the Commission shall adopt the tariff for supply of electricity by a Generating Company to a Distribution Licensee if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government:

Provided that the applicant shall provide such information as the Commission may require to satisfy itself that the guidelines issued by the Central Government have been duly followed.

## 2.6.2 Determination of tariff for transmission, wheeling and sale of electricity

2.6.2.1 The Commission shall determine the tariff for transmission, wheeling and sale of electricity based on an application made by the Licensee in accordance with the procedure contained in this Regulation.

2.6.2.2 The Commission shall determine the tariff for—

- (a) Transmission of electricity, in accordance with the terms and conditions contained in Schedule 3 of these Regulations;
- (b) Wheeling of electricity, in accordance with the terms and conditions contained in Schedule 4 of these Regulations;
- (c) Retail sale of electricity in accordance with the terms and conditions contained in Schedule 5 of these Regulations.

## 2.6.3 General

2.6.3.1 The applicant shall provide, as part of his application to the Commission, in such form as may be stipulated by the Commission from time to time, full details of his calculation of the Aggregate Revenue Requirement (ARR) and expected revenue from tariff and charges pursuant to the terms of his licence, and thereafter he shall furnish such further information or particulars or documents as the Commission or the Secretary or any Officer designated for the purpose by the Commission may reasonably require to assess such calculation:

Provided that the Commission may specify additional/alternative formats for details to be submitted by the applicant, from time to time, as it may reasonably require for determining the tariff.

2.6.3.2 Upon receipt of a complete application accompanied by all requisite information, particulars and documents including fees in compliance with all the requirements specified in these Regulations, the application shall be deemed to be received and the Commission or the Secretary or the designated Officer shall intimate to the applicant that the application is ready for publication.

2.6.3.3 The applicant shall furnish to the Commission all such books and records (or certified true copies thereof), including the Accounting Statements, operational and cost data, copy of the petition in electronic version comprising of soft copy showing detailed computations in a compact disc or in any other medium as may be required by the Commission for determination of tariff.

2.6.3.4 The procedural aspects pertaining to applications contained in this Regulation shall apply, only to such extent as may be required by the Commission having regard to the circumstances of an individual case, to—

- (a) An application made by a Licensee under the proviso to sub-section (1) of section 36 of the Act;
- (b) An application made by a Distribution Licensee under sub-section (5) of section 64 of the Act.

## 2.7 Time limit for making an application for determination of tariff

2.7.1 The petition should be filed 120 days earlier from the date from which the tariff is intended to be made effective.

Provided that the Commission may at any time direct a Generating Company or a Licensee suo moto to submit a tariff petition.

Provided further that the date of receipt of application for the purpose of this regulation shall be the date of receipt of a complete application in accordance with regulations above.

## 2.8 Tariff order

2.8.1 The Commission shall within 120 (one hundred and twenty) days from receipt of an application as specified in these Regulations and after considering all suggestions and objections received from the respondent, issue a tariff order accepting the application with such modifications or such conditions as may be specified in that order.

2.8.2 Alternatively, an application may be rejected after granting a reasonable opportunity of being heard to the applicant and duly stating the reasons of rejection, recorded in writing if such application is not in accordance with the provisions of the Act and Rules & Regulations made thereunder or the provisions of any other law for the time being in force.

2.8.3 The Commission shall, within 7 (seven) days of making the tariff order, send a copy of the order to the State Government, the Central Electricity Authority, and the concerned applicant. The Commission shall also make available copies of order to any person on payment of a cost fixed by the Commission.

2.8.4 If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, notwithstanding any direction which may be given under Section 108 of the Act, pay, in advance by a separate Account Payee Cheque/Demand Draft/Banker's Cheque in favour of the Licensee or such other person to implement the subsidy, the amount to compensate the person affected by the grant of subsidy as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government;

Provided that no such direction of the State Government shall be operative if the payment is not made in the manner decided by the Commission.

2.8.5 The applicant shall within the time specified in the tariff order of the Commission, publish the salient features of tariff or tariffs approved by the Commission in at least 4 (four) dailies of which at least one (1) will be English, and 1 (one) in Bengali having wide circulation in the operational area of Licensee and shall put up the approved tariff on its internet website.

Provided that where the applicant is a Generating Company, the publication shall be in such newspapers as are widely circulated in the area of supply of the Distribution Licensee to whom the electricity will be supplied in terms of the tariff order and shall also be put up on the internet website of such Distribution Licensee, and the Generating Company concerned.

2.8.6 The tariff so published shall be in force from the date specified in the said Order and shall, unless amended or revoked, continue to be in force for such period as may be specified in the said Order.

## 2.9 Adherence to tariff order

2.9.1 No revision of tariff shall ordinarily be permitted more than once in a year except for adjustment on account of fuel and power purchase and as per the formula specified in Schedule 7 of these Regulations. However, no reimbursement of fuel and power cost shall be allowed on any excess beyond permissible (a) technical and commercial loss and (b) self-consumption of electricity under the formula.

2.9.2 The tariff shall normally be revised from the prospective date except for adjustment of FPPCA unless there is a compelling reason to revise the same from the retrospective date in which case detailed justification will be given in writing by the Commission.

2.9.3 The Licensee shall submit periodic returns as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its order and reassess the basis on which tariff was approved.

2.9.4 If any Licensee or Generating Company recovers a price or charge exceeding the tariff determined under section 62 of the Act and in accordance with these Regulations, the excess amount shall be refunded along with interest as determined by the Commission without prejudice to any other liability incurred by such Licensee or Generating Company.

**CHAPTER 3****OTHER FACTORS TO BE CONSIDERED IN DETERMINATION OF TARIFF****3.1 Time-of-the-day tariff**

3.1.1 To promote demand side management peak, off-peak tariff may be determined by the Commission. In general, the following block of hours is to be considered in determining peak and off-peak periods, provided Commission does not specify otherwise in its order for any specific Licensee.

For the year 2006 – 2007:

- (a) The time between 1700 hrs and 2200 hrs shall be treated as peak period,
- (b) The duration between 2200 hrs and 0600 hours shall be treated as off-peak period,
- (c) Time between 0600 hrs and 1700 hrs shall be treated as normal period.

For the year 2007 – 2008 onwards:

- (a) The time between 1700 hrs and 2300 hrs shall be treated as peak period,
- (b) The duration between 2300 hrs and 0600 hours shall be treated as off-peak period,
- (c) Time between 0600 hrs and 1700 hrs shall be treated as normal period.

Provided that the Commission may, considering the system peculiarities of any specific generating company or a licensee, decide to determine separate block of hours for each category above.

**3.2 Differentiation on the basis of time of the day**

3.2.1 To incentivise the peaking supply capability of thermal generating stations of a generating company or a licensee, the Commission may introduce separate tariff for peak, off-peak and normal period by differentiating on the basis of average tariff subject to the condition that none of the differentiated tariffs will be less than the cost of generation (average tariff minus the sum of the components of reasonable return) which is allowed by the Commission. If due to such differentiation, the Generating Company or the Licensee earns any income, which exceeds its revenue requirement, such excess income will be treated as an incentive to the Generating Company/Licensee.

For the above mentioned purpose, Generating Company or the Licensee, as the case may be, is to provide annual generation data in the following time strata:

- (a) The time between 1700 hrs and 2300 hrs shall be treated as peak period,
- (b) The duration between 2300 hrs and 0600 hours shall be treated as off-peak period,
- (c) Time between 0600 hrs and 1700 hrs shall be treated as normal period.

**3.3 Power factor**

3.3.1 The Commission may direct certain categories of consumers to maintain power factor at a prescribed level and allow incentive/disincentive for maintaining above/below the prescribed level.

**3.4 Regulatory asset**

3.4.1 In case of abnormal variation in income or expenses or both which is likely to affect tariff substantially, the Commission may provide to include the same including its impact as a Regulatory Asset in the tariff and suitably provide for its recovery of the same through tariff for one or more years but within a reasonable time period or as a surcharge for one or more years as it may deem fit, to protect the interests of consumers/tariff petitioner or both, provided in the opinion of the Commission the same cannot be met fully or partially from balance under any other consumer account the amount of which has been already taken from the consumer through tariff.

Provided, the regulatory assets are allowed carrying cost as may be determined by the Commission.

**3.5 Multi year tariff**

3.5.1 The Commission may implement multi year tariff for a period to be notified by the Commission. Till multi year tariff principles/methodologies are formulated and implemented by the Commission, any under, or over-recovery of the fixed charges permitted in the tariff orders on account of variation in the actual sales volume in a year vis-à-vis sales volume approved for that year will be adjusted suitably in due course, on receipt of data relating to the actual sales volume

## CHAPTER - 4

## GENERAL PRINCIPLES OF COMPUTING COST AND RETURN

## 4. Capital cost

4.1 The Commission shall be guided by the following principles to compute the cost and return.

- (a) Investments made prior to the notification of these Regulations by the Generating Company and Licensees shall be accepted on the basis of audited accounts, subject to prudence check.
- (b) Wherever Power Purchase Agreement or Agreement for transmission/wheeling provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling.
- (c) Capital cost for Transmission and Distribution Licensee to be considered as below:
  - (i) The annual capital cost for a Licensee for each financial year for any capital expenditure project initiated on or after these Regulations shall be considered under these Regulations subject to prudence check by the Commission.
  - (ii) For each capital expenditure project, the sum total of annual allowable capital cost from the date of commencement of such project till the date of commissioning shall be the original cost of such project:

Provided that the Commission may permit reasonable additional costs, which are in the nature of capital expenditure, to be included in the original cost of the project beyond the date of commissioning, upon application for the same made by the Licensee within one year from the date of commissioning.

- (iii) Where the actual cost incurred on a capital expenditure project exceeds or likely to exceed the estimate of original cost, then the Licensee shall apply to the Commission for approval for variation in the estimate of original cost of the project.
- (iv) Where the actual cost incurred on a capital expenditure project is lower than the approved original project cost, the Commission shall, after due scrutiny, permit the resultant savings in interest on loan capital during the construction period of such project to be dealt with in the manner specified in these Regulations. Scrutiny of the original project cost shall be limited to the reasonableness of the capital cost, financing plan, interest during construction stage, use of efficient technology and such other matters for determination of tariff.
- (v) Notwithstanding anything contained in these Regulations, for any capital expenditure project approved by the concerned authority before notification of these Regulations, the actual cost as recorded in the books of account of the Licensee shall be considered as the original cost of project, subject to prudence check by the Commission.
- (vi) The amount of any contributions made by Transmission System Users or Distribution System Users towards works for access to the intra-State transmission system or distribution system of the Transmission Licensee or Distribution Licensee shall be deducted from the original cost for such project for the purpose of calculating the amount of loan capital and equity capital under these Regulations:

Provided that for the purpose of depreciation under these Regulations, the original cost of project before deduction of any such contributions shall be taken into account.

- (d) Prudent accounting practice shall apply, to the extent not inconsistent with these Regulations, in determining the original cost of capital expenditure projects and/ or original cost of fixed assets capitalized.
- (e) The resultant Foreign Exchange variations on account of repayment are to be dealt as specified in these Regulations.
- (f) The capital cost may include capitalized initial spares as follows:
  - (i) Up to 2.5% of original capital cost in case of coal based/lignite fired Generating Stations;
  - (ii) Up to 4.0% of original capital cost in case of Gas Turbine/Combined Cycle Generating Stations;
  - (iii) Up to 1.5% of original capital cost in case of Hydro Power Generating Stations, Transmission & Distribution Projects.
- (g) Swapping of foreign Debt and Equity shall be permitted, provided the benefit accruing from such swapping is passed on to consumers/beneficiaries in the year following the year of such swapping, provided that loss if any, accruing from such swapping shall not be passed on to the consumers.

- (h) Restructuring of capital cost in terms of relative share of equity and loan shall be permitted during the tariff period provided it does not affect tariff adversely. Any savings in costs on account of subsequent restructuring shall be dealt with in accordance with these regulations.

#### 4.2 Additional capitalization

4.2.1 The following capital expenditure within the original scope of work actually incurred after the date of commissioning and up to the cut off date may be allowed by the Commission for inclusion in the original cost of project, subject to prudence check:

- (i) Deferred liabilities;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares in the original scope of work, subject to ceiling specified in Regulation;
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (v) On account of change in law.

Provided that original scope of work along with estimates of expenditure shall be submitted along with the next application for determination of tariff.

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the next application for determination of tariff after the date of commercial operation of the generating station.

4.2.2 The capital expenditure of the following nature actually incurred after the cut-off date may be allowed by the Commission for inclusion in the original cost of project, subject to prudence check:

- (i) Deferred liabilities relating to works/services within the original scope of work;
- (ii) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;
- (iii) On account of change in law;
- (iv) Any additional works/services which have become necessary for efficient and successful operation of the generating station or licensed business, but not included in the original project cost;
- (v) Deferred works relating to ash pond or ash handling system in the original scope of work and;
- (vi) Works related to Pollution Control Measures.

4.2.3 Any expenditure on minor items/assets like normal tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing machines, heat-convector, carpets, mattresses, etc. bought after the cut-off date shall not be considered for additional capitalization for determination of tariff. The list of items is illustrative and not exhaustive.

Provided that the approval of the Commission under this Regulation shall not be required where the aggregate expenditure on such assets in any financial year does not exceed 1% of total business turnover of that financial year subject to a maximum of Rupees Ten (10) crores.

4.2.4 Any expenditure on replacement arising out of renovation and modernization or extension of life of old fixed assets shall be considered after writing off the gross depreciation allowed so far on such replaced assets.

4.2.5 Prudent accounting principles shall apply, to the extent not inconsistent with these Regulations, in determining the original cost of the project.

4.2.6 The approved capital expenditure of the project shall be considered as the original cost of such project for the purpose of these Regulations.

4.2.7 The amount of capital expenditure shall be assumed to have been incurred evenly during the year for the purpose of these Regulations.

Note:

- (a) Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be financed in the normative debt equity ratio specified in these regulations.
- (b) Any expenditure incurred on replacement of old assets shall be considered after writing off the gross value of the original assets from the original capital cost.
- (c) Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be financed in the normative debt equity ratio specified in these regulations.

- (d) Any expenditure admitted by the Commission for determination of tariff on renovation and modernization and life extension shall be financed on normative debt equity ratio specified in these regulations after writing off the original amount of the replaced assets from the original project cost.
- (e) Any expenditure admitted by the Commission incurred on purchase of other fixed assets shall be assumed to be financed at a normative debt: equity ratio specified in these regulations.

#### 4.3 Revenue/charges during trial stage (prior to COD)

4.3.1 The actual cost incurred excluding fuel cost during trial up to COD shall be treated as capital cost.

4.3.2 The actual revenue earned from sale of power (infirm power) net of fuel cost shall be treated as reduction in capital cost.

#### 4.4 Debt-Equity Ratio

##### 4.4.1 Existing Business

4.4.1.1 For the purpose of these Regulations, the amount of loan capital and equity capital shall be calculated as follows:

- (a) The amount of loan capital shall be equal to the sum of the outstanding balance of all long-term loans taken to finance the purchase or construction of assets of the Generating Company or Licensee, at the commencement of the financial year for which tariff is being determined, as reflected in the books of account of the Generating Company or Licensee;
- (b) The amount of equity capital in 2006 - 2007 shall be equal to—
- (i) Equity capital as at April 1, 2006 as determined by the Commission in accordance with the Explanation below; plus
- (ii) Equity component of approved capital expenditure for the financial year ending March 31, 2007; The same principle will be followed for subsequent years.

Provided that in case of a Generating Company or Licensee Business formed as a result of a transfer scheme under Section 131 of the Act, the date of the said transfer scheme shall be the effective date for determination of equity capital under clause (b) above.

*Explanation*—for the purpose of this Regulation, equity capital shall be the (sum total of paid-up equity capital, preference share capital, fully/compulsorily convertible debentures (or other financial instruments with equivalent characteristics), foreign currency convertible bonds, share premium account and any free reserves available for distribution as dividend or for capitalization by way of issue of bonus shares which have been invested in the core business. The amount of any grant, revaluation reserve, development reserve, contingency reserve and contributions from customers shall not be included in the equity capital.) The amount reflected in the books of account as deferred tax liability or deferred tax asset of the core business shall be added or deducted, as the case may be, from the amount of equity capital.

Provided that the existing balances as on 31.03.2006 under Tariff and Dividend Control Reserve, Consumer Account, Contingency Reserve, Undistributed Rebates, Deferred Taxation Reserve, Development Reserve shall be transferred and shown as such under balances on account of consumer and shall be appropriately dealt by the Commission while fixing the tariff and/or to be kept separately to meet the fund required for emergent circumstances or for providing funds / meeting cost of replacement.

##### 4.4.2 New Capital Expenditure including expansion of existing business

For the purpose of determination of tariff, debt equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans.

Provided that in case of a Generating Company or other Licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation;

*Explanation*—For the purpose of computation of actual debt equity ratio, the permitted additional capital expenditure incurred after 1st April, 2006 to be considered in aggregate along with actual debt and equity provided to finance such expenditure. For the purpose of the above mentioned computation, equity shall include any project cost or part thereof financed by internal resources subject to ceiling of debt equity norms indicated above.

4.4.3 Any approved change in the original cost of a project/fixed asset after the date of commissioning shall be assumed to have been financed at the normative debt equity ratio.



4.4.4 The debt and equity amount arrived at in accordance with the instant Regulations shall be used for calculating interest on loan, return on equity, advance against depreciation and incentive to transmission licensee.

#### 4.5 Loan repayment schedule

4.5.1 The repayment schedule for the loan capital calculated under Regulation above shall be in accordance with the loan agreements.

4.5.2 Where, the actual amount of depreciation falls short of actual amount of loan repayment in any financial year allowable under these Regulations, such shortfall shall be allowed as an advance against depreciation (AAD) for the difference between the actual amount of such repayment and the allowable depreciation for such financial year.

Provided that such advance against depreciation shall be restricted to the 1/10th of the principal amount of original approved loans minus the amount of depreciation allowable under these Regulation.

Provided also that upon repayment of the entire loan amount, the original cost of the fixed asset shall be reduced by the aggregate of accumulated depreciation and advance against depreciation availed by the generating company or the Licensee and the resulting depreciable value shall be spread over the balance useful life of the fixed asset.

4.5.3 During the tenure of loan repayment, where the actual amount of loan repayment in any financial year is less than the amount of depreciation allowable under these Regulations, then an interest credit at the rate of weighted average cost of debt for the corresponding year shall be provided on such excess depreciation charged.

#### 4.6 Calculation of annual fixed charges

##### 4.6.1 Return on Equity

4.6.1.1 Return on equity for Generating Company and Transmission Licensee shall be computed on the equity capital determined in accordance with these Regulations at 4.4.1.1 and the applicable rate and methodology will be the same as provided for/to be provided for by the Central Electricity Regulatory Commission for Generating Company and Transmission Licensee from time to time.

4.6.1.2 Return on equity for distribution licensee shall be computed on the equity capital determined in accordance with these Regulations at 4.4.1.1 and the applicable rate and methodology will be the same as provided for/to be provided for by the Central Electricity Regulatory Commission for Generating Company and Transmission Licensee from time to time. The Commission may consider allowing a maximum up to 1% more than the applicable rate as specified above in its tariff order to a distribution licensee to the extent of their equity contribution to the distribution assets.

##### 4.6.2 Depreciation

4.6.2.1 For the purpose of tariff, depreciation shall be computed in the following manners:

- (i) The value base for the purpose of depreciation shall be historical cost of the asset.
- (ii) The depreciation shall be calculated annually, based on straight line method at the rates prescribed in the Annexure – A to these Regulations.
- (iii) The residual value of assets shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the original cost of the Asset.
- (iv) Freehold land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost.
- (v) The historical cost of the asset shall include additional capitalization.
- (vi) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro-rata basis. However, for thermal power generating stations, depreciation shall be limited to the loan repayable in that year.
- (vii) Prudent accounting principles shall apply to the extent not inconsistent with these regulations.

##### 4.6.3 Advance against depreciation

4.6.3.1 In addition to depreciation, the Licensee shall be entitled to advance against depreciation, which is the difference between the actual amount of loan repayment, subject to a ceiling specified in Regulations 4.5.2 minus allowed depreciation as per schedule for such financial year.

4.6.3.2 The Licensee shall be permitted to recover amortization of intangible assets up to such level as may be approved by the Commission.

*Explanation*—For the purpose of this Regulation, the term “intangible assets” shall mean such pre-operative and promotional expenditure incurred in cash and shown as a debit in the capital account as has fairly arisen in promoting the core business and shall exclude any amount paid or otherwise accounted as goodwill.

#### 4.6.4 Financing cost

4.6.4.1 Financing costs will comprise of:—

- (a) Interest on and charges relating to loan capital,
- (b) Interest on and charges relating to working capital.

4.6.4.2 Interest on and charges relating to loan capital will be allowed by the Commission as under: -

- (i) The Generating Company or the Licensee shall be allowed to recover the interest expenses on all borrowing towards capital works as per terms of such borrowing including the repayment schedule.
- (ii) Interest on normative loan capital shall be allowed at weighted average rate of interest on borrowings coming under (i) above.
- (iii) The Generating Company/Licensee shall put in every effort to swap the existing loans as long as it results in net benefit to the consumers/beneficiaries. The cost associated with such beneficial swapping shall be borne by the consumers/beneficiaries. The Generating Company/ Licensee shall not make any profit on account of swapping on loan and interest on loan.
- (iv) The Commission shall also allow all financing charges relating to loan capital viz. front-end fees, bank charges, commitment charges, foreign exchange rate variations in case of loan repayments, guarantee fees, etc.
- (v) The interest on borrowings and any other charges thereon for specific capital works-in-progress will not be allowed in the revenue accounts and those need to be charged to the cost of such capital works in progress.

#### 4.6.5 Interest on working capital

4.6.5.1 The working capital requirement shall be assessed on normative basis @ 12.5% on estimated annual sales revenue reduced by the amount of Depreciation, Deferred Revenue Expenditure and Return of the Generating Company/ Licensee.

4.6.5.2 Rate of interest on working capital so assessed on normative basis, shall be equal to the short-term prime lending rate of Sate Bank of India as on the 1st April of the year preceding the year for which tariff is proposed to be determined or at the actual rate of borrowing whichever is less.

4.6.5.3 In addition to interest on working capital, the licensee shall be allowed interest on cash security deposit taken by it at the rate in terms of the regulation of the Commission on actual basis.

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

#### 4.7 Operation and maintenance expenses

4.7.1 Operation and Maintenance or O & M expenses include the following:

- Repair & Maintenance Expenses (R & M)
- Employees Cost
- Administrative and General Expenses

Administrative and general expenses shall include the expenses on account of salaries and wages and staff welfare including Director's remuneration, fees, expenses and other facilities and salaries and wages of corporate office/registered office.

4.7.2 Operation and Maintenance or O & M expenses will also include the expenditure to be incurred on account of the following heads, viz.,

- (a) Rents, rates and taxes (other than taxes relating to income, profits and dividend taxes);
- (b) Legal charges;
- (c) Auditor's expenses, which include auditor's fees, auditor's expenses and payment to Auditors in any other capacity or for any work which is necessary to be got done from them and audited.

- (d) Consultancy charges for work which cannot be done in-house or is uneconomical in doing in-house or is essential to be done from outside sources except payment to Auditors;
- (e) Other expenses necessary and arising from and ancillary or incidental to the business of electricity except penalty etc. levied under this Act or any other Act;

Expenses arising from and ancillary or incidental to other business of Licensee shall be disallowed unless income from such business has been considered.

Provided that in no case the expenses, if allowed, shall exceed the income.

4.7.3 The Commission shall accept Operation and Maintenance Expenditure subject to prudence check.

#### 4.8 Bad and Doubtful Debt

4.8.1 The Commission may allow such amount of bad debts as actually had been written off in the latest available audited accounts of the Generating Companies/Licensees subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year.

#### 4.9 Reserve for Unforeseen Exigencies

4.9.1 The Generating Companies and the Licensees may provide and maintain a reserve for dealing with unforeseen exigencies up to 0.25% of the value of gross fixed assets at the beginning of the year annually and the provision made for the year will be allowed in their Aggregate Revenue Requirement subject to an overall ceiling of 5% of the value of gross fixed assets at the beginning of the year. The existing amount of contingency reserve in the books of accounts of the generating companies/licensees, if any, will be considered while arriving at the overall ceiling as stated herein.

4.9.2 The sums appropriated to the reserve for unforeseen exigencies shall be invested prudently in securities keeping the risk, rate of return and liquidity factors in view within a period of six months of the close of the year of accounts for which such appropriation is allowed. The aforesaid reserve shall not be drawn upon except to meet such charges as the Commission may approve.

#### 4.10 Foreign Exchange Rate Variation

4.10.1 Extra rupee liability towards interest payment and loan repayment corresponding to the actual foreign debt in the relevant year shall be permissible provided the entire rupee liability directly arises out of Foreign Exchange Rate variation and is not attributable to the Generation Company/Licensee or their suppliers or contractors or for any other reason.

4.10.2 Generating Companies/Licensees shall be allowed reasonable cost of hedging subject to a ceiling of 1 % of the foreign exchange component to take care of foreign exchange variation.

#### 4.11 Income Tax

4.11.1 Tax on Income stream of the Generating Company or the Transmission Licensee or the Distribution Licensee as the case may be from Core/Licensed business shall be computed as expenses and shall be recovered as pass through from the consumers/beneficiaries.

4.11.2 Under recovery or over recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income tax assessment under the Income Tax Act 1961 as certified by the Statutory Auditors.

Provided that tax on income from business other than the Core/licenced business shall not constitute a pass through component in tariff and the tax on such income shall be borne by the Generating Company or the Licensees as the case may be.

The benefits of any income tax holiday, credit for unabsorbed losses or unabsorbed depreciation shall be taken into account in calculation of the income tax liability of the generating station of the Generating Company or of the Licensed business;

Provided also that where such benefits cannot be directly attributed to a generating station, they shall be allocated across the generating stations of a Generating Company in the proportion of the generating station-wise profit before tax.

#### 4.12 The principles of sharing of gains or losses between the Generating Companies /Licensees and the Consumers

##### 4.12.1 On Capital Account-

- (a) Savings in interest during construction on early completion of the project, use of efficient technology, improved financing plan and such other matters -

Such savings may be shared equally between the Generating Companies/Licensees and the Consumers after a suitable time lag if the Commission so directs. However, in case of delay due to the factors not controllable by Generating Companies or Licensees then the Commission on the merit of the case may approve the same. Otherwise, if Commission disapproves, the additional cost is to be borne by the Generating Companies or Licensees.

- (b) Incentive for completion of hydro electric power Generating Stations ahead of schedule - In case of commissioning of a hydro electric power generating station or part thereof ahead of schedule, the Generating Companies or Licensees shall become eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on commissioning ahead of the schedule. The incentive shall be recovered through tariff in twelve equal monthly installments during the first year of operation of the Generating Station. In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalized for determination of tariff, unless the delay is on account of natural calamities or geological surprises.

#### 4.12.2 On Revenue Account-

- (a) Savings arising out of swapping of foreign debt and equity-

The Commission will allow such swapping only if it proves to be beneficial in terms of cost and the benefits are to be passed on to the consumers/beneficiaries through tariff. However, the related cost will also be allowed as an allowable expenditure in determination of tariff.

- (b) Savings arising out of restructuring of capital cost in terms of debt equity ratio during the tariff period-

The resultant savings are to be mostly passed on to the consumers/beneficiaries, but the Generating Company or Licensee is also to be incentivised by the commission in its tariff order.

- (c) Sharing of excess profit over clear profit:

Targets fixed by the Commission are always to be treated as a minimum standard and the Generating Company/ Licensee is always encouraged to achieve better performance.

If actual 'clear profit' for the year exceeds the sum of permitted return and other allowances, the resultant excess profit shall be allowed to be shared equally between the consumers and the Generating Company/ Licensee.

"Clear profit" means the difference between the total amount of income and relevant portion of income from other business to the extent specified in these Regulations minus reasonable entitled expenditure and special allocations properly incurred on the business relating to electricity or for other business to the extent specified in these Regulations.

- (d) Sharing of benefit from trading:

Income from trading reduced by expenses relating to such trading shall be treated as trading profit and shall be shared equally between the Licensee and the consumers after 5 years. In the intervening period, the utilization of such trading profit will be decided upon by the Commission, as the latter may deem fit and proper.

**CHAPTER 5****Miscellaneous**

5.1 If any tariff petitioner fails to submit any information required to be submitted by these Regulations the Commission, at its sole discretion, shall apply its best judgement to arrive at its own conclusion regarding such missing information based on prevailing norms and/or other available data, etc. and based on such methods as it may deem fit.

5.2 (a) The Commission may at its sole discretion fix suitable norms/limits for any or all the items of expenses.

(b) The Commission may, at any time, at its sole discretion, vary, alter, modify, add or amend any provision of these Regulations.

5.3 If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, on reasons to be recorded in writing, direct any person including a Licensee either by a general or a special order, to take suitable action(s) not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

5.4 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Commission.

**5.5 Repeal:**

The West Bengal Electricity Regulatory Commission (Tariff) Regulations, 2003 issued under Notification No. 18/WBERC dated 9th June, 2004, published in the *Kolkata Gazette, Extraordinary* on 15th June, 2004 and Chapter-III, Schedule-III with Annexure I together with Forms A to E, Annexure 2, Annexure 3, Annexure 4 (i) to 4(xi), Annexure 5(i) to 5(x) and Annexure 6 of The West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2003 issued under Notification No. 12/WBERC dated 12th November, 2003, published in the *Kolkata Gazette, Extraordinary* on 1st March, 2004 are hereby repealed. Notwithstanding such repeal, anything done or any action already taken under the repealed regulations, shall in so far as it is not inconsistent with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005, be deemed to have been done or taken under the corresponding provisions of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005.

**SCHEDULE 1**

[See Regulations 2.2.3, 2.6.1, 2.6.1.3.1(Proviso) & 2.6.1.3.3 ]

**Principles, terms and conditions for determination of tariff along with their application for Generating Company****1. Applicability**

1.1 The provisions specified in this Schedule 1 shall apply in determining the tariff for supply of electricity to a Distribution Licensee from conventional sources of generation.

1.2 The Commission shall be guided by the terms and conditions contained in this Schedule in determining the tariff for supply of electricity by a Generating Company to a Distribution Licensee in the following cases:

- (a) Where such tariff is pursuant to a power purchase agreement or arrangement entered into subsequent to the date of notification of these Regulations; or
- (b) Where such tariff is pursuant to a power purchase agreement or arrangement entered into prior to the date of notification of these Regulations and the Commission has not previously approved of such agreement/ arrangement or adopted the tariff contained therein; or
- (c) Where such tariff is pursuant to a power purchase agreement or arrangement which is the subject of a review by the Commission under these regulations; or
- (d) Where the Distribution Licensee is engaged in the business of generation of electricity, in determining the cost at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business.

1.3 Notwithstanding anything contained in this Schedule 1, the Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

**2. Tariff determination**

2.1 Tariff in respect of a generating station under these Regulations shall be determined stage-wise, unit-wise or for the whole generating station. The terms and conditions for determination of tariff for generating stations specified in this Schedule shall apply in like manner to stages or units, as the case may be, as to generating stations.

2.2 Where the tariff is being determined for stage or unit of a generating station, the Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all stages or units, as the case may be:

Provided that the Generating Company shall maintain an Allocation Statement providing the basis for allocation of such costs and submit such statement to the Commission along with the application for determination of tariff under these Regulations.

2.3 In relation to multi-purpose hydroelectric projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the project only shall be considered for determination of tariff.

**3. Components of tariff**

3.1 Tariff for sale of electricity from a thermal power generating station shall comprise of two parts, namely, the recovery of annual fixed charges and energy (variable) charges.

3.2 Tariff for sale of electricity from a hydro power generating station shall comprise of two-parts, namely, recovery of annual capacity (fixed) charges and annual primary energy charges. Annual energy charges will be equivalent to the sum of annual fixed/capacity charges and annual Primary energy charges.

3.3 The Annual fixed/capacity charges of a thermal generating station or of a hydro power generating station, as the case may be, shall consist of recovery of the following:

- (a) Return on equity capital;
- (b) Income-tax;
- (c) Financing cost;
- (d) Depreciation, including advance against depreciation, and amortization of intangible assets;
- (e) Operation and maintenance expenses (excluding cost of water, lubricants, consumables and station supplies in case of hydro generating stations);

- (f) Interest on working capital;
- (g) Insurance premium payable;
- (h) Contribution to reserve for unforeseen exigencies;
- (i) Variation in foreign exchange rate to the extent not recognized as interest;
- (j) Other allowances, if any;
- (k) Effect of rebate/surcharge and
- (l) Less other income.

3.4 The energy (variable) charges, in case of thermal generating station, shall cover fuel cost and shall be computed as specified in these Regulations.

3.5 The primary energy charges, in case of hydro generating station, shall be the operating expenses like cost of water, lubricants, consumables and station supplies and shall be computed as specified in these Regulations.

#### **4. Capital cost and additional capital cost**

4.1 The capital cost of the generating company shall be worked out in accordance with the provisions of these regulations.

4.2 Capital cost of hydro generating stations including the complete hydro generating facility covering all components such as dam, intake, water conductor system, power generating stations and generating units of the scheme as apportioned to power generation, shall be determined in accordance with these Regulations.

#### **5. Sale of infirm power**

5.1 Any revenue earned by the generating company from the sale of infirm power shall be taken as reduction in capital cost as provided in these Regulations.

#### **6. Norms for operation**

6.1 The Commission shall specify norms for operation in due course. Till such date, subject to prudence check, the Commission may fix criteria for determination of tariff.

#### **7. SLDC/RLDC and transmission charges**

7.1 SLDC/ RLDC charges and Transmission charges payable by the licensees as determined by the Commission shall be considered as expenses. SLDC/RLDC and transmission charges paid for the energy sold outside the State shall not be considered as expenses for determining generation tariff.

#### **8. Other income**

8.1 Income except income from sale of electricity is to be considered as other income. The same, however, includes net UI charges receivable on actual basis for the previous year. However, after adjusting payable UI charges with receivable UI charges, if there is a net amount payable, at the end of the previous year, such net payable charges will not be considered as an expense for computing aggregate revenue requirement.

#### **9. Computation of annual fixed charges and energy (variable) charges for thermal generating stations and annual energy charges for hydro generating stations**

9.1 Computation of annual fixed charges and energy (variable) charges for thermal generating stations:

9.1.1 The total annual fixed charges of a Generating Company consisting the elements specified in these Regulations shall be worked out on the basis of the principles outlined in accordance with these Regulations.

##### **9.1.2 Recovery of fixed charges**

9.1.2.1 Full annual fixed charges shall be recoverable on the basis of ex-bus sent out energy in a year till ABT is introduced in intra-State system.

9.1.2.2 The mode of recovery of annual fixed charges in a month shall be decided upon by the Commission in the tariff orders.

##### **9.1.3 Energy (variable) charges**

9.1.3.1 The energy charges shall cover fuel costs and shall be computed as follows:

The Energy (variable) Charges shall be worked out on the basis of ex-bus energy sent out from the generating station as under till ABT is introduced in the intra-State systems:

Energy Charges (Rs) = Rate of Energy Charges in Rs/kWh  $\times$  Energy delivered (ex-bus) for the month in kWh.

Where,

Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for one kWh of ex-bus energy sent-out corresponding to generation and shall be computed as under:

$$\text{REC} = \frac{100\{P_p \times (Q_p)_n + P_s \times (Q_s)_n\}}{\{100 - (\text{AUX})_n\}} \text{ (Rs/kWh)}$$

where,

$P_p$  = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs./kg or Rs./cubic metre or Rs./litre, as the case may be;

$(Q_p)_n$  = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or cubic metre or litre, as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and useful heat value of coal/lignite or gas or liquid fuel as fired;

$P_s$  = Landed cost of Secondary fuel oil in Rs./ml;

$(Q_s)_n$  = Normative quantity of secondary fuel oil in ml/kWh as per these Regulations;

$\text{AUX}_n$  = Normative auxiliary energy consumption as percentage of gross generation as per these Regulations.

9.1.3.2 Adjustment of rate of energy charge (REC) on account of variations in price or heat value of fuels (within the grade wise declared range) will be made half yearly based on submission of audited data subject to final certification of statutory auditor.

#### 9.1.3.3 Landed cost of fuel

The landed cost of fuel shall include price of fuel corresponding to the grade/quality of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail/road/ocean/pipeline or any other means, and, for the purpose of calculation of energy charges, shall be arrived at after considering transit and handling losses at 1.5% on the quantity of coal dispatched by the fuel supplier. However, within a span of five years, the ceiling of 1.5% will be brought down to 1% in a phased manner.

### 9.2. Computation of annual energy charges for hydro power generating stations

9.2.1 The two-part tariff for sale of electricity from a hydro power generation station shall comprise a recovery of annual capacity (fixed) charges and primary energy charges.

9.2.2 Annual capacity (fixed) charges and annual primary energy charges shall be worked out as already specified in these Regulations.

9.2.3 Energy charges per kWh (energy rate) shall be arrived at as below:

$$\text{Energy rate} = \frac{\text{Annual Capacity (Fixed) Charges} + \text{Annual Primary Energy Charges}}{\text{Saleable Energy}}$$

## 10. Incentive

### 10.1 Thermal generating stations

10.1.1 Incentive in addition to applicable rate shall be payable at a flat rate of 25.0 paise/kWh for ex-bus scheduled energy generated in excess of ex-bus energy corresponding to target Plant Load Factor in consonance with demand pattern of the beneficiary, calculated on annual basis.

### 10.2 Hydro power generating stations

10.2.1 Incentive for hydro power generating station shall be payable at a rate to be determined by the Commission in its tariff order till the introduction of Availability Based Tariff.

10.2.2 After introduction of Availability Based Tariff incentive shall be payable in case of all generating stations, including in case of new generating stations in the first year of operation, when the capacity index ( $C_1$ ) exceeds 90 per cent for purely run-of-river power generating stations and 85 per cent for run-of-river power station with pondage or storage type power generating stations and incentive shall accrue up to a maximum capacity index of 100 per cent.



10.2.3 Incentive shall be payable to the generating company in accordance with the following formula:

$$\text{Incentive} = 0.65 \times \text{Annual Fixed Charge} \times (\text{CI}_A - \text{CI}_N) / 100$$

(If incentive is negative, it shall be set to zero.)

Where,  $\text{CI}_A$  is the capacity index achieved and  $\text{CI}_N$  is the normative capacity index whose values are 90 per cent for purely run of the river hydro power generating stations and 85 per cent for pondage/storage type hydro power generating stations.

10.2.4 Incentive for completion of hydroelectric power generating stations ahead of schedule is to be determined as methodology for sharing of benefits specified in this Regulation.

#### 11. Rebate

11.1 For payment of bills of fixed charges and energy charges through a letter of credit on presentation, the Generating Company and Distribution Licensee shall mutually agree to a maximum rebate of 2 per cent of the bill amount. If the payments are made through instruments other than Letter of Credit but within one week of presentation of the bill, the Generating Company and Distribution Licensee shall mutually agree to a maximum rebate of 1.25 per cent of the bill amount.

#### 12. Late payment surcharge

12.1 In case the payment of fixed/capacity charges and energy charges by the beneficiary is delayed, beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25 per cent per month on the billed amount or prorated for part thereof shall be allowed to be levied by the Generating Company or Licensee for the defaulted period reckoning from the due date.

#### 13. Billing and payment of charges

13.1 Billing and payment of charges shall be done on a monthly basis.

## SCHEDULE 2

[See Regulations 2.2.3, 2.6.1.1.2 & 2.6.1.2.1]

**Principles, terms and conditions for  
purchase and procurement of electricity**

**1. Applicability**

1.1 The Regulations contained in this Schedule shall apply to electricity purchase and procurement by a Distribution Licensee from a Generating Company or Licensee or from any other source through agreement or arrangement for purchase of power for distribution and supply within the State.

**2. Power procurement guidelines**

2.1 A Distribution Licensee shall follow the guidelines with respect to procurement of power under any arrangement or agreement.

**3. Power procurement plan**

3.1 The Distribution Licensee shall prepare an annual plan for procurement of power to serve the demand for electricity in his area of supply and submit such plan along with the application for tariff to the Commission.

3.2 The power procurement plan of the Distribution Licensee shall comprise the following:

- (a) A quantitative forecast of the unconstrained demand for electricity, within his area of supply, from each tariff category over the plan period;
- (b) An estimate of the quantities of electricity supply from the approved sources of generation and power purchase;
- (c) Standards to be maintained with regard to supply of power, in accordance with the Standards of Performance Regulations;
- (d) Measures proposed to be implemented as regards energy conservation and energy efficiency;
- (e) The requirement for new sources of power generation and/or procurement, including augmentation of generation capacity and identified new sources of supply, based on (a) to (d) above;
- (f) The plan for procurement of power including quantities and cost estimates for such procurement along with any additional transmission costs, open access and other charges, which may be incidental to such procurement;

Provided that the forecast/estimate contained in the procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power procured (in millions of units of electricity);

Provided also that the plan shall be a least cost plan based on available information regarding costs of various sources of supply.

*Explanation.*—For the purpose of this Regulation, the terms “peak period” and “off peak period” shall mean such block of hours during a twenty-four (24) hour period as specified in Regulation 3.1.1.

3.3 The forecasts/estimates shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:

Provided that the forecasts/estimates shall take into account factors such as overall economic growth, consumption growth of electricity-intensive sectors, advent of competition in the electricity industry, trends in captive power, impact of loss reduction initiatives, TOD metering, demand side management and improvement in generating station, if any, plant load factors in its own generating stations and other relevant factors.

3.4 Where the Commission may stipulate a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from cogeneration, non-conventional and renewable sources of energy, the power procurement plan of such Distribution Licensee shall include the plan for procurement from such sources in accordance with the percentage specified/to be specified by the Commission.

3.5 The Commission shall ensure that power procurement plan submitted by the Distribution Licensee is in consistency with the transmission system plan for the intra-State transmission system, taking into account the Open Access use.

3.6 The Commission may, if it so deems, on suo moto modify the procurement plan of the Distribution Licensee and determine tariff accordingly.

**4. Approval of power purchase agreement/arrangement**

4.1 Every agreement or arrangement for power procurement by a Distribution Licensee from a Generating Company or Licensee or from other source of supply entered into after the date of notification of these Regulations shall come into

effect only with the prior approval of the Commission, subject to the provisions of paragraphs 4.4, 4.5 and 4.6 herein below:

Provided that the prior approval of the Commission shall be required in accordance with this Regulation in respect of any agreement or arrangement for procurement of electricity by the Distribution Licensee from a Generating Company or Licensee or from any other source of supply on a standby basis:

Provided further that the prior approval of the Commission shall also be required in accordance with this Regulation for any change to an existing arrangement or agreement for power procurement, whether or not the Commission approved such existing arrangement or agreement.

4.2 The Commission shall review an application for approval of power purchase agreement/arrangement for a period exceeding one year having regard to the following factors:

- (a) Requirement for power procurement;
- (b) Adherence to a transparent process of bidding in accordance with guidelines issued by the Central Government;
- (c) Adherence to the generating cost determined by the Commission for the power generated by the generating stations of the licensees in accordance with these Regulations;
- (d) Adherence to the tariff determined by the Central Electricity Regulatory Commission for the purchase of power from Central Generating Company;
- (e) Adherence to the approved tariff for purchase of energy from international sources;
- (f) Adherence to approved power purchase agreement for purchase of power from Independent Power Producers (IPP);
- (g) Adherence to policy approved by the Commission for purchase of power from captive and non-conventional sources;
- (h) Availability (or expected availability) of capacity in the intra-State transmission system for evacuation and supply of power procured under the agreement/arrangement;
- (i) Need to promote cogeneration and generation of electricity from renewable sources of energy.

4.3 The Distribution Licensee shall undertake his power procurement during the year in accordance with the order for such year approved by the Commission in accordance with these Regulations.

4.4 Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission where the tariff for power procured under such arrangement or agreement is determined in accordance with—

- (a) a transparent process of bidding in accordance with guidelines issued by the Central Government; or
- (b) the principles of merit order schedule and dispatch, based on a ranking of all available sources of supply by that time.

4.5 Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces his approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.

4.6 The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure.

4.7 Within one month from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified in this Regulation have been complied with:

Provided that where the Commission has reasonable grounds to believe that the arrangement or agreement entered into by the Distribution Licensee does not meet the criteria specified in these regulations, the Commission may disallow any increase in the total cost of power procurement (net of additional revenue) over the approved level arising there from or any loss incurred by the Distribution Licensee as a result, from being passed through to consumers as an adjustment in tariffs.

## SCHEDULE 3

[See Regulations 2.2.3 & 2.6.2.2(a)]

**Principles, terms and conditions for determination of tariff  
for Transmission Licensee**

**1. Applicability**

1.1 The Regulations contained in this Schedule shall apply in determining tariffs for access to and use of the intra-State transmission system of a Transmission Licensee pursuant to a Bulk Power Transmission Agreement or other arrangement entered into with a Transmission System User on or after the date of notification of these Regulations.

1.2 The Commission shall be guided by the terms and conditions contained in this Schedule in specifying the rates, charges, terms and conditions for use of intervening transmission facilities pursuant to an application made in this regard by a Licensee under the proviso to section 36(1) of the Act.

**2. Norms of Operation**

2.1 The norms of operation of transmission system subject to modification thereof from time to time shall be as decided by the Commission.

**3. Components of tariff**

3.1 The transmission charges for access to and use of the intra-State transmission system of a Transmission Licensee shall comprise the following:

- (a) Transmission system access charges; and
- (b) Annual transmission charges.

**3.2 Transmission system access charges**

3.2.1 Any person who is eligible to apply for access to the intra-State transmission system of a Transmission Licensee shall be entitled to obtain such access in accordance with the Open Access Regulations and shall be liable to pay the charges for obtaining such access as determined by the Commission.

*Explanation.*—For the purpose of this Regulation, such person who, being eligible for transmission open access, has applied for allocation of transmission capacity rights and has agreed to the carrying out of works for obtaining such access shall hereinafter be referred to as the “intending Transmission System User”, and may include an existing Transmission System User in respect of any increase in allocated transmission capacity rights applied for by such existing user.

3.2.2 Where the access of the intending Transmission System User to the intra-State transmission system entails works of transmission lines or other transmission assets dedicated to such user, the Transmission Licensee shall be entitled to recover, through the transmission system access charges, all expenses reasonably incurred on such works for providing access to such intending Transmission System User.

3.2.3 Where the access of the intending Transmission System User entails other works, not covered under these Regulations, relating to the intra-State transmission system, the Transmission Licensee shall recover the expenses relating to such works through annual transmission charges, in accordance with these Regulations.

3.2.4 The works for providing access to the intra-State transmission system shall be maintained by the Transmission Licensee for the duration of the Bulk Power Transmission Agreement between the Transmission Licensee and the Transmission System User.

3.2.5 The Open Access charge for transmission system shall be recovered as may be decided by the Commission.

3.2.6 Any dispute between the Transmission Licensee and the intending Transmission System User with regard to the works to be carried out to give access to the intending Transmission System User or with regard to the transmission system access charges shall be referred to the Commission for determination.

**3.3 Annual transmission charges**

3.3.1 The monthly transmission charges payable by the licensees or the other open access customers shall be based on the capacity allocated to each beneficiary and the annual transmission charges on the basis of net total capacity utilisation, or on the basis of target availability as determined by the Commission and shall provide for the recovery of the gross aggregate revenue requirement of the Transmission Licensee for the financial year, as reduced by the amount of non-tariff

income and income from other business, as approved by the Commission and comprising the following:

Gross aggregate revenue requirement:

- (a) Return on equity;
- (b) Income-tax;
- (c) Financing cost;
- (d) Depreciation, including advance against depreciation, and amortization of intangible assets;
- (e) Operation and maintenance expenses;
- (f) Interest on working capital and deposits from Transmission System Users;
- (g) Insurance premium payable;
- (h) Contribution to reserve for unforeseen exigencies;
- (i) Variation in foreign exchange rate to the extent not recognized as interest;
- (j) Other allowances, if any; and
- (k) Effect of rebate/ surcharge.

Annual transmission charges = Gross aggregate revenue requirement, as above, minus:

- (i) Non-tariff income; and
- (ii) Income from other business, to extent of portion to be passed on to the beneficiaries as decided by the Commission.

3.3.2 The annual transmission charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of tariff made by the Transmission Licensee in accordance with these Regulations.

#### 4. Non-tariff income

4.1 Non-tariff income shall include but not limited to:

- (a) Reactive energy charges and transmission charges received from Central Transmission Utility for use of facilities of licensee/State Transmission Utility,
- (b) Any general receipts in terms of Act/Regulations, all other general receipts arising from and ancillary or incidental to the transmission business.

4.2 The amount of non-tariff income relating to the Transmission Business as approved by the Commission shall be deducted from the gross aggregate revenue requirement in determining the annual transmission charges of the Transmission Licensee.

4.3 The Transmission Licensee shall submit full details of his estimate of non-tariff income to the Commission in accordance with the form specified in these Regulations.

#### 5. Income from other business

5.1 Where the Transmission Licensee has engaged in any other business for optimum utilisation of assets, an amount equal to one-third of the revenues from such other business after deduction of all direct and indirect costs attributed to such other business shall be deducted from the gross aggregate revenue requirement in calculating the annual transmission charges of the Transmission Licensee:

Provided that the Transmission Licensee shall follow a reasonable basis for allocation of all joint and common costs between the transmission business and the other business and shall submit the Allocation Statement to the Commission along with his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such other business exceed the revenues from such other business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the Transmission Licensee on account of such other business.

#### 6. Allocation of annual transmission charges

6.1 The Transmission System Users shall share in the aggregate revenue requirement of the intra-State transmission system of the Transmission Licensee in such proportion as the transmission capacity allocated to each Transmission System User bears to the total transmission capacity allotted in the intra-State transmission system:

6.2 The annual transmission charge (Aggregate Revenue Requirement) recoverable by a Transmission Licensee shall be computed in accordance with the following equation:

$$ATC = [\text{Gross ARR} - \text{NTI} - \text{OI}]$$

where ATC = Annual Transmission Charges

Gross ARR = Gross Aggregate Revenue Requirement of the Transmission Licensee as specified in these Regulations.

NTI = Approved level of non-tariff income

OI = Approved level of income from Other Business

6.3 Annual transmission charges shall be recovered monthly. However, the short term and temporary open access customers shall pay transmission charges on a daily basis as laid down in the West Bengal Electricity Regulatory Commission (Terms and Conditions for Open Access-Schedule of Charges, Fees and Formats for Open Access) Regulation, 2005.

#### 7. Allocation of transmission losses

7.1 The allocable transmission loss for the transmission and associated systems will be in accordance with the provisions of Open Access Regulations.

#### 8. Unbundling transmission charges

8.1 The transmission licensee/State Transmission Utility shall maintain separate function wise accounts for transmission system and Load Dispatch Centre.

8.2 The tariff for the transmission services shall be unbundled to reflect the cost of various activities associated with provision of transmission service once the data as per the above are made available.

The components of transmission tariff are:

##### (a) Charges for use of network

This component of transmission tariff shall be reflecting cost of capital investment in and maintenance and operation of, a transmission system to transfer bulk power to and from different locations. The revenue from this component of transmission tariff will meet the Aggregate Revenue Requirement of transmission entity in respect of owning the transmission asset.

##### (b) System operation charges

This component of transmission tariff shall reflect the cost associated with operating the load dispatch center. The cost, among other things, shall include the cost of owning and maintaining load dispatch center, scheduling, real time operation of the grid and the cost for discharging the responsibility under section 32(2) of the Act. This system operation charges shall be charged in addition to SLDC charges to users of such services, based on total energy transacted.

##### (c) Reactive power charges

This component of transmission charges would be a variable charge reflecting voltage related drawal of reactive power. Reactive power drawals by beneficiaries are to be priced as follows:

- (i) The beneficiary pays for reactive power drawal when voltage at the metering point is below 97%
- (ii) The beneficiary gets paid for reactive power return when voltage is below 97%
- (iii) The beneficiary gets paid for reactive power drawal when voltage is above 103%
- (iv) The beneficiary pays for reactive power return when voltage is above 103%
- (v) The charges for reactive energy shall be as determined by the Commission from time to time as specified in the Open Access Regulations.

#### 9. Incentive

9.1 The Transmission Licensee shall be entitled to earn incentive @ 0.5% of equity for each percentage point of increase in annual availability beyond the target availability prescribed in these Regulations in accordance with the following formula:

$$\text{Incentive} = 0.005 \times \text{Equity} \times (\text{Annual Availability achieved} - \text{Target availability})$$

The long-term customers in the ratio of their average allotted capacity shall share the incentive.

#### 10. Rebate

10.1 For payment of bills of transmission charge through Letter of Credit on presentation, Transmission Licensee may agree to allow a rebate of 2%. Where payments are made within a period of one month of presentation of bills by the Transmission Licensee, the Transmission Licensee may agree to allow a rebate of 1%.

#### 11. Late payment surcharge

11.1 In case the payment of bills of the transmission charges by the beneficiary or beneficiaries is delayed beyond a period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month or prorated for part thereof shall be levied by the Transmission Licensee for the defaulted period reckoning from the due date.

#### 12. Transmission charges for open access

12.1 In accordance with Open Access Regulations, the State Transmission Utility/Transmission Licensee shall provide non-discriminatory open access for use by other Licensee, Generating Company or any consumer on payment of transmission charges.

12.2 Transmission charges will represent charges for conveyance of electricity on transmission line and associated systems of Transmission Licensee(s).

12.3 Transmission charges and other charges shall be payable by an open access customer in accordance with the WBERC (Terms and Conditions for Open Access – Schedule of Charges, Fees and Formats for Open Access) Regulations, 2005.

#### 13. Metering and accounting for open access customers:

13.1 Metering and accounting for open access customers shall be in accordance with the WBERC (Terms and Conditions for Open Access) Regulations, 2005.

## SCHEDULE 4

[See Regulations 2.2.3 &amp; 2.6.2.2(b)]

**Principles, terms and conditions for determination of tariff  
for wheeling of electricity.****1. Applicability**

- 1.1 Every Distribution Licensee shall make a separate application for determination of tariff for—
- (a) Wheeling of electricity;
  - (b) Sale of electricity:

Provided that every Distribution Licensee shall maintain separate records for the Distribution Business and shall prepare and submit an Allocation Statement in accordance with the format prescribed in these Regulations.

- 1.2 The Regulations contained in this Schedule shall apply in determining tariff payable for wheeling of electricity by a Distribution System User who has been allowed open access to the distribution system of a Distribution Licensee in accordance with the Open Access Regulations:

Provided however that own consumers of the Distribution Licensee shall not be required to pay any tariff under this Part.

**2. Components of tariff**

- 2.1 The wheeling charges of the Distribution Licensee shall provide for the recovery of the gross aggregate revenue requirement relating to the Distribution Business of the Distribution Licensee for the financial year, as reduced by the amount of non-tariff income, expenses incidental to selling and distribution of energy and income from Other Business and shall comprise the following:

Gross aggregate revenue requirement:

- (a) Return on equity;
- (b) Income-tax;
- (c) Financing cost;
- (d) Depreciation, including advance against depreciation and amortization of intangible assets;
- (e) Operation and maintenance expenses;
- (f) Interest on working capital and deposits from consumers and Distribution System Users;
- (g) Insurance premium payable;
- (h) Contribution to reserve for unforeseen exigencies;
- (i) Variation in foreign exchange rate to the extent not recognized as interest;
- (j) Other allowances, if any; and
- (k) Effect of rebate/ surcharge.

**Wheeling charges = Gross aggregate revenue requirement, as above, minus**

- (1) Non-tariff income;
- (2) Expenses incidental to selling and distribution of energy, viz. billing, collection etc.
- (3) Income from Other Business, to extent specified in these Regulations;
- (4) Net receivable UI charges for the previous year, if any.

- 2.2 The wheeling charges of the Distribution Licensee shall be determined by the Commission on the basis of an application for determination of tariff made by the Distribution Licensee in accordance with these Regulations.

**3. Calculation of aggregate revenue requirement**

- 3.1 Aggregate revenue requirement is to be calculated in accordance with the prescribed procedure specified in these Regulations for Distribution Licensee.

**4. Non-tariff income**

- 4.1 The amount of non-tariff income relating to the Distribution Business as approved by the Commission shall be deducted from the gross aggregate revenue requirement in determining the wheeling charges of the Distribution Licensee.



4.2 Distribution Licensee shall submit full details of his forecast of non-tariff income to the Commission along with his application for determination of tariff.

#### 5. Income from other business

5.1 Where the Distribution Licensee has engaged in any other business for optimum utilisation of his assets, an amount equal to one-third of the revenues from such other business after deduction of all direct and indirect costs attributed to such other business shall be deducted from the gross aggregate revenue requirement in determining the wheeling charges of the Distribution Licensee:

Provided that the Distribution Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the other business and shall submit the Allocation Statement to the Commission along with his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such Other Business exceed the revenues from such other business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the Distribution Licensee on account of such other business.

#### 6. Allocation of wheeling charges

6.1 The Commission shall specify the wheeling charges of the Distribution Licensee in its Order passed under subsection (3) of section 64 of the Act and shall be on the basis of quantum of energy wheeled including sales to own consumers.

#### 7. Distribution losses

7.1 Distribution loss for open access customers shall be in accordance with WBERC (Terms and Conditions for Open Access) Regulations, 2005.

#### 8. Wheeling charges

8.1 The Distribution Licensee shall provide open access to any consumer within the area of the supply on payment of wheeling charges, other charges and applicable surcharges in accordance with West Bengal Electricity Regulatory Commission (Terms and Conditions for Open Access—Schedule of Charges, Fees and Formats for Open Access) Regulations, 2005, and the West Bengal Electricity Regulatory Commission (Phasing for Open Access in Distribution/Sale of Electricity) Regulations, 2004.

8.2 The wheeling charges will represent the charges for the use of distribution systems or associated facilities of a distribution Licensee for conveyance of electricity on distribution systems and associated systems and will be derived based on distribution network cost, units salable by the licensee to the consumers and units wheeled by the all Open access customers in the network and as may be determined on these basis by the Commission from time to time.

8.3 All items of revenue requirement of the Distribution Licensee excluding generation cost and cost of power purchase as specified in these Regulations shall be the cost of Distribution Licensee for the purpose of wheeling.

8.4 The wheeling charges shall be computed taking into account the projected units sold and wheeled through Distribution Licensee's network and within the ensuing tariff period.

#### 9. Cross subsidy surcharge

9.1 Till such time the cross subsidy is eliminated, the open access consumer shall pay cross subsidy surcharge in addition to the wheeling charges in accordance with the WBERC (Terms and Conditions for Open Access) Regulations, 2005.

9.2 Principle for computing the cross subsidy surcharge.

9.2.1 The cross subsidy surcharge collected shall be utilized to meet the current level of cross subsidy.

9.2.2 Cross subsidy surcharge shall be the difference between tariff applicable for the category of consumers being allowed open access and the cost avoided (per unit) by the licensee in this regard. For the purpose of this Regulation, avoided cost shall be computed in accordance with Regulation 14.1 of the WBERC (Terms and Conditions for Open Access) Regulations, 2005 in the following manner in seriatim:

- (a) Weighted average of unit cost of pooled power purchase variable cost and own generation fuel cost (sent out), if any, is to be arrived at;
- (b) The weighted average cost as arrived at (a) above is to be divided by  $(100 - \text{T\&D loss})$  in percent as allocable for the relevant open access case;

- (c) The relevant cost per unit so arrived at (b) is to be added to the wheeling charge per unit as applicable to the relevant open access case shall be the cost avoided per unit.

Where the power purchase cost is in single part, the separation of fixed cost and variable cost will be as per the decision of the Commission.

9.2.3 The amount of such cross subsidy surcharge shall be reduced and eliminated in the same manner as will be laid down for reduction and elimination of cross subsidies.

9.2.4 The amount of such cross subsidy surcharge shall be fixed by the Commission from time to time keeping in view the projected admitted cost of the licensee for the relevant period.

9.2.5 No cross subsidy surcharge shall be levied in case open access is provided to a person for carrying the electricity produced in a Captive Power Plant to the destination of his own use subject to the provisions specified in the WBERC (Terms and Conditions for Open Access) Regulations, 2005.

#### **10. Additional surcharge**

10.1 When the Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the Distribution Licensee of his area of supply, such consumer shall pay additional surcharge to meet the fixed charges in accordance with the WBERC (Terms and Conditions for Open Access) Regulations, 2005.

10.2 A consumer availing open access and receiving supply of electricity from a person other than a Distribution Licensee of his area of supply, shall pay the Distribution Licensee an additional surcharge, in addition to any other charges including wheeling charges and surcharge(s) to meet the fixed cost of such Distribution Licensee arising out of his obligation to supply, in accordance with sub-section 4 of section 42 of the Electricity Act, 2003.

10.3 The Commission shall fix the amount of additional surcharge through individual orders in a case specific manner keeping in view the amount of fixed cost as has been allowed by the Commission to such Distribution Licensee towards his distribution business from year to year basis.

10.4 The additional surcharge shall be decided and leviable for such period as the Commission may determine, keeping in view, inter-alia, sales growth.

#### **11. Manners of recovering surcharges from open access customers**

- (a) The surcharge(s) to be recovered from open access customers shall be such charge as will be fixed by the Commission from time to time in line with these Regulations.
- (b) The open access customers within the State who are exclusively availing Inter State transmission system shall also pay applicable surcharge(s), to the extent applicable.
- (c) The surcharge(s) shall be payable to the concerned Distribution Licensee of the area of supply where the open access customer's point of drawal of power is situated/located. In case multiple licensees exist within the same area, the surcharge(s) shall be payable to the Distribution Licensee with whose network the customer point of drawal is connected/located.

## SCHEDULE 5

[See Regulations 2.2.3 &amp; 2.6.2.2(c)]

**Principles, terms and conditions for  
determination of tariff for retail sale of electricity****1. Applicability**

1.1 These Regulations shall apply for determination of tariff for sale of electricity by a Distribution Licensee to his consumers:

Provided that in case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may fix the maximum ceiling of tariff for sale of electricity and may be guided by principles contained in these Regulations in fixing such tariff.

**2. Application for determination of tariff**

2.1 The Distribution Licensee shall file application for determination of tariff for distribution of electricity along with the details for calculation required to be submitted to the Commission as specified in these Regulations

**3. Aggregate revenue requirement**

3.1 The supply tariff of a Distribution Licensee shall provide for recovery of the gross aggregate revenue requirement of the Distribution Licensee for the financial year, as reduced by the amount of non-tariff income, income from wheeling, income from other business and receipts on account of cross-subsidy surcharge and additional surcharge, as approved by the Commission and comprising the following:

Gross aggregate revenue requirement—

- (a) Return on equity;
- (b) Income-tax;
- (c) Financing Cost;
- (d) Depreciation, including advance against depreciation and amortization of intangible assets;
- (e) Cost of power generation/power purchase;
- (f) Transmission charges;
- (g) Operation and maintenance expenses;
- (h) Insurance premium payable;
- (i) Contribution to reserve for unforeseen exigencies;
- (j) Bad and Doubtful Debt limited by the ceiling specified in the Regulation 4.8.1;
- (k) Interest on working capital and on consumer security deposits;
- (l) Variation in Foreign Exchange Rate to the extent not recognized as Interest;
- (m) Permitted incentives;
- (n) Other allocations and expenses considered appropriate by the Commission; and
- (o) Effects of Rebate and surcharge.

Aggregate revenue requirement from sale of electricity = Gross aggregate revenue requirement (a to o above) less (p to v below)

- (p) Non-tariff income;
- (q) Income from wheeling of electricity;
- (r) Income from other business, to extent specified in these Regulations;
- (s) Receipts on account of cross-subsidy surcharge;
- (t) Receipts on account of additional surcharge on charges of wheeling.
- (u) Permitted benefits to be passed on to the consumers, if not dealt elsewhere.
- (v) UI charges receivable at the end of previous year.

3.2 The supply tariff of the Distribution Licensee shall be determined by the Commission on the basis of an application for determination of tariff made by the Distribution Licensee in accordance with these Regulations.

#### 4. Sales forecast

4.1.1 The Distribution Licensee shall formulate the long-term demand forecast

4.1.2 The Licensee may adopt a suitable methodology like Compounded Annual Growth Rate (CAGR) or trend analysis or any other appropriate Statistical tools to arrive at the categorywise sales for the ensuing year. Exceptional circumstances, including shift of consumers to captive generation and open access are to be suitably factored in.

4.1.3 The Licensee shall forecast annual demand and sale of electricity for different categories of consumers in his area of supply for ensuing year. Wherever different rates are proposed for different slabs of consumption, forecast for slab-wise consumption shall also be furnished.

4.1.4 The Commission shall examine the forecast for reasonableness based on growth in number of consumers and consumption of electricity in the previous years and anticipated growth in the next year and any other factor that the Commission may consider relevant and approve sale of electricity to consumers with such modification as deemed fit.

4.1.5 The Licensee shall also furnish the details on categorywise open access customers and the demand and energy wheeled for them. The details may be furnished separately for the supply within the area of the Distribution Licensee and to the supply outside the area of supply of the Distribution Licensee.

4.1.6 The details of bulk supply of electricity, if any to electricity traders may also be furnished.

#### 5. Transmission charges

5.1 The Distribution Licensee shall be allowed to recover transmission charges payable to a Transmission Licensee for access to and use of the intra-State transmission system of such Transmission Licensee in accordance with the tariff approved by the Commission as per Schedule 3 of these Regulations.

5.2 The Distribution Licensee shall also be allowed to recover the following expenses, at the approved level:

- (a) Charges for use of intervening transmission facilities including intra State transmission charges payable in accordance with tariff specified by any other commission;
- (b) Wheeling charges for use of the distribution system of other Distribution Licensee;
- (c) Charges for access to and use of an inter-State transmission system, in accordance with tariffs specified by the Central Commission; and
- (d) Fees and charges of the Regional Load Dispatch Center and State Load Dispatch Center, as may be specified.

#### 6. Non-tariff income

6.1 The amount of non-tariff income relating to the Distribution Business and/or the Supply Business as approved by the Commission shall be deducted from the gross aggregate revenue requirement in calculating the aggregate revenue requirement from retail sale of electricity of the Distribution Licensee:

Provided that the Distribution Licensee shall submit full details of his forecast of non-tariff income to the Commission along with his application for determination of tariff.

#### 7. Income from wheeling charges

7.1 The amount of any income from wheeling charges, calculated in accordance with Schedule 4 of these Regulations, as approved by the Commission, shall be deducted from the gross aggregate revenue requirement in calculating the aggregate revenue requirement from retail sale of electricity of the Distribution Licensee.

#### 8. Income from other business

8.1 Where the Distribution Licensee has engaged in any other business for optimum utilisation of his assets, an amount equal to one-third of the revenues from such other business after deduction of all direct and indirect costs attributed to such other business shall be deducted from the gross aggregate revenue requirement in calculating the revenue requirement from retail sale of electricity of the Distribution Licensee:

Provided that the Distribution Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the Other Business and shall submit the Allocation Statement to the Commission along with his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such Other Business exceed the revenues from such Other Business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the Distribution Licensee on account of such Other Business.

**9. Receipts on account of cross-subsidy surcharge and additional surcharge on charges of wheeling**

9.1 The amount received by the Distribution Licensee from open access customers within the area of supply of the Distribution Licensee by way of cross-subsidy surcharge, as approved by the Commission in accordance with the Open Access Regulations shall be deducted from the gross aggregate revenue requirement in calculating the aggregate revenue requirement from retail sale of electricity of such Distribution Licensee.

9.2 The amount received by the Distribution Licensee by way of additional surcharge on charges of wheeling, from open access customers, as approved by the Commission in accordance with the Open Access Regulations shall be deducted from the gross aggregate revenue requirement in calculating the revenue requirement from retail sale of electricity of such Distribution Licensee.

9.3 Separate statement of actual receipt of above surcharge in the previous year has to be submitted along with the tariff petition.

**10. Distribution losses**

10.1 The Distribution Licensee shall be allowed to recover, in kind, the approved level of energy losses arising from the Supply Business. For this purpose, units sold, units wheeled and consumed in company premises in accordance with Forms specified in these Regulations may be considered.

10.2 Distribution Licensee shall furnish the T&D loss during the previous year and the proposed target for the current and ensuing years as well as for the next 4 (four) years with details of measure proposed to achieve target in each year. The Commission shall fix the target for reduction of losses in the next 4 (four) years.

10.3 The Distribution Licensee shall have proper metering arrangements for accurate measurement of transmission loss.

10.4 Appropriate sample study with the approval of the Commission shall be conducted to estimate the consumption in unmetered services so that distribution losses are estimated fairly accurate.

**11. Variation in fuel and power purchase cost**

The variation is to be dealt as per FPPCA formula specified under Schedule 7 of these Regulations.

**12. SLDC/RLDC charges**

SLDC/RLDC charges if paid separately in addition to charges for usage of Network (instead of bundled transmission charges) shall be considered as expenses in determination of tariff.

**13. Determination of tariff**

The Commission shall determine the tariff for supply of electricity by the Distribution Licensee to meet the aggregate revenue requirement after following the procedure mentioned in these Regulations.

**14. Components of tariff****14.1 Component of tariff for supply of electricity:**

- (1) The charges for the electricity supplied by the Distribution Licensee may be a single part or two-part tariff, which consist of the following:
  - (a) Demand Charges;
  - (b) Energy Charges for electricity supplied;
- (2) Rent for meter provided by the Licensee and other charges are treated as non-tariff charges and shall be determined by the Commission.

**15. Tariff income**

15.1 Income from supply of electricity to consumers shall be assessed based on the tariff applicable to different category of consumers and the quantity of electricity estimated to be sold to them.

## SCHEDULE 6

[See Regulations 2.2.3 &amp; 2.3.1]

**GRANT OF SUBSIDIES BY STATE GOVERNMENT****1. Manner for provision of subsidy by State Government**

1.1 The Commission, after determining the tariff for different categories/group of consumers of the Licensees on the basis of its aggregate revenue requirement admitted, will communicate the State Government to intimate whether it requires under section 65 of the Act, 2003, to grant any subsidy to any consumer or class of consumers in the tariff determined by the Commission.

1.2 Within 15 (fifteen) days from the date of the receipt of the communication, as stated above, the State Government shall intimate the Commission as well to the concerned Licensee, the amount of subsidy it agrees to pay, if it decides to pay any subsidy at all, with clear indication of the consumer or class of consumers to be subsidized.

1.3 The amount of subsidy so agreed by the State Government is to be paid in advance directly to the Licensee in full at the beginning of each financial year.

1.4 The amount of subsidy so received by the Licensee from the Government shall be passed on by the Licensee to the eligible consumer/class of consumers in proportion to the extent to which the total realizable revenue in terms of tariff order is paid by the Government.

1.5 The Licensee shall clearly indicate in the consumer/consumers' bill (a) the amount payable in terms of the tariff determined by the Commission; (b) the amount of State Government subsidy and (c) the net amount payable.

SCHEDULE 7  
[See Regulations 2.2.3 & 2.9.1]

**FORMULA FOR FUEL AND POWER PURCHASE COST ADJUSTMENT (FPPCA)**

Fuel and power purchase cost adjustment charge per unit of energy sold during adjustment period shall be in terms of the following formula.

$$\text{FPPCA (p/kwh)} : \left\{ \frac{(\text{FC} + \text{PPC}) - C_d - \pm A}{[(G_{\text{own}} + E_{\text{imp}}) \times (1 - L)] (-) Q} - \frac{\text{fc} + \text{ppc}}{(g_{\text{own}} + e_{\text{imp}}) \times (1 - L)} \right\} \times 100$$

- FC (Rs.)** : Fuel cost of own generation as per normative parameters fixed by the Commission or on actual basis in absence of any norm, for actual level of sales during the adjustment period. The adjustment period for fuel and power purchase cost will normally be 6 months if not otherwise decided by the commission.
- PPC (Rs.)** : Total cost incurred including the cost for fuel for power purchase from different sources for actual level of sales during the adjustment period.
- C<sub>d</sub>** : Cost disallowed by the Commission as having been incurred in breach of its economic generation/purchase obligation, or of order/direction of the Commission, if any, or for any other reason during the adjustment period and adjusted corresponding to actual level of sales.
- A (Rs.)** : Adjustment, if any, to be made in the current period to account for any excess/shortfall in recovery of fuel and power purchase cost in the past adjustment period based on directions/orders of the Commission.
- G<sub>own</sub> (kwh)** : Total energy sent out from the generating stations during the adjustment period based on normative auxiliary consumption or actual auxiliary consumption in the absence of any norm corresponding to actual level of sales.
- E<sub>imp</sub> (kwh)** : Total energy purchased at the sent out bus from different sources based on approved procurement plans during the adjustment period corresponding to actual level of sales.
- L (%)** : Normative T & D loss fixed by the Commission.
- Q (kwh)** : Quantity of temporary supply sold during the adjustment period.
- fc** : Fuel cost of own generation as allowed by the Commission in the tariff order corresponding to relevant adjustment period.
- ppc** : Power purchase cost allowed by the Commission for the relevant adjustment period in the tariff order.
- g<sub>own</sub>** : Sent out own generation as admitted in the tariff order by the Commission corresponding to the adjustment period.
- e<sub>imp</sub>** : Power purchase at sent out bus as admitted by the Commission in the tariff order corresponding to the adjustment period.

## Annexure-A

[See Regulation 4.6.2.1(ii)]

## Depreciation Schedule

Description of Assets	Useful life (Years)	Rate Calculated (w.r.t. 90%)
1	2	3
A. Land owned under full title	Infinity	—
B. Land held under lease		
(a) For investment in the land	The period of lease or the period remaining un-expired on the assignment of the lease	—
(b) For cost of clearing the site	The period of lease remaining un-expired at the date of clearing the site	—
C. Assets Purchased New:		
(a) Plant and machinery in generating stations including plant foundations		
(i) Hydro-electric	35	2.57
(ii) Steam electric NHRS & Waste Heat Recovery Boilers/plants	25	3.60
(iii) Diesel-electric and gas plant	15	6.00
(b) Cooling towers and circulating water systems	25	3.60
(c) Hydraulic Works forming Part of Hydro-electric system including:		
(i) Dams, Spillways, weirs, canals, reinforced concrete Flumes and siphons	50	1.80
(ii) Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	35	2.57
(d) Building & civil engineering works of a permanent character, not mentioned above		
(i) Offices & showrooms	50	1.80
(ii) Containing thermo-electric generating plant	25	3.60
(iii) Containing hydro-electric generating plant	35	2.57
(iv) Temporary erection such as wooden structures	5	18.00
(v) Roads other than kutchra roads	50	1.80
(vi) Others	50	1.80
(e) Transformers, transformer (kiosk) sub-station equipment & other fixed apparatus (including plant foundations)		
(i) Transformers (including foundations) having a rating of 100 kilo volt amperes and over	25	3.60
(ii) Others	25	3.60
(f) Switchgear including cable connections	25	3.60



Description of Assets	Useful life (Years)	Rate Calculated (w.r.t. 90%)
1	2	3
(g) Lightning arrestors		
(i) Station type	25	3.60
(ii) Pole type	15	6.00
(iii) Synchronous condenser	35	2.57
(h) Batteries		
(i) Underground Cable including joint boxes and disconnected boxes	35	2.57
(ii) Cable ducts system	50	1.80
(i) Overhead lines including supports:		
(i) Lines on fabricated steel operating at nominal voltages higher than 66kv	35	2.57
(ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilovolts but not exceeding 66 kilovolts	25	3.60
(iii) Lines on steel or reinforced concrete supports	25	3.60
(iv) Lines on treated wood supports	25	3.60
(j) Meters	15	6.00
(k) Self-propelled vehicles	5	18.00
(l) Air conditioning plants:		
(i) Static	15	6.00
(ii) Portable	5	18.00
(m) Office Furniture and Equipments:		
(i) Office furniture and fittings	15	6.00
(ii) Office equipments	15	6.00
(iii) Electronic Office Equipments	15	6.00
(iv) Internal wiring including fittings and apparatus	15	6.00
(v) Street light fittings	15	6.00
(n) Apparatus let on hire		
(i) Other than motors	5	18.00
(ii) Motors	15	6.00
(o) Communication equipment:		
(i) Radio and high frequency carrier system	15	6.00
(ii) Telephone lines and telephones	15	6.00
(p) Assets purchased second hand and assets not otherwise provided for in the schedule	Such reasonable period as the Commission determines in each case having regard to the nature, age and condition of the assets at the time or its acquisition by the Generating Company/Licensee	

Explanatory Note:

For this purpose all motor vehicles including dumper, dozer, etc. should include self-propelled vehicles

## List of Forms contained in Annex-1

[See Regulation 2.5.1.2, 1st Proviso, Clause(i)]

Form No.	Description of Assets
Form 1.1	Plant Availability Factor
Form 1.1(a)	Unitwise Availability Factor
Form 1.2	Plant Load Factor
Form 1.2(a)	Unitwise Plant Load Factor
Form 1.3	Gross Energy available at Generator's Terminal
Form 1.4	Stationwise Auxiliary Consumption
Form 1.5	Stationwise Energy sent out
Form 1.6	Energy Purchase
Form 1.7	T & D Loss%
Form 1.8	Aggregate Technical & Commercial (AT&C) Loss
Form 1.9	Energy Balance
Form 1.9a	Energy received for Wheeling
Form 1.9b	Export
Form 1.9c	Energy wheeled
Form 1.10	Power Purchase Cost Analysis
Form 1.11	Cost of Fuel for the ensuing year
Form 1.12	Expenditure—Station wise Cost of Energy from own Generation
Form 1.13	Expenditure—Transmission of Energy
Form 1.14	Expenditure—Distribution of Energy (High Voltage)
Form 1.15	Expenditure—Distribution of Energy (medium & Low Voltage)
Form 1.16	Expenditure—Sale of Energy
Form 1.17	Other expenses—Centrally maintained
Form 1.17a	Interest on temporary accommodation
Form 1.17b	Interest on working capital
Form 1.17c	Other finance charges
Form 1.17d	Foreign Exchange Rate Variation (FERV)
Form 1.17e	Advance Against Depreciation (AAD)
Form 1.17f	Insurance premium payable
Form 1.17g	Interest credit
Form 1.18	Original Cost of Fixed Assets
Form 1.18a	Original Cost of work-in-progress
Form 1.18b	Intangible Assets
Form 1.18c	Investments
Form 1.19	Capital Expenditure Plan for ensuing year
Form 1.20(a)	Equity Base

Form No.	Description of Assets
Form 1.20(b)	Normative Debt (Equity Part converted to Debt)
Form 1.21	Special Allocation
Form 1.22	Return on Equity
Form 1.23	Permitted Incentive for the ensuing year
Form 1.24	Benefits passed on to Consumers
Form 1.25	Receipt from Sale of Energy
Form 1.26	Other Income
Form 1.27	Wheeling Charge
Form A	Planned Repairs and Maintenance Schedule
Form B	Details of Depreciation
Form C	Statement of Loans and Calculation of Interest
Form D	Details of Actual Fuel Consumption (Plant wise)
Form E	Summarized Revenue Requirement
Form E(T)	Summarized Revenue Requirement (Transmission)

## Annex I

## Form 1.1 : Plant Availability Factor

in %

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
Station 1			
Station 2 and so on			

Note :

- (i) For any Unit or plant, PAF shall be considered for stabilised operation only i.e. without taking into account the in-firm power generation or generation during stabilisation period.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Plant Availability Factor for Peak period, Normal Period and Off-peak period are to be furnished in terms of Regulation 3.2.

\* Where actuals are not available, estimated figures are to be furnished.

## Form 1.1(a) : Unitwise Availability Factor

in %

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
Station 1			
Unit 1			
Unit 2 and so on			
Overall station 1			
Station 2			
Unit 1			
Unit 2 and so on			
Overall station 2 and so on			

- (i) For any Unit or plant, PAF shall be considered for stabilised operation only i.e. without taking into account the in-firm power generation or generation during stabilisation period.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Unit-wise Plant Availability Factor for Peak period, Normal period and Off-peak period are to be furnished in terms of Regulation 3.2.

\* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.2 : Plant Load Factor

in %

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
Station 1			
Station 2 and so on			

- (i) For any Unit or Plant, PLF shall be considered for stabilised operation only i.e. without taking into account the in-firm power generation or generation during stabilisation period.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Plant Load Factor for Peak period, Normal period and Off-peak period are to be furnished in terms of Regulation 3.2.

\* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.2(a): Unitwise Plant Load Factor

in %

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
Station 1 Unit 1 Unit 2 and so on			
Overall station 1 and so on			
Station 2 Unit 1 Unit 2 and so on			
Overall station 2 and so on			

- (i) For any Unit or Plant, PLF shall be considered for stabilised operation only i.e. without taking into account the in-firm power generation or generation during stabilisation period.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Unitwise Plant Load Factor for Peak period, Normal Period and Off-peak period are to be furnished in terms of Regulation 3.2.

\* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.3: Gross Energy available at Generators Terminal

in MU

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
<b>Stabilised Commercial Operation</b> Station 1 Station 2 and so on Overall Stabilised Operation			
<b>Stabilisation Period</b> Station 1 Station 2 and so on Overall Stabilisation Period			
<b>Pre-Commercial Operation Period</b> Station 1 Station 2 and so on Overall Pre-Commercial Operation Period			
Total			

- (i) When New Units comes into commercial operation, generation before Commercial Operation Date and generation during Stabilisation period to be separately shown. For existing stabilised Units, Gross Energy generated during stabilised Commercial Operation period only is to be submitted.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Generation for Peak period, Normal period and Off-peak period are to be furnished in terms of Regulation 3.2.

\* Where actuals are not available, estimated figures are to be furnished.

**Form 1.4 : Auxiliary Consumption**

Annex 1

in MU

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
<b>Stabilised Commercial Operation</b>			
Station 1			
Station 2 and so on			
Overall Stabilised Operation			
<b>Stabilisation Period</b>			
Station 1			
Station 2 and so on			
Overall Stabilisation Period			
<b>Pre-Commercial Operation Period</b>			
Station 1			
Station 2 and so on			
Overall Pre-Commercial Operation Period			
Total			

- (i) When New Units comes into commercial operation, Auxiliary Consumption before Commercial Operation Date and Auxiliary Consumption during Stabilisation Period to be separately shown. For existing stabilised Units, Auxiliary Consumption during stabilised Commercial Operation period only is to be submitted.
- (ii) Reasons for variations over the years are to be given in a note.
- (iii) Break-up of Auxiliary Consumption for Peak period, Normal period and Off-peak period are to be furnished in terms of Regulation 3.2.
- \* Where actuals are not available, estimated figures are to be furnished.

**Form 1.5 : Net Energy sent out**

Annex 1

in MU

Station	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
<b>Stabilised Commercial Operation</b>			
Station 1			
Station 2 and so on			
Overall Stabilised Operation			
<b>Stabilisation Period</b>			
Station 1			
Station 2 and so on			
Overall Stabilisation Period			
<b>Pre-Commercial Operation Period</b>			
Station 1			
Station 2 and so on			
Overall Pre-Commercial Operation Period			
Total			

- (i) When New Units comes into commercial operation, Net Energy sent out before Commercial Operation Date and Net Energy sent out during Stabilisation period to be separately shown. For existing stabilised Units, Net Energy sent out during stabilised Commercial Operation period only is to be submitted.
- (ii) Break-up of Auxiliary Consumption for Peak period, Normal period and Off-peak period are to be furnished in terms of Regulation 3.2.
- \* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.6 : Energy Purchased

MU

Sources	Previous Year	Current Year	Ensuing Year
	Actuals*/Estimated	Estimated	Projected
Source 1			
Source 2 and so on			
Total Gross Purchase			
Less Grid Loss, if any			
Net Purchase			

\* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.7 : T &amp; D Loss %

	Unit	Derivation	Previous Year	Current Year	Ensuing Year
			Actuals*/Estimated	Estimated	Projected
Generation [Form 1.3]	MU	A			
Auxiliary Consumption [Form 1.4]	MU	B			
Units delivered to system from generation (including infirm power, if any) [Form 1.5]	MU	$C = A - B$			
Energy Purchased [Form 1.6]	MU	D			
Energy Received for Wheeling [Form 1.9a]	MU	E			
Overall Gross Energy in System	MU	$F = C + D + E$			
Units Exported [Form 1.9b]	MU	$G_1$			
Additional Units allowed by Commission for Export	MU	$G_2$			
Total supply for export	MU	$(G = G_1 + G_2)$			
Net Energy in System	MU	$H = F - G$			
Units sold to consumers	MU	I			
Units wheeled [Form 1.9c]	MU	J			
Units utilised in own premises including construction power	MU	K			
Overall Utilisation	MU	$L = \text{sum} (I : K)$			
Unutilised Units	MU	$M = H - L$			
System Loss	%	$N = M/H \times 100$			

Energy Exports are to be measured at Power Station BUS for this purpose

Notes :

In-firm power MU  
Construction Power MU

\* Where actuals are not available, estimated figures are to be furnished.

## Form 1.8: Aggregate Technical &amp; Commercial (ATC) Loss

	Unit	Derivation	Previous Year	Current Year	Ensuing Year
			Actuals*/ Estimated	Estimated	Projected
Units supplied to System [Item H of Form 1.7]	MU	A			
Units utilised [Item L of Form 1.7]	MU	B			
Unutilised Units [Item M of Form 1.7]	MU	$C = A - B$			
T & D Loss % [Item N of Form 1.7]	MU	$D = (C \times 100)/A$			
Collection Efficiency <sup>1</sup>	%	E			
Realized Units	MU	$F = (B \times E)/100$			
AT & C Loss in Units	MU	$G = A - F$			
ATC Loss	%	$H = (G/A) \times 100$			

1. Reasons for shortfall in Collection Efficiency and actions taken for improvement of the same is to be furnished.

\* Where actuals are not available, estimated figures are to be furnished.



## Annex 1

## Form 1.9 : Energy Balance

Ref.	Particulars	Unit	Derivation	Previous Year	Current Year	Ensuing Year
				Actuals*/ Estimated	Estimated	Projected
<b>A.</b>	<b>Energy Input</b>					
1.	Generation [Form 1.3]	MU				
2.	Auxiliary Consumption [Form 1.4]	MU				
3.	Units delivered to system from generation (including infirm power, if any) [Form 1.5]	MU	$3 = 1 - 2$			
4.	Energy Purchased [Form 1.6]	MU	4			
5.	Energy received for Wheeling [Form 1.9a]	MU	5			
6.	Gross Energy Input	MU	$6 = \text{sum } (3 : 5)$			
7.	Export [Form 1.9b]	MU				
8.	Additional Units as allowed by Commission for Export	MU				
9.	Total Supply for Export	MU	$9 = 7 + 8$			
10.	Energy Input for own system	MU	$6 - 9$			
<b>B.</b>	<b>Energy Utilisation [Form 1.7]</b>					
a.	Units sold to consumers	MU				
b.	Units wheeled [Form 1.9c]	MU				
c.	Units utilised in own premises including construction power	MU				
d.	Unutilised Units	MU				
	Total Energy	MU	sum (a:d)			

## Notes :

In-firm power MU

Construction Power MU

\* Where actuals are not available, estimated figures are to be furnished.

**Form 1.9a : Energy received for Wheeling***Annex 1**MU*

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/Estimated	Estimated	Projected
1.				
2.				
etc.				

**Form 1.9b : Export***MU*

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/Estimated	Estimated	Projected
1.				
2.				
etc.				

Energy Exports are to be measured at Power Station BUS for this purpose.

**Form 1.9c : Energy wheeled***MU*

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/Estimated	Estimated	Projected
1.				
2.				
etc.				

## Form 1.10 : Power Purchase Cost Analysis

Particulars	Unit	Derivation	Previous Year	Current Year	Ensuing Year
			Actuals*/ Estimated	Estimated	Projected
Overall import Quantum Chargeable Units	MU	A			
Applicable Rates					
Rate of Energy Charge*	Paise/Unit	B			
Fuel and Power Purchase Cost Adjustment Rate	Paise/Unit	C			
Power Purchase Cost					
Energy Charge	Rs. Lakhs	$D = B \times A$			
Fuel and power Purchase Cost Adjustment	Rs. Lakhs	$E = C \times A$			
Transmission Charges	Rs. Lakhs	F			
SLDC Charges	Rs. Lakhs	G			
Others (to be specified)	Rs. Lakhs	H			
Less : Incentive/Rebate for timely payment etc.	Rs. Lakhs	I			
Overall cost	Rs. Lakhs	$K = \text{sum (E:H)} - I$			

\* Rate of Energy Charge in Paise/Unit shall be calculated in annual basis considering both variable and fixed cost and quantum of energy.

## Notes :

- (1) Source of energy purchased, purchase rate, quantum of energy purchased, escalation/rebate adjustment clause in the purchase rate, if any, may be given along with all the relevant details. Whether there is any dispute on purchase rate and if yes, the details thereof may be submitted.
- (2) Whether any power purchase agreements (PPA), if required, have been entered into which will be in force during the period for which the tariff has been proposed. Copies of such PPAs are to be enclosed.
- (3) Whether the competent authority has approved the purchase rates as per the Act and if not, details thereof.
- (4) Whether any procurement is made from co-generation/renewable sources of energy. If yes, details thereof may be submitted.

\* Where actuals are not available, estimated figures are to be furnished.

**Form 1.11 : Cost of Fuel for the Ensuing Year**

	Station	Derivation	Unit	Station 1	Station 2			Overall
1.	Gross Generation		MU					
2.	Auxiliary Consumption		MU					
3.	Sent-out Energy	$3 = 1 - 2$	MU					
4.	Station Heat Rate	4	kCal/kWh generated					
5.	Total Heat Required	$5 = 1 \times 4$	GCal					
6.	Specific Oil Consumption		ml/Kwh					
7.	Oil Consumption	$7 = 6 \times 1$	KL					
8.	Heat Value of Oil		kCal/Litre					
9.	Heat from Oil	$9 = 7 \times 8$	GCal					
10.	Heat from Coal	$10 = 5 - 9$	GCal					
11.	Heat Value of Coal		kCal/Kg					
12.	Coal Consumption	$12 = 10/11$	Tonne					
13.	Coal requirement considering Transit Loss		Tonne					
14.	Average Price of Oil		Rs./KL					
15.	Average Price of Coal		Rs./Tonne					
16.	Cost of Oil	$16 = 7 \times 14$	Rs. Lakhs					
17.	Cost of Coal	$17 = 13 \times 15$	Rs. Lakhs					
18.	Total Fuel Cost	$18 = 16 + 17$	Rs. Lakhs					

**Note :**

1. Where any Norm has been specified by the Commission for any parameter, calculation is to be based on such parameters only.
2. Main sources of fuel supply and break up of fuel prices (Gradewise) to be submitted.
3. The normative values of various parameters like station heat rate and secondary fuel consumption etc. adopted, if any, may also be submitted.

## Annex 1

## Form 1.12 : Expenditure—Cost of Energy from own Generation—All Stations

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for estimation for ensuing year
		Actuals*/ Estimated	Estimated	Projected	
	Cost of Energy from own Generation—all stations Excludes expense shown under any other head				
(i)	Fuel Cost Coal Oil				
(ii)	Coal and Ash handling charges				
(iii)	Water Charges				
(iv)	Consumption of stores and spares				
(v)	Repairs and Maintenance (excluding salaries etc. and stores) Buildings Plant and Machineries Others				
(vi)	Employee Costs Salaries and Wages Bonus Contribution to Funds Welfare Expenses				
(vii)	Depreciation				As per From B
(viii)	Travelling Expenses				
(ix)	Vehicle Maintenance				
(x)	Telephone Expenses				
(xi)	Security Charges				
(xii)	Other Management and Administrative Expenses				
(xiii)	Others (Specify)				
	Overall (1.12)				

## Note :

- Expenses specifically attributable to generating stations and chargeable to Revenue Account have to be shown as such above and others to be included under centrally maintained expenses. These details are to be shown stationwise.

\* Where actuals are not available, estimated figures are to be furnished.

## Annex I

## Form 1.13 : Expenditure—Transmission of Energy

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for estimation for ensuing year
		Actuals*/ Estimated	Estimated	Projected	
	Expenses on Transmission of Energy				
	Excludes expenses shown under any other head				
(i)	Consumption of stores and spares				
(ii)	Repairs and Maintenance (excluding salaries etc. and stores)				
	Buildings				
	Transmission and Distribution Assets				
	Others				
(iii)	Employee Costs				
	Salaries and Wages				
	Bonus				
	Contribution to Funds				
	Welfare Expenses				
(iv)	Depreciation				As per Form B
(v)	Travelling Expenses				
(vi)	Vehicle Maintenance				
(vii)	Telephone Expenses				
(viii)	Security Charges				
(ix)	Other Management and Administrative Expenses				
(x)	Others (Specify)				
	Overall (1.13) Transmission				

## Note :

Expenses specifically attributable to transmission activities and chargeable to Revenue Account are to be shown above and others are considered under centrally maintained expenses.

\* Where actuals are not available, estimated figures are to be furnished.

## Form 1.14 : Expenditure—Distribution of Energy—High Voltage

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for Estimation for Ensuing Year
		Actuals*/ Estimated	Estimated	Projected	
	Expenses on Distribution of Energy—High Voltage Excludes Expenses shown under any other head				As per Form B
(i)	Consumption of stores and spares				
(ii)	Repairs and Maintenance (excluding salaries etc. and stores) Buildings Transmission and Distribution Assets Others				
(iii)	Employee Costs Salaries and Wages Bonus Contribution to Funds Welfare Expenses				
(iv)	Depreciation				
(v)	Travelling Expenses				
(vi)	Vehicle Maintenance				
(vii)	Telephone Expenses				
(viii)	Security Charges				
(ix)	Other Management and Administrative Expenses				
(x)	Others (Specify)				
	Overall (1.14) High Voltage				

**Note:**

Expenses specifically attributable to distribution activities (high voltage) and chargeable to Revenue Account are to be shown above and others are considered under centrally maintained expenses.

\*Where actuals are not available, estimated figures are to be furnished.

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## Form 1.15 : Expenditure—Distribution of Energy—Medium and Low Voltage

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for Estimation for Ensuing Year
		Actuals*/ Estimated	Estimated	Projected	
	Expenses on Distribution of Energy—Medium and Low Voltage Excludes Expenses shown under any other head				As per Form B
(i)	Consumption of stores and spares				
(ii)	Repairs and Maintenance (excluding salaries etc. and stores) Buildings Transmission and Distribution Assets Others				
(iii)	Employee Costs Salaries and Wages Bonus Contribution to Funds Welfare Expenses				
(iv)	Depreciation				
(v)	Travelling Expenses				
(vi)	Vehicle Maintenance				
(vii)	Telephone Expenses				
(viii)	Security Charges				
(ix)	Other Management and Administrative Expenses				
(x)	Others (Specify)				
	Overall (1.15) Medium and Low Voltage				

**Note:**

Expenses specifically attributable to distribution activities (medium and low voltage) and chargeable to Revenue Account are to be shown as such above and others are considered.

\*Where actuals are not available, estimated figures are to be furnished.

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## Form 1.16 : Expenditure—Sale of Energy

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for Estimation for Ensuing Year
		Actuals*/ Estimated	Estimated	Projected	
	Expenses on Sale of Energy Excluding Expenses shown under any other head				As per Form B
(i)	Consumption of printing and stationery				
(ii)	Repairs and Maintenance (excluding salaries etc. and stores)				
(iii)	Employee Costs Salaries and Wages Bonus Contribution to Funds Welfare Expenses				
(iv)	Depreciation				
(v)	Travelling Expenses				
(vi)	Vehicle Maintenance				
(vii)	Telephone Expenses				
(viii)	Advertisement				
(ix)	Computer Maintenance Expenses				
(x)	Stamps and Courier Charges				
(xi)	Other Management and Administrative Expenses				
(xii)	Others (Specify)				
	Overall Sale of Energy				

\*Where actuals are not available, estimated figures are to be furnished.

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## Form 1.17 : Other Expenses centrally maintained

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for Estimation for Ensuing Year
		Actuals*/ Estimated	Estimated	Projected	
(a)	Rent, Rates and Taxes (Other than taxes on income and profits)				
(b)	Interest				
(i)	Interest on Capital Expenditure, Loans and Public Deposits				
(ii)	Interest on Temporary Accommodation [Form 1.17a]				
(iii)	Interest on Working Capital [Form 1.17b]				
(iv)	Interest on Security Deposits at rates specified by the Commission calculated on average basis				
(v)	Interest on advance from consumers				
(vi)	Other Finance Charges [Form 1.17c]				
(vii)	Lease Rental				
(viii)	Delayed Payment Surcharges				
(c)	Bad Debts (see regulation 4.8.1)				
(d)	Legal Charges				
(e)	Consultancy Fees, charges and expenses				
(f)	Auditors' Fees				
(g)	Depreciation Advance against Depreciation [Form 1.17e]				
(h)	Foreign Exchange Rate Variation on Loan repayments [Form 1.17d]				

\*Where actuals are not available, estimated figures are to be furnished.

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## Form 1.17 : Other Expenses centrally maintained (continued)

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year	Basis for Estimation for Ensuing Year.
		Actuals*/ Estimated	Estimated	Projected	
(i)	Other Expenses				
(i)	Insurance Premium Payable [Form 1.17f]				
(ii)	Employee costs and Directors' fees and expenses Salaries and Wages Bonus Contribution to Funds Welfare Expenses Directors' fees and expenses Others (specify), if any				
(iii)	Repairs and Maintenance (excluding salaries etc. and stores)				
(iv)	Impact of Service Tax on Repairs and Maintenance				
(v)	Travelling Expenses				
(vi)	Postage				
(vii)	Security				
(viii)	Intangible Assets written off				
(ix)	Telephone, Telex, etc.				
(x)	Vehicle Running and Maintenance				
(xi)	General Establishment Charges				
(xii)	Terminal Benefits				
(xiii)	Taxes on Income/Profit				
(xiv)	Others to be specified, if any				
	Overall (1.17)				

\*Where actuals are not available, estimated figures are to be furnished.

- Notes:**
1. Expenditure chargeable to Revenue Account are only to be submitted.
  2. If Expenses are taken at Gross basis, the total amount allocated/proposed to be allocated to Capital Account should be shown as deductions.

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## Annexure 1

**1.17a : Interest on Temporary Accommodation**

[See Regulation 4.6.5.4]

Rs. Lakhs

	Previous Year	Current Year	Ensuing Year
	Actual*/ Estimated	Estimated	Projected
Opening Balance			
Repayment for the year			
Closing Balance			
Interest on Temporary Accommodation			
<b>Total</b>			

**1.17b : Interest on Working Capital**

[See Regulation 4.6.5]

Rs. Lakhs

	Previous Year	Current Year	Ensuing Year
Working Capital			
A. Gross Sales			
B1. Less: Depreciation			
B2. Less: Deferred Revenue Expenditure			
B3. Less: Return on Equity			
B. Total deductions: (sum B1:B3)			
C. Allowable Gross Sales for Working Capital			
D. Allowable Working Capital @12.5% on C			
E. Interest at State Bank Short Term PLR rate or at actual rate of borrowing, whichever is less			
F. Interest on Working Capital			

**1.17c : Other Finance Charges**

[See Regulations 4.6.4]

Rs. Lakhs

Particulars	Previous Year	Current Year	Ensuing Year
Guarantee Commission			
Front-End Fees			
Bank Charges			
Public Deposit and Advance against Electricity Bill			
L/C Opening Charges			
Fees and Expenses for Restructuring			
Cost of Hedging			
Others (specify)			
<b>Overall</b>			

\*Where actuals are not available, estimated figures are to be furnished.

## Annexure 1

**1.17d : Foreign Exchange Rate Variation (FERV)**

[See Regulation 4.10]

Rs. Lakhs

For the Ensuing Year	Amount of Loan Repayable in Foreign Currency	Actual/ Estimated Rate of Repayment	Original Rate of Drawal	FERV for the Year
	(1)	(2)	(3)	(4) (4) = 1 × (2-3)
Loan 1 Loan 2 and so on				
Overall				

**1.17e : Advance against Depreciation**

[See Regulation 4.6.3]

Rs. Lakhs

Particulars	Previous Year	Current Year	Ensuing Year
	Actuals*/ Estimated	Estimated	Projected
1. Repayment as per Form C 2. Depreciation as per Form B 3. Additional Fund requirement (1-2, if 1>2) 4. Maximum ceiling of Advance depreciation 5. Advance against depreciation (lower of 3 and 4)			

**1.17f : Insurance Premium Payable**

Rs. Lakhs

Particulars	Previous Year	Current Year	Ensuing Year
	Actuals*/ Estimated	Estimated	Projected
Overall			

**1.17g : Interest Credit**

[See Regulation 4.5.3]

Rs. Lakhs

Particulars	Previous Year	Current Year	Ensuing Year
	Actuals*/ Estimated	Estimated	Projected
1. Depreciation as per Form B 2. Repayment as per Form C 3. Excess Fund created (1-2, if 1>2) 4. Weighted average rate of interest of existing loan 5. Interest credit			
Overall			

Note: Interest Credit will be allowed during the period of Loan repayment only

\*Where actuals are not available, estimated figures are to be furnished.

## Annexure 1

## Form 1.18 : Original Cost of Fixed Assets

Ref.	Particulars	Rs. Lakhs		
		Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
(1)	Generation Assets Stationwise Station 1 Station 2 and so on Total			
(2)	Transmission Assets			
(3)	Distribution Assets Voltage classwise High Voltage Medium and Low Voltage Total			
(4)	Metering Assets			
(5)	Other Assets			
(6)	Less: Contribution from consumers including advance from them			
(7)	Total 1.1 (A) (1+2+3+4+5-6)			

\*Where actuals are not available, estimated figures are to be furnished.

## Notes:

- (1) Generation assets will include assets up to Station Bus bar. Transmission assets will be from Station Bus bar to EHT/HT sub-station. Distribution assets will be assets up to metering point of sales excluding cost of meters.
- (2) Approval of capital expenditure is to be obtained from the Commission for the ensuing year (whether included in fixed assets or capital work-in-progress) where such capital expenditure on assets individually or in aggregate exceeds the limits specified in Regulation 2.2.4.
- (3) The original value of the assets, if any, retired or not available for use is not to be included. Figures for ensuing year, current year and previous year of the assets so retired/likely to be retired/not available for use are to be submitted.
- (4) Period during which the units of the operational power stations were scheduled to be under planned repairs and maintenance or were under major repairs other than the above, as contained in Form-A may be submitted.
- (5) In case the cost of any assets has been revalued, or purchased on revalued cost basis, the details thereof, along with the year of revaluation are to be submitted.
- (6) Foreign exchange variation charged/adjusted, if any, is to be separately indicated.
- (7) Figures for capital expenditure for projects under construction are to be separately indicated.
- (8) Original cost of the asset at the beginning of the year and addition/retirements during the year are to be separately shown for the previous year, current year and the ensuing year.
- (9) Overall amount of expenditure is to be limited to the amount approved by the Commission.
- (10) Any expenditure on replacement arising out of renovation and modernisation or extension of like of old fixed assets is to be dealt as specified in the Regulation 4.2.4.

## Annexure 1

## Form 1.18a : Original Cost of Works-in-Progress

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
(1)	Opening Balance			
(2)	Additional Capital Expenditure for the year			
(3)	Amount transferred to Fixed Assets			
(4)	Closing Balance			
	Total			

## Notes:

- (1) Expenditure on Works-in-Progress for Plan and Non-Plan outlay should be given separately.
- (2) Expenditure on Works-in-Progress should be provided itemwise.
- (3) Expenditure on Works-in-Progress should include Interest during construction.
- (4) Unusual delay of expenditure booked under Works-in-Progress, but not transferred to the Fixed Assets are to be separately indicated and justified in the form of a note.
- (5) Overall expenditure should not exceed the amount approved by the Commission.

## Form 1.18b : Intangible Assets

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
(1)	Opening Balance			
(2)	Cost incurred during the year			
(3)	Closing Balance			
	Total			

## Form 1.18c : Investments

Rs. Lakhs

Ref.	Particulars	Previous Year		Current Year		Ensuing Year	
		Investment	Income	Investment	Income	Investment	Income
		Actuals*/ Estimated	Actuals*/ Estimated	Estimated	Estimated	Projected	Projected
	Total						

## Form 1.19 : Capital Expenditure Plan for ensuing year

Ref.	Capital Expenditure items	Amount Rs. Lakhs	Remarks
A. (1)	General Capital Expenditure Generation Capital Expenditure Stationwise Station 1 Station 2 and so on		
	Overall Generation Capital Expenditure		
(2)	Transmission Capital Expenditure		
(3)	Distribution Capital Expenditure		
A.	Overall General Capital Expenditure		
B.	Special Projects as per Note 2 of Form 1.18 Generation Transmission Distribution		
	Overall Special Projects		
	Capital Expenditure (A+B)		

- Notes:**
1. To be specified separately for the previous year, current year and the ensuing year.
  2. Plan and Non-Plan expenditure are to be shown separately.
  3. Expenditure should include Interest during construction.
  4. Overall amount of expenditure should be limited to the amount.



**Form 1.20(a) : Equity Base**

Rs. Lakhs

Ref.	Particulars	Basis	Ensuring Year
(1)	Equity Base		
a	Opening Balance at the beginning of the year		
b	Actual addition/withdrawal to Equity Base for the year		
c	Actual Equity Base at the end of the year	$c=a+b$	
d	Capital Expenditure	As in Form 1.19	
e	Normative Equity %		
f	Normative addition to Equity Base	$f=d*e$	
g	Addition to Equity Base considered for the year in ARR	Lower of f and b	
h	Equity Base considered at the year end for ARR	$h=a+g$	
i	Average Equity Base for the year	$i=(a+h)/2$	

**Note:**

- (1) For the purpose of this form, Equity Base shall be taken as per Regulation 4.4.

**Form 1.20(b) : Normative Debt (Equity Part converted to Debt)**

Rs. Lakhs

Ref.	Particulars	Basis	Ensuring Year
(2)	Debt		
a	Actual addition to Debt for the year		
b	Capital Expenditure	As in Form 1.19	
c	Normative Debt %		
d	Normative addition to Debt for the year	$d=b*c$	
e	Addition to Debt for the year to be considered to ARR	Higher of a and d	
f	Additional Normative Debt	$e-a$	
g	Opening Balance of additional Normative Debt		
h	Closing Balance of additional Normative Debt	$h=f+g$	

**Notes:**

- (1) For the purpose of this form, Debt shall have to be considered as per Regulation 4.4.2 & Regulation 4.4.3.  
 (2) Normative Debt will relate to the tenure of actual debt repayment.

## Annexure I

## Form 1.21 : Special Allocations

Rs. Lakhs

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Sstimated	Estimated	Projected
(A)	Special Allocation Appropriation to Reserve for unforeseen exigencies			
(B)	Others, if any, to be specified			
	Sub-Total 20 (A+B)			

\*Where actuals are not available, estimated figures are to be furnished.

## Form 1.22 : Return on Equity

Rs. Lakhs

Ref.	Particulars	Basis	Ensuing Year
(1)	Average Equity Base	Form 1.20 (a)	
(2)	Rate of Return	%	
(3)	Return on Equity	$e = d*c/100$	

## Annexure I

## Form 1.23 : Permitted Incentive for the ensuing year

Rs. Lakhs

Ref.	Particulars	Basis	Ensuing Year
(1)	Incentive for Generation		
a	Sent out units		
b	Target PLF		
c	Units to be sent out at target PLF		
d	Additional units, if > 0	$d = a - c$ in MU	
e	Incentive Rate for additional generation	Paise/kWh	
f	Incentive for additional generation	$f = d \times e$	
(2)	Incentive for Hydropower generating stations		
(i)	Capacity Index achieved		
(ii)	Normative Capacity Index		
(iii)	Excess capacity index achieved over target, if > 0		
(iv)	Annual fixed charges		
(v)	Incentive for additional capacity index achieved		
(3)	Incentive for Transmission		
(i)	Annual Availability		
(ii)	Target Availability		
(iii)	Excess availability over target, if > 0	$(iii) = (i - ii)$	
(iv)	Equity	Form 1.20 a	
(v)	Incentive for additional availability	$(v) = (iv) \times (iii)$	

**Notes:** Availability and Generation of all Generating stations qualifying for such incentives are to be furnished separately.

Availability under Transmission shall be Availability of Transmission System.

Transmission Incentive are applicable to Transmission Licensee only.

## Form 1.24 : Benefits passed on to consumers

Rs. Lakhs

Ref.	Particulars	Basis	Ensuing Year Projected
(1)	Share of benefit from Trading		
(2)	Share of excess profit		
(3)	Any other (specify)		

**Notes:** Licensee/Generating Company are to furnish particulars in accordance with the Regulation 4.12.2 as applicable.

Only details with respect Revenue Account are to be furnished here.

## Annexure 1

## Form 1.25 : Receipts from Sale of Energy

Ref.	Particulars	Rs. Lakhs		
		Previous Year Actuals*/ Estimated	Cuttent Year Estimated	Ensuing Year Projected
	Receipts from Sale of Energy			

**Note:** Actual Estimates are to be furnished for Previous and Current year.  
Ensuing Year figure should correspond with Annex 2.

\*Where actuals are not available, estimated figures are to be furnished.

## Form 1.26 : Other Income

Ref.	Particulars	Rs. Lakhs			
		Previous Year Actuals*/ Estimated	Cuttent Year Estimated	Ensuing Year Projected	Basic for Estimation for ensuing year
A.	Other Income derived from				
(i)	Rental of meters and other apparatus hired out				
(ii)	Sale and repair of lamp and other apparatus				
(iii)	Transfer Fees (Service connection fees)				
(iv)	Income from investments and Bank Balances				
(v)	Surcharge for Late Payments				
(vi)	Income from jobs at consumer's premises				
(vii)	Transmission/Wheeling charges				
(viii)	Reactive energy charge				
(ix)	Surcharge under Section 42				
(x)	Additional Surcharge under Section 42				
(xi)	Other Business Income to the extent to be passed on consumer				
(xii)	Other General receipts arising from and ancillary or incidental to the business of electricity				
	Sub-Total (i to xii)				
B.	Net receivable UI Charges for the previous year				

**Note:**

Licensees to exclude charges from own consumers under Transmission/Wheeling charges.

\*Where actuals are not available, estimated figures are to be furnished.

## Annexure I

## Form 1.27 : Wheeling Charge

Ref.	Particulars	Units	Previous Year	Cuttent Year	Ensuing Year
			Actuals*/ Estimated	Estimated	Projected
	Wheeling Charge				
1.	Employee Cost	Rs. Lakhs			
2.	Other Administrative & General charges	Rs. Lakhs			
3.	Rent, Rates & Taxes	Rs. Lakhs			
4.	Legal charges	Rs. Lakhs			
5.	Auditor Fees	Rs. Lakhs			
6.	Repairs & Maintenance including Consumables	Rs. Lakhs			
7.	Interest				
8.	Foreign Exchange Rate Variation				
9.	Other Financing Charges				
10.	Interest on Security Deposits				
11.	Lease Rental				
12.	Depreciation				
13.	Advance against depreciation				
14.	Intangible Asset write off				
15.	Reserve for unforeseen exigencies				
16.	Bad debt				
17.	Tax				
18.	Normative Return				
19.	Permitted Incentives				
20.	Special Allocations				
21.	Others if any to be specified				
22.	Gross total expenses (sum 1 : 21)				
23.	Less: Other income (reduced by Receipt from Wheeling Charges)				
24.	Less: Interest credit on Depreciation				
25.	Less: Net receivable UI Charges for the previous year				
26.	Less: Others, if any, to be specified				
27.	Gross Deductions (sum 23 : 26)				
A.	Net Charges (22-27)	Rs. Lakhs			
a.	Units sold to own consumers				
b.	Units wheeled				
B.	Overall Units (a+b)				
C.	Wheeling charge rate (A/B)	Paise/Unit			

## Note:

Sales and Units wheeled should correspond to the date under Form 1.7.

\*Where actuals are not available, estimated figures are to be furnished.



**Details of Depreciation chargeable to revenue account for the year**

Particulars	Opening Balance of Original Cost Assets	Additions of Original Cost of Assets during the year put into use	Assets fully depreciated	Assets to be depreciated during the year	Value of assets classified into different rates	Other rates, if any	Land-FH	Total	Retirements of Original Cost of Assets during the year	Closing Balance of Original Cost of Assets
A. Generating Assets										
Cost										
Depreciation for the year										
B. Transmission Assets										
Cost										
Depreciation for year										
C. Distribution Assets										
Cost										
Depreciation for year										
D. Metering Assets										
Cost										
Depreciation for year										
E. Other Assets										
Cost										
Depreciation for year										
Overall										

Note: Opening Balance of Assets should match with Form 1.18.

## Statement of Loans and Calculation of Interest thereon for the year

Sl. No.	Sources of Loans	Original Amount of loan	Outstanding Balance at the beginning of the year	Normal rate of interest (%)	Penal rate of interest if any (%)	Rebate (if any) for prompt Payment	Repayment due Amount/ Date	Fresh Drawal if any Amount/ Date	Interest paid/payable				Balance at the close of the year	Remarks, if any	
									Normal	Penal	Rebate	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	Actual Loans A. On Capital Account B. Revenue Account														
1	Overall Actual Normative Loan Overall														
	Less: Interest to be capitalised														

**Note:** (1) The statement should be consolidated for all the taken separately for Capital Accounts and Revenue Account.

- (2) Loans bearing different interest rates and terms should not be clubbed even if from same sources.
- (3) Loans with variable rate of interest should be clearly identified with the mention of base date rates.
- (4) In case of foreign currency loans, the exchange rates adopted at opening balance, closing balance and repayments should be mentioned. The base rate of exchange on the date of drawal of capital loan should be indicated.
- (5) If loan is taken from a group of company or subsidiary etc., same should be justified.
- (6) Any rate of interest which is above PLR should be fully justified along with necessity of the loan.
- (7) The details of fresh drawal of loan may be enclosed along with detail justifications, purpose and supporting cash flow which necessitated the drawal of loan along with investments made or proposed and average bank balances.
- (8) Any default in loan repayment of loan may also be suitably explained along with relevant details.
- (9) Rebate for prompt payment etc. or penalty for delayed/non-payment to be disclosed separately.



## Annexure 1

## Form-D

## Details of Actual Fuel Consumption (Plantwise) for the year

Station	Gradewise % of Projected Coal Consumption						Overall
	A	B	C	D	E	F	
Station 1							
Station 2 & so on							

Note : Overall figure for each row must add up to 100%.

## Cost of Primary Fuel

Name of the Coal Field

Rs./Tonne kCal/Kg

Grade	Basic	Royalty	R.E. Cess	Stowing Excise	P.W. & Rd. Cess	P.E. Cess	AMBH	Total	Applicable Tax	Grand Total	Heat Value
'A'											
'B' and so on											

Agency-wise details from major sources have to be provided separately.

Basic rates should include applicable sizing charges.

Charges should exclude transportation costs.

Wherever applicable, notified Price Schedule have to be enclosed.

## Form-E

## Summarised Revenue Requirement

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
A.		MU		
1.	Generation [Form 1.3]			
2.	Auxiliary Consumption [Form 1.4]			
3.	Units delivered to system from generation (including infirm power, if any) [Form 1.5]			
4.	Energy Purchased [Form 1.6]			
5.	Emergency Received for Wheeling [Form 1.9a]			
6.	Overall Gross Energy in System			
7.	Units Exported [Form 1.9b]			
8.	Additional Units allowed by Commission for Export			
9.	Total Supply for Export			
10.	Net Energy in System			
11.	Units Sold to consumers			
12.	Units wheeled [Form 1.9c]			
13.	Units utilised in own premises including construction power			
14.	Overall Utilisation			
15.	Unutilized Units			
16.	T&D Loss %			

Petitioner

Annexure I

Form-E

## Summarised Revenue Requirement

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
		Rs. Lakhs		
B.				
1.	Fuel			
2.	Power Purchase			
3.	Employee Cost			
	(a) Salaries			
	(b) Others (specify)			
4.	Other Administrative & General Charges			
5.	Coal & Ash Handling			
6.	Rent, Rates & Taxes			
7.	Legal Charges			
8.	Auditors Fees			
9.	Repairs & Maintenance incl. Consumables			
10.	(a) Interest			
	(b) Foreign Exchange Rate Variation			
	(c) Other Financing Charges			
	(d) Interest on Security Deposits			
	(e) Lease Rental			
11.	(a) Depreciation			
	(b) Advance against Depreciation			
12.	Intangible Asset Write Off			
13.	Water Cess			
14.	Bad Debt ( <i>see</i> Regulation 4.8.1)			
15.	Tax			
16.	Reserve for unforeseen exigencies			
17.	Others if any to be specified			
18.	Total Expenditure (sum of 1 : 17)			
19.	Normative Return			
20.	Permitted Incentives			
21.	Permitted Return (19+20)			
22.	Special Allocations [Form 1.21]			
23.	Gross Revenue Required (18+21+22)			
24.	(a) Less: Other Income [Form 1.26]			
	(b) Less: Benefits passed on to Consumers [Form 1.24]			
	(c) Less: Interest credit on Depreciation			
	(d) Less: Expenses attributable to Export			
	(e) UI Charges receivable at the end of the previous year			
25.	Aggregate Revenue Required (23-24)			
26.	Subsidy received/receivable, if any			
27.	Revenue from Sale of Energy (Actual estimate)			
28.	Average Cost of Supply (Paise/Unit)			

**Note:** Transmission Companies are to furnish Form E(T) instead of Form E.

\*Where actuals are not available, estimated figures are to be furnished.

Petitioner

Annexure I

Form-E(T)

## Summarised Revenue Requirement (Transmission)

Ref.	Particulars	Previous Year	Current Year	Ensuing Year
		Actuals*/ Estimated	Estimated	Projected
		MU		
A.				
1.	Energy Input [Form 1.7]			
2.	Energy Transmitted [Form 1.7]			
3.	Allocated Transmission capacity			
4.	Actual Transmission Loss % [Form 1.7]			
		Rs. Lakhs		
B.				
1.	Employee Cost			
	(a) Salaries			
	(b) Others (specify)			
2.	Other Administrative & General Charges			
3.	Rent, Rates & Taxes			
4.	Legal Charges			
5.	Auditors Fees			
6.	Repairs & Maintenance incl. Consumables			
7.	(a) Interest			
	(b) Foreign Exchange Rate Variation			
	(c) Other Financing Charges			
	(d) Interest on Transmission Users' Security Deposits			
	(e) Lease Rental			
8.	(a) Depreciation			
	(b) Advance against Depreciation			
9.	Bad Debt			
10.	Intangible Asset Write Off			
11.	Tax			
12.	Others if any to be specified			
13.	Total Expenditure (sum of 1.12)			
14.	Normative Return			
15.	Permitted Incentives			
16.	Permitted Return (14+15)			
17.	Special Allocations [Form 1.21]			
18.	Gross Revenue Required (13+16+17)			
19.	(a) Less: Other Income [Form 1.26]			
	(b) Less: Benefits passed on to Transmission users [Form 1.24]			
	(c) Less: Interest credit on Depreciation and any others			
	(d) Less: Others if any to be specified			
20.	Revenue Required (18-19)			
21.	Subsidy received/receivable, if any			
22.	Revenue from Transmission of Energy (Actual estimate)			
23.	Transmission charge (Rs./MW)			

Note: Transmission Licensees are to furnish Form E(T) instead of Form E.

\*Where actuals are not available, estimated figures are to be furnished.

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**List of Forms contained in Annex 2**

[See Regulation 2.5.1.2, 1st Proviso, Clause (ii)]

Form No.	Description
Form 2.1	Sales
Form 2.2	Consumer details for Ensuing year
Form 2.3	Revenue at Current Rates
Form 2.4	Low and Medium Voltage Supplies—Existing Rates
Form 2.5	High Voltage Supplies—Existing Tariff Structure
Form 2.6	Details of Existing Rates
Form 2.7	Details of Existing Rates, Effects of Rebates etc. at Existing Rates on Revenue
Form 2.7.1	Details of Existing Rates—Power Factor Rebate/Surcharge
Form 2.7.2	Details of Existing Rates—Load Factor Rebate/Surcharge
Form 2.8	Existing broad financial terms of supply

## Form 2.1 : Sales in MU

Category of Consumers	Previous Year	Current Year (Estimated)	Ensuing Year (Projected)
LT Domestic			
LT Commercial			
LT Industrial			
LT Agriculture			
LT Public Water Works			
LT Public Bodies			
Public Lighting			
Any Other (specify)			
Overall LT			
HT Domestic			
HT Commercial			
HT Industrial			
Traction			
HT Public Water Works			
HT Agriculture			
Any Other (specify)			
Overall HT			
Overall			

*Note:* 1. For all categories, details are to be provided for relevant tariff sub-categories as existing, as applicable.

## Annex 2

## Form 2.2 : Consumer details for Ensuing Year

Category of Consumers	Category/Sub-category-wise Sales (MU)	Consumer number ('000)	Tariff Slabwise (MU)
LT Domestic			
LT Commercial			
LT Industrial			
LT Agriculture			
LT Public Water Works			
LT Public Bodies			
Public Lighting			
Any Other (specify)			
Overall LT			
HT Domestic			
HT Commercial			
HT Industrial			
Traction			
HT Public Water Works			
HT Agriculture			
Any Other (specify)			
Overall HT			
Overall			

*Note:* For all categories, details are to be provided for relevant tariff sub-categories as existing Slabwise Units are to be provided for category/sub-category where Income-tax or Follow-on tariff structure exists.

## Form 2.3 : Statement showing Revenue at Current Rates

Category of Consumers	Annual Sales Volume	Current Rates	FPPCA Rates, if any	Subsidy from External Sources, if any	[Gross Rate Basis]	Rebate and other charges		[Net Rate Basis]	
						Gross Rates		Net Rate	
						MU	Paise/Unit	Paise/Unit	Paise/Unit
(1)	(2)	(3a)	(3b)	(3c)	(4)	(5)	(6)	(7=8/2)	(8=4-6)
LT Domestic Sub-categories									
LT Commercial Sub-categories									
LT Industrial Sub-categories									
LT Public Water Works Sub-categories									
LT Public Bodies: Sub-categories									
Street Lighting:									
Agriculture Sub-categories									
Others (Specify)									
Minimum charge									
Overall LT									
HT Domestic									
HT Commercial									
HT Industrial Traction									
HT Public Water Works									
HT Agriculture									
Others (Specify)									
Overall HT									
Overall (A)									
Break-up of rebates etc. reducing revenue:									
Power Factor Rebate									
Load Factor Rebate									
Rebate for supply at high voltage									
Specified Rebates									
Timely Payment Rebate									
Minimum Charge									
Excess Drawal Charges									
Overall effects of rebates etc. reducing revenue (B)									
Total Revenue from sale of electricity (A+B)									

- Note: 1. In case of unmetered supply, rates are to be multiplied with estimated usage.  
2. Meter Rental and Late payment surcharge are not to be included here but in Other Income [Annex 1, Form 1.26.]  
3. Duties and taxes, if any, are not to be included herein.



Annex 2

**Form 2.4 : Low and Medium Voltage Supplies—Existing Tariff Structure**

Category	Applicable Rates
	Gross Rate Paise/Unit
Domestic	
Commercial	
Industrial	
Public Lighting	
Public Water Works	
Agriculture	
Others (specify)	
Fuel and Power Purchase Cost Adjustment	

*Note* : Tariff sub-categorywise details are to be provided wherever applicable.

Time of the Day (TOD) tariff, if applicable, may be provided.

**Form 2.5 : High Voltage Supplies—Existing Tariff Structure**

Category	Applicable Rates
	Gross Rate Paise/Unit
Industrial	
Commercial	
Public Water Works	
Domestic	
Traction	
Agriculture	
Others (specify)	
Fuel and Power Purchase Cost Adjustment	

*Note* : Sub-categorywise details, if applicable, are to be provided. Time of the Day (TOD) tariff, wherever applicable, may be provided.

**Form 2.6 : Details of Existing Rates**

	Applicable gross rates
Category:	
Demand Charges	Rs./KVA or Rs./KW
Demand Charges	Paise/Unit
Energy Charges	Paise/Unit
Average monthly Load Factor	
Average monthly Power Factor	

*Note:* Details in this form are to be provided for all tariff categories falling under two-part tariff structure or are subject to load/power factor penalty/rebates.

**Form 2.7 : Details of Existing rates****Effect of Rebates etc. at Existing rates on Revenue**

Rs. in Lakhs

Category	Power factor Rebate	Load factor Rebate	High Voltage Supply Rebate	Rebate for Others (Specify)	Minimum Charge	Excess Drawal Charges
LT Domestic						
LT Commercial						
LT Industrial						
LT Agriculture						
LT Others						
HT Domestic						
HT Commercial						
HT Industrial						
HT Traction						
HT Public Water Works						
HT Others						
Overall						

*Note:* List is illustrative but not exhaustive.

Annex 2

**Form 2.7.1 : Detail of Existing rates-Power Factor Rebate/Surcharge**

Category	Average monthly Power Factor	Projected Sales (MU)	Applicable Rates (Paise/Unit)	Impact Rs. Lakhs

**Form 2.7.2 : Detail of Existing rates-Load Factor Rabate/Surcharge**

Category	Projected Sales (MU)	Applicable Rates (Paise/Unit)	Impact Rs. Lakhs

**Form 2.8 : Existing Broad Financial Terms of Supply**

Existing broad terms are to be given in this form.

1. Timely Payment Rebate
2. Billing Demand
3. Load Factor Rebate/Surcharge
4. Power Factor Penalty/Surcharge
5. Other specified Rebates/Surcharges not covered in earlier Forms
6. Minimum Charges
7. Excess Drawal Charges
8. Meter Rental
9. Others to be specified, if any, separately

All details are to be furnished for all applicable tariff categories.

The list is illustrative but not exhaustive.

## List of Forms contained in Annexure 3

[See Regulation 2.5.1.2, 1st Proviso, Clause (iii)]

Form No.	Description
Form 3.1	Estimated Revenue at Proposed Tariff
Form 3.2	Proposed Rates—Low & Medium Voltage Supplies
Form 3.3	Proposed Tariff Structure—High Voltage Supplies
Form 3.4	Details of Proposed Rates
Form 3.5	Details of Proposed Rates—Effects of Rebates etc. at Proposed Rates of Revenue
Form 3.5.1	Details of Proposed Rates—Power Factor Rebate/Surcharge
Form 3.5.2	Details of Proposed Rates—Load Factor Rebate/Surcharge
Form 3.6	Sectoral Movement of Rates
Form 3.7	Proposed Broad Financial Terms of Supply

**Form 3.1: Statement Showing Estimated Revenue at Proposed Rates**

Category of Consumers	Annual Sales		Full year Revenue [Gross Rate Basis] (Rs. Lakhs)	Rebates & other charges (Paise/Unit) (Rs. Lakhs)		Full year Revenue [Net Rate Basis] Net Rate (Paise/Unit)(Rs. Lakhs)	
	Volume (MU)	Gross Rate (Paise/Unit)		(5)	(6)	(7=8/2)	(8 = 4 - 6)
(1)	(2)	(3)	(4)	(5)	(6)	(7=8/2)	(8 = 4 - 6)
LT DOMESTIC	Subcategories						
LT COMMERCIAL	Subcategories						
LT INDUSTRIAL	Subcategories						
LT Public Water Works							
LT Public Bodies:							
STREET LIGHTING:							
Others (Specify)							
<b>OVERALL LT</b>							
HT DOMESTIC							
HT COMMERCIAL							
HT INDUSTRIAL							
HT Traction							
HT Public Water Works & Pumping Station							
HT Agriculture							
HT Others (Specify)							
<b>OVERALL HT</b>							
Overall (A)							
Break-up of rebates etc. reducing revenue							
Power Factor Rebate							
Load Factor Rebate							
Rebate for Supply at high voltage							
Specified Cold Storage Rebate							
Timely payment Rebate							
Minimum Charge							
Excess Drawal Charges							
Overall effects of rebates etc. reducing revenue (B)							
Total Revenue from sale of electricity (A+B)							

1. In case of unmetered supply, rates are to be multiplied with estimated usage.
2. Meter Rental and Late payment surcharge are not to be included here but in Other Income (Annx 1, Form 1.26.)
3. Duties and taxes, if any, are not to be included herein.
4. There will be no Fuel and Power Purchase Adjustment Charge under the proposed tariff. The same will be merged into gross/net tariff rate.

**Form 3.2: Low and Medium Voltage Supplies—Proposed Tariff Structure**

Category	Gross Rate Paise/Unit
DOMESTIC	
COMMERCIAL	
INDUSTRIAL	
PUBLIC LIGHTING	
PUBLIC WATER WORKS	
AGRICULTURE	
OTHERS (Specify)	

*Notes :* Tariff sub-categorywise details are to be provided wherever applicable. Time of the Day (TOD) tariff, if applicable, may be provided.

**Form 3.3: High Voltage Supplies—Proposed Tariff Structure**

Category	Gross Rates Paise/Unit
Industrial	
Commercial	
Public Water Works	
Domestic	
Traction	
Agriculture	
Others (Specify)	
Details of Rebate if any	

*Notes :* Sub-categorywise details, if applicable, may be provided. Time of the Day (TOD) tariff, wherever applicable, may be provided.

**Form 3.4: Details of Proposed Rates**

		Applicable Gross Rate
Category:		
Demand Charge	Rs./KVA or Rs./kW	
Demand Charge	Paise/Unit	
Energy Charge	Paise/Unit	
Average monthly Load Factor		
Average monthly Power Factor		

Details in this form are to be provided for all tariff categories falling under two-part tariff structure or are subject to load/power factor penalty/rebates.

**Form 3.5: Details of Proposed Rates****Effect of Rebates etc. at Proposed Rates on Revenue**

Category	Power Factor Rebate	Load Factor Rebate	High Voltage Supply Rebate	Rebate for others (Specify)	Rs. in Lakhs	
					Minimum Charge	Excess Drawal Charges
LT Domestic						
LT Commercial						
LT Industrial						
LT Agriculture						
LT Others						
LT Domestic						
HT Commercial						
HT Industrial						
HT Traction						
HT Public Water Works						
HT Others						
Overall						

Note : 1. List is illustrative but not exhaustive.

**Form 3.5.1: Details of Proposed Rates****Power Factor Rebate/Surcharge**

Category	Average monthly Power Factor	Projected Sales (MU)	Applicable Rates (Paise/Unit)	Impact Rs. Lakhs

**Form 3.5.2: Details of Proposed Rates****Load Factor Rebate/Surcharge**

Category	Projected Sales MU	Applicable Rates Paise/Unit	Impact Rs. Lakhs

**Form 3.6: Sectoral Movement of Rates**

Category	At Existing Rates Tariff Index*	At Proposed Rates Tariff Index*	Approx. No. of Consumers (in '000)
LT Domestic			
LT Commercial			
LT Industrial			
LT Agriculture			
LT Public Water Works			
LT Street Lighting			
LT Others (Specify)			
<b>OVERALL LT</b>			
HT Domestic			
HT Commercial			
HT Industrial			
HT Traction			
Pumping Stations			
HT Agriculture			
HT Others (specify)			
<b>OVERALL HT</b>			
<b>Overall</b>			

Index expressed as % of overall tariff.

**Form 3.7: Proposed Broad Financial Terms of Supply**

Proposed broad terms are to be given in this form:

1. Timely Payment Rebate
2. Billing Demand
3. Load Factor Rebate/Surcharge
4. Power Factor Penalty/Surcharge
5. Other broad terms not covered in earlier Forms
6. Minimum Charges
7. Excess Drawal Charges
8. Meter Rental
9. Others to be specified, if any, separately

All details are to be furnished for all applicable tariff categories.

List is illustrative but not exhaustive.



## List of Forms contained in Annexure 4

[See Regulation 2.5.1.2, 1st Proviso, Clause (iv)]

Form No.	Description
Form 4(i)	Input to EHT system
Form 4(ii)	Delivery to 33 & 11 kV systems from EHT system
Form 4(iii)	EHT Sales
Form 4(iv)	Losses at EHT system
Form 4(v)	Energy delivered into 33 kV Distribution system
Form 4(vi)	HT sales at 33 kV
Form 4(vii)	Energy delivered from 33/20/11 kV Sub-stations into 20 kV/11 kV/6 kV & LT system
Form 4(viii)	Energy delivered into 11 kV Distribution system
Form 4(ix)	HT Direct Sales at 20 kV/11 kV/6 kV & 3.3 kV
Form 4(x)	Energy sold in the LT system
Form 4(xi)	Energy Losses—33 kV and below

**Form 4(i) : Input to the EHT System (400 kV, 220 kV, 132 kV and 66 kV)****(a) Own Generating Stations**

Sl. No.	Source of Supply	Energy Delivered into the Grid System	MU
1.	Thermal		
2.	Hydel		
3.	Mini-Hydro		
4.	Diesel		
5.	Gas		
6.	Wind		
7.	Renewable		
8.	Co-generation		
Etc.			

**(b) Energy Purchase—sources within the State**

1.	Agency 1		
2.	Agency 2		
3.	Agency 3		
4.	Agency 4		
Etc.			

**(c) Energy Purchase—sources outside the State**

1.	Agency 1		
2.	Agency 2		
3.	Agency 3		
4.	Agency 4		
Etc.			

**(d) Others**

1.			
2.			
3.			
4.			
Etc.			

Total			
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## Annex 4

## Form 4(ii) : Delivery to 33 &amp; 11 kV Distribution System from EHT System (400 kV, 220 kV, 132 kV and 66 kV)

MU

Sl. No.	Unit Area	Energy Received at all EHT S/Ss (132/33 kV) existing in the Unit Area		Total Energy delivered into 33 & 11 kV Distribution System
		Energy delivered into 33 kV Distribution System	Energy delivered into 11 kV Distribution System	
		(a)	(b)	(a) + (b)
1.				
2.				
3.				
4.				
Etc.				
	Total			

## Annex 4

## Form 4(iii) : EHT Sales at 220 kV, 132 kV, 66 kV Voltages

Sl. No.	Supply Voltage	No. of Consumers	Total Units Recorded by HT Meters
1.	220 kV		
2.	132 kV		
3.	66 kV		
	Total		

## Annex 4

## Form 4(iv) : Losses (400 kV, 220 kV, 132 kV &amp; 66 kV)

## Loss Calculation

MU

(a)	<b>Total Energy delivered to System—4(i)</b> Own Generating Stations—4(i) Energy Purchase—sources within the State—4(i) Energy Purchase—sources outside the State—4(i) Others—4(i) <b>Total Energy delivered to System—4(i)</b>	
(b)	<b>Delivered to Distribution System—4(ii) &amp; 4(iii)</b> Energy received at all EHT S/Ss at 33 kV—4(ii) Energy received at all EHT S/Ss at 11 kV—4(ii) HT Consumption at 220, 132, 66 kV—4(iii) <b>Delivered to Distribution System—4(ii) &amp; 4(iii)</b>	
(c)	<b>Losses:</b> 220 kV, 132 kV, 66 kV System Losses % $(a - b)/a \times 100$	

## Annex 4

**Form 4(v) : Energy Delivered into 33 kV Distribution System at the Inter-connection Points of the EHT System & other sources of Generation**

MU

Sl. No.	Name of the Unit Area	Energy Delivered into 33 kV Distribution System							Total Energy Delivered into the Unit Area (a + b)
		From all EHT S/Ss Existing in the Unit Area (a)			Other Sources of Input in the Unit Area (b)				
		Gross	Sub-station consumption/Export, if any	Net	Own Generation	Purchase	Renewable/Cogeneration	Others	
1.									
2.									
3.									
4.									
Etc.									
	Total								

## Annex 4

**Form 4(vi) : HT Sales at 33 kV**

MU

Sl. No.	Name of the Unit Area	Number of Consumers	Total Units Recorded by 33 kV HT Meters
	Total HT Sales at 33 kV		

## Annex 4

**Form 4(vii) : Energy Delivered from 33/20/11/6 kV Sub-stations into 20 kV, 11 kV & 6 kV System (including LT System)**

MU

Sl. No.	Name of the Unit Area	Energy Delivered at HT from all the 33/20/11/6 kV Sub-stations existing in the Unit Area
	Total	



## Annex 4

## Form 4(xi) : Losses at 33 kV and below

## Loss Calculation

MU

<b>1. Losses in 33 kV System and Connected Equipment</b>	
(i) Total Energy delivered into 33 kV Distribution System from EHT S/Ss and other Generating Stations—4(v)	A
(ii) Energy sold by HT direct sales at 33 kV—4(vi)	B
(iii) Energy Delivered into 11 kV and LT System from 33/11 kV S/Ss—4(vii)	C
Losses	$A - (B + C)$
% Losses	$100 \times \{A - (B + C)\} / A$
<b>2. Losses in 11 kV and LT System and Connected Equipment</b>	
(i) Energy delivered into 11 kV and LT Distribution System from 33/11 kV S/Ss—4(vii)	C
(ii) Energy delivered into 11 kV Distribution System and EHT S/Ss and other Gen. Stn.—4(viii)	D
Total Energy delivered into 11 kV and LT Distribution System	$C + D$
(iii) Energy sold by HT direct sales at 11 kV—4(ix)	E
(iv) Energy sold in the LT System—4(x)	F
Total Sales	$E + F$
Losses	$\{(C + D) - (E + F)\}$
% Losses	$\{(C + D) - (E + F)\} \times 100 / (C + D)$

## List of Forms contained in Annex 5

[See Regulation 2.5.1.2, 1st Proviso, Clause (v)]

Form No.	Description
Form 5(i)	Voltage Fluctuation
Form 5(ii)	Frequency Excursion
Form 5(iii)	Abstract of Outages due to tripping of HT Feeders
Form 5(iv)	Failure of Transformers (Nos.)
Form 5(v)	Major System Disturbance (Grid Disturbance)
Form 5(vi)	Electrical Accidents
Form 5(vii)	Release of Customer Bills
Form 5(viii)	Release of Service Connections
Form 5(ix)	Status of Metering
Form 5(x)	Status of Demand













*Annex 5***Form 5(x): Status of Demand**

Sl. No.	Month-Year	Potential Monthly Peak Demand in MW (1)	System Peak Demand in MW (2)	Shortfall in MW (1) - (2)	Reasons

*Note:* If full Demand has not been met, the reasons thereof are to be submitted.

## List of Forms contained in Annex 6

[See Regulation 2.5.1.2, 1st Proviso, Clause (vi)]

Form No.	Description
Form 6	Cash Flow Statement

## Annex 6

## Form 6: Cash Flow Statement

Rs. in Lakhs

	Previous Year (Actuals*/Estimated)	Current Year (Estimated)	Ensuing Year (Projected)
<b>REVENUE ACCOUNT</b>			
1. Operating Incomes			
(a) Sale of Power			
(b) Transmission Charges			
(c) Other Income (to be specified)			
Total (A)			
2. Operating Expenses			
(All revenue nature of expenses other than non-cash charges like Depreciation, DRE, etc.)			
(a) Cost of Electrical Energy Purchased			
(b) Operating expenses (excluding Depreciation, Intangible Asset written off etc.)			
Total (B)			
(A) – (B)			
3. Increase/Decrease in Current Assets, Current Liabilities & Provisions in Revenue Account			
(a) Sundry Debtors			
(b) Loans & Advances			
(c) Current Liabilities			
(d) Provisions			
(e) Inventories			
(f) Others			
Total (C)			
4. Operating Cash Surplus (A) – (B) ± (C)			
5. Utilisation of Operating Cash Surplus (Sources to Meet Operating Cash Shortfall)			
<b>CAPITAL ACCOUNT</b>			
<b>ADDITION IN CAPITAL FUND</b>			
1. Additional own fund brought in			
2. Additional borrowings			
3. Additional Consumers' contribution and security deposits			
4. Use of operating surplus			
5. Increase in liabilities for capital works			
6. Others			
Total (1 to 6)			
<b>UTILISATION OF CAPITAL FUND</b>			
7. Increase in fixed capital expenses			
8. Loan repayment at actual			
9. Decrease in liabilities for capital works			
10. Additional investment			
11. Any other item			
Total (7 to 11)			

\*Where actuals are not available, estimated figures are to be furnished.

[See Regulation 2.5.1.2, 1st Proviso, Clause (xii)]

Annex 7

### Gist of Tariff Revision Petition

A gist of tariff revision petition with the following details may be submitted:

- (1) Gist of tariff revision petition before the West Bengal Electricity Regulatory Commission for the year ..... and admitted on ..... (date).
- (2) Name of the Licensee/Generating company
- (3) Address of the Licensee/Generating company
- (4) Tariff revision proposed to be applicable from .....
- (5) Expected Revenue at current tariff—Rs. .... Crores.
- (6) Expected Revenue at proposed tariff—Rs. .... Crores.
- (7) Range of percentage of increase/decrease sought in the Petition
- (8) Major reasons for increase/decrease in Tariff proposed
- (9) Major factors not considered in the above increase sought, if any
- (10) Details of major changes proposed in applicable terms and conditions
- (11) Any other important issue
- (12) Petition submitted by the licensee/generating company may be inspected at the office of the Commission and .....(other addresses, if any) by ..... (date) and copies obtained from the office of the Commission on by ..... (date).
- (13) Objections and comments, if any, may be submitted at the office of the Commission by ..... (date).

*Note:* Date will be filled up by the Commission later on.

Place : Kolkata  
Date : 21.11.2005

By order of the Commission,

K. L. BISWAS,  
Secretary of the Commission.