



**ORDER**

**OF THE**

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**IN THE MATTER OF**

**CASE NO: APR(R)-25/23-24**

**REVIEW OF THE FUEL & POWER PURCHASE COST ADJUSTMENT AND  
ANNUAL PERFORMANCE REVIEW ORDER DATED 17.08.2023 PASSED IN  
CASE NO. FPPCA-91/18-19 AND APR-71/18-19 OF DURGAPUR PROJECTS  
LIMITED (DPL) FOR THE FINANCIAL YEAR 2017 – 18**

**DATE: 06.01.2026**



**Review of the Order dated 17.08.2023 of Durgapur Projects Limited passed in Case No. FPPCA-91/18-19 and APR-71/18-19**

**CASE IN BRIEF**

- 1.0 This petition is submitted on 30.09.2023 (sent on 03.10.2023 by the Durgapur Projects Limited (in short Review Petitioner or DPL) for review of the Fuel & Power Purchase Cost Adjustment (FPPCA) and Annual Performance Review (APR) order dated 17.08.2023 (Impugned Order) passed for the year 2017 – 18 in Case No. FPPCA-91/18-19 and APR-71/18-19.
- 2.0 The review petition has been admitted by the Commission on 12.12.2023 in Case No. APR (R)-25/23-24 under the provision of Section 94(1)(f) of the Electricity Act, 2003, read with regulation 3.3 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013.
- 3.0 The issues associating the Impugned Order highlighted for review by DPL in this review petition are as follows:
  - 1) Reactive Energy Charge;
  - 2) Short lifting Compensation;
  - 3) Return on Equity;
  - 4) Interest on Borrowed Capital;
  - 5) Allocation of Expense of Service Department and Central Workshop;
  - 6) Employee Expenses;
  - 7) O&M Expenses;
  - 8) Interest on Working Capital.
- 4.0 Now, the Commission proceeds to find out whether any case for review has been made out by the Review Petitioner in terms of Order 47 Rule 1 of Code of Civil Procedure (CPC), according to which a person aggrieved by order of a Court can file review on the following grounds, if no appeal against the said order has been filed:



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- (a) Discovery of new and important matter of evidence which after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the decree was passed or order made.
- (b) On account of some mistake or error apparent on the face of record; and
- (c) For any other sufficient reason.

4.1 In this connection, reference could be made to the following judgments:

(a) In *Lily Thomas & Ors. vs. Union of India & Ors.* [(2000) 6 SCC 224] Judgment, the Hon'ble Supreme Court has held as under:

"56. It follows, therefore, that the power of review can be exercised for correction of a mistake and not to substitute a view. Such powers can be exercised within the limits of the statute dealing with the exercise of power. The review cannot be treated as an appeal in disguise. The mere possibility of two views on the subject is not a ground for review...."

(b) In *Union of India vs. Sandur Manganese and Iron Ores Limited & others* {(2013) 8 SCC 337}, the Hon'ble Supreme Court has held as under:

"23. It has been time and again held that the power of review jurisdiction can be exercised for the correction of a mistake and not to substitute a view. In *Parson Devi & Others Vs. Sumitri Devi & Others*, this Court held as under:

"9. Under Order 47 Rule 1 of CPC, a judgment may be open to review *inter alia* if there is a mistake or an error apparent on the face of the record. An error which is not self-evident and has to be detected by a process of reasoning, can hardly be said to be an error apparent on the face of the record justifying the court to exercise its power of review under Order 47 Rule 1 CPC. In exercise of the jurisdiction under Order 47 Rule 1 of CPC, it is not permissible for an erroneous decision to be "reheard and corrected". A review petition, it must be remembered has limited purpose and cannot be allowed to be "an appeal in disguise."

(c) In *M/S Goel Ganga Developers India Pvt. Ltd. vs. Union of India* 2018 SCC Online SC 930, the Hon'ble Supreme Court has held as under:

"In this behalf, we must remind ourselves that the power of review is a power to be sparingly used. As pithily put by Justice V.R. Krishna Iyer, J., "A plea for review, unless the first judicial view is manifestly distorted, is like asking for the moon"

2. The power of review is not like appellate power. It is to be exercised only when there is an error apparent on the face of the record. Therefore, judicial



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discipline requires that a review application should be heard by the same Bench. Otherwise, it will become an intra-court appeal to another Bench before the same court or tribunal. This would totally undermine judicial discipline and judicial consistency”

5.0 Review sought on the issues of paragraph 3.0 have been discussed below:

**5.1 *Reactive Energy Charges:***

**5.1.1 *Review Petitioner's submission:***

5.1.1.1 DPL submits that they had claimed Power Purchase cost of Rs. 8327.43 Lakhs inclusive of Rs. 7.34 lakhs towards Reactive Energy Charges of FY 2017-18 based on the audited accounts. However, the Commission in paragraph 2.10.2 of the Impugned Order did not consider the same and approved Rs. 8320.09 Lakhs as Power Purchase Cost for the FY 2017-18 in Table 2.3 of the Impugned Order. Further, the Commission in paragraph 3.31 disallowed the Reactive Energy Charges as claimed by the DPL.

5.1.1.2 DPL has submitted that the Commission previously considered and approved the Reactive Energy Charges in APR order dated 22.07.2016. Therefore, DPL submits to allow the Reactive Energy Charges for FY 2017-18 as this cost was actually incurred and the same was also substantiated through booking in the Audited Accounts for the year.

**5.1.2 *Commission's view:***

5.1.2.1 Considering the above submission of DPL, the Commission has decided to admit Rs. 7.34 lakh as VAR Charge since this amount of Rs. 7.34 lakh is paid by DPL on Reactive Energy Charge / VARH Charge head & the same is evident from the Annual Account of DPL for 2017-18. Such review of errors come under jurisdiction of this Commission under Order 47 Rule 1 of CPC in view of the decision of the Hon'ble Apex Court in Lily Thomas(supra).

**5.2 *Short lifting Compensation:***

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**5.2.1 Review Petitioner's submission:**

5.2.1.1 DPL had claimed Rs. 10,653.98 Lakhs on account of the Short Lifting of Coal for the FY 2017-18 which was not allowed by the Commission. In this regard, following is submitted for consideration of the Commission:

- i. Mahanadi Coalfields Limited raised the claim on account of short lifting compensation of Rs. 10,653.98 Lakhs.
- ii. DPL was unable to lift the entire coal as per Annual Contracted Quantity (ACQ) as DPL could not operate its generating units in full capacity resulting in reduced coal demand.
- iii. DPL also received several diverted coal rakes during the period.
- iv. Further, as per the directive of CEA and MOEF, DPL was required to maintain weighted ash content at 34% whereas coal from MCL had 48% to 52% ash content. Hence, DPL had to reduce the offtake of coal from MCL.
- v. The coal rakes of MCL are N. Box, whereas the wagon tippler system at DPL was under shutdown for modification of new conveyor system. Hence, DPL was compelled to reduce the coal rakes from MCL.

5.2.1.2 DPL submits to admit Rs. 10,653.98 Lakhs on account of the Short Lifting of Coal for the FY 2017-18 since they had to reduce the lifting of coal, resulting in the above claim due to force majeure circumstances, beyond the control of.

**5.2.2 Commission's view:**

5.2.2.1 DPL in Form E(B) of the APR petition, claimed Rs. 8.42 lakh for Unit No 6, Rs. 6402.57 lakh for Unit No 7 and Rs. 4242.99 lakh totaling to Rs. 10653.98 lakh for 'Compensation on Short lifting of Coal' due to lower Plant Availability Factors (PAF) which was mentioned as 0.18%, 59.54% and 47.46% for Unit



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No 6, Unit No 7 and Unit No 8 respectively in Form 1.1(a) of APR petition of DPL. The Commission did not admit such Compensation on Short lifting of Coal since the poor PAFs of the units of DPL did not justify the 'Compensation on Short lifting of Coal' as pass through in the Impugned Order.

5.2.2.2 From the submission made in the review petition for Compensation on Short lifting of Coal for 2017-18, it is observed that DPL has not submitted any additional fact in regards to the above issue.

5.2.2.3 Hence there is no scope of reviewing the considered decision of the Commission under section 94 (1) (f) read with Order 47 of Rule 1 of CPC.

**5.3 Return on Equity:**

**5.3.1 Review Petitioner's submission:**

5.3.1.1 Average Equity Base for Unit No 7 as admitted in MYT Order, claim of DPL in APR Application and admitted amount as per APR Order of 2016-17 were as mentioned hereunder:

**Table B: Average Equity Base for Unit No 7**

Description	Amount (Rs lakh)
Amount admitted in MYT Order dated 04.03.2015	40500
DPL's Claim for 2016-17	40500
Admitted by the Commission in the Impugned Order	36256

5.3.1.2 In paragraph 3.20.2 of the Impugned Order, the Commission directed to forward the respective Government orders issued from time to time towards

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equity infusion/participation by the Government in power plant business. Details as required are furnished along with the review petition of FY 2015 – 16 for consideration by Commission and admissible equity considered in the order for FY 2016 – 17 also be considered and admitted accordingly.

5.3.1.3 DPL submits to re-compute admissible amount considering average equity base of Unit No 7 at Rs 40500 lakh instead of Rs. 36256 lakh under this head for all previous years taking into consideration of the documents submitted by DPL along with the review petition of FY 2015 – 16, while disposing off this review petition.

5.3.2 **Commission's view:**

DPL has submitted petition for approval of impact of order of the Commission dated 26.08.2025 regarding final project cost of 1x300 MW Unit No. 7, on APR orders of DPL. The petition is presently under consideration of the Commission. Therefore, the Commission finds it prudent not to consider this issue in the instant order.

**5.4 *Interest on borrowed capital***

5.4.1 **Review Petitioner's submission:**

5.4.1.1 The DPL submits that it claimed Rs. 34,528.02 Lakhs towards Interest on borrowed capital for the FY 2017-18 based on the audited accounts. However, the Commission disallowed Interest towards FITL of Rs. 3849.83 Lakhs for the FY 2017-18.

5.4.1.2 It is submitted that the loans were taken and utilised for the purpose of business operations of DPL. The restructuring of the loans was also done keeping in view the financial viability of operations of DPL. Hence,

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disallowance of the same by the Commission shall put financial constraints on the operations and it will be difficult for the DPL to service the loans. The interest claimed by DPL in its petition is actual interest liability and the same are the audited figures.

**5.4.1.3** In view of the above, DPL again submits to allow the interest pertaining to FITL for the FY 2017-18.

### **5.4.2 Commission's view:**

The principles adopted by the Commission in paragraph 3.14 of the Impugned Order are self-explanatory.

From the submission made in the review petition, it is observed that DPL has not submitted any additional fact in regards to the above issue.

As per Order 47 Rule 1 of CPC, the review of such principle does not fall within the review principles as laid down in section 114 of the CPC.

## **5.5 Allocation of Expense of Service Department and Central Workshop:**

### **5.5.1 Review Petitioner's submission:**

**5.5.1.1** This Commission in Table No. 3.2 of the Impugned Order had considered the Net expenses of the Service Department and the Central Workshop as shown in the respective annual audited accounts and accordingly allocated the same in proportion to the claim. Further, the Commission again considered Non-Tariff Income (NTI) as claimed by DPL. Therefore, there was a double deduction on account of NTI and a lower total allocable common expense.



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5.5.1.2 The detailed reconciliation of the total expenses claimed by the DPL and admitted by the Commission for the Service Department and Central Workshop Department in the Impugned Order is provided as follows:

**Table C: Reconciliation of Employee Expenses of FY 2017-18 (Rs lakh)**

Sl. No	Particulars	Claimed by DPL in APR	Admitted in Impugned Order	Differences
1	Employee Expense (Direct)	9766.14	9766.14	
2	Employee Expenses of the Service Department and Central Workshop	3534.30	3452.50	81.80
3	Direct Remuneration 13	23.45	23.45	
4	<b>Total Employee Expense</b>	<b>13323.89</b>	<b>13242.09</b>	<b>81.80</b>

5.5.1.3 Therefore, there is an error apparent on the face of the records which needs to be reviewed and accordingly, DPL submits to review the Impugned Order in respect of the expenses of the Service Department and Central Workshop of FY 2017-18.

**5.5.2 Commission's view:**

5.5.2.1 DPL in page 9 of Volume I of the APR petition had claimed Rs. 10909.95 lakh as apportioned expense of Service Department and Rs. 75.58 lakh as apportioned expense of Central Workshop (CWS). However, the Commission in para 3.5.1 of the Impugned Order on 'Expense Allocation of Service Department and Central Workshop', considered Rs. 10652.84 lakh as apportioned expense of Service Department and Rs. 75.53 lakh as apportioned expense of Central Workshop (CWS) as per 'STATEMENT No. IV' of Volume III of the APR petition.

5.5.2.2 DPL in Form 1.26 claimed Rs. 2001.92 lakh as Other Income or Non-tariff Income (NTI) which was admitted by the commission in full.



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5.5.2.3 Now the Commission finds that the apportioned expense of Service Department and apportioned expense of Central Workshop (CWS) as per 'STATEMENT No. IV' of Volume III (Rs 10652.84 lakhs for service department and Rs. 75.53 lakh for CWS) were net of apportioned incomes of Service Department and CWS. The Commission further notes that apportioned incomes of Service Department and CWS were included by DPL in Form 1.26 as NTI along with NTI of Power Plant.

5.5.2.4 Thus, it is found that simultaneous consideration of apportioned expenses of Service Department and CWS as recorded in 'STATEMENT No. IV' of Volume III and NTI of Form 1.26, has resulted double deduction of apportioned incomes of Service Department and CWS.

5.5.2.5 Therefore, the Commission revises Table 3.2 of APR Order regarding 'Expense Allocation of Service Department and Central Workshop' as follows:

**Table D: Revised Table 3.2 of APR Order on Expense Allocation of Service Department and Central Workshop**

(Rs. Lakh)

<b>Head of expense</b>	<b>APR Order</b>		<b>Review Order</b>		
	<b>Claimed Service Dept</b>	<b>Claimed CWS</b>	<b>Admitted Service Dept</b>	<b>Admitted CWS</b>	<b>Total</b>
<i>R&amp;M</i>	114.12	0.87	116.87	0.87	117.74
<i>A&amp;G</i>	4391.04	10.07	4497.02	10.08	4507.10
<i>Audit</i>	3.35	0	3.43		3.43
<i>Insurance</i>	0.20	0	0.20		0.20
<i>Employee</i>	3387.91	64.59	3469.68	64.62	3534.30
<i>Depreciation</i>	28.88	0	29.58		29.58
<i>Interest</i>	278.11	0	284.82		284.82



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<i>IPT water</i>	530.90	0	543.71		543.71
<i>IPT power</i>	25.26	0	25.87	0.00	25.87
<i>Rent Rates &amp; taxes</i>	1893.07	0	1938.78		1938.78
<b>Total</b>	<b>10652.85</b>	<b>75.53</b>	<b>10909.96</b>	<b>75.57</b>	<b>10985.53</b>

5.5.2.6 The Commission suitably corrects the error in paragraph 5.6 and 5.7 of this order.

## 5.6 Employee Expenses

### 5.6.1 Review Petitioner's submission:

5.6.1.1 DPL computed Employee Expenses of Rs. 13,323.89 Lakhs including direct expenses of Rs. 9766.14 Lakhs based on the audited accounts of the Power Plant, Rs. 23.45 Lakhs as Director's Remuneration and Rs. 3,534.30 Lakhs based on the allocation of centrally maintained expenses of the Service Department and Central Workshop for FY 2017-18.

5.6.1.2 However, the Commission had considered direct expenses as claimed by DPL whereas the proportionate expenses of the Service Department and Central Workshop was considered as approved in Table No. 3.2 of the Impugned Order.

5.6.1.3 The detailed reconciliation of the claim and approved figures of the Employee Expenses for the FY 2017-18 is provided below:

**Table E: Reconciliation of Employee Expenses of FY 2017-18 (Rs. Lakhs)**

Sl. No.	Particulars	Employee Expenses as claimed by DPL	Employee Expenses as considered by the Commission	Differences
1.	Employee Expenses (Direct)	9,766.14	9,766.14	-



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2.	Employee Expenses of the Service Department and Central Workshop	3,534.30	3,452.50	81.80
3.	Director Remuneration	23.45	23.45	-
4.	Total Employee Expenses	13,323.89	13,242.09	81.80

5.6.1.4 Therefore, it is submitted that there is an error on account of the centrally maintained expenses as details in this petition.

5.6.1.5 DPL submits to review the Impugned Order in respect of Employee Expenses of FY 2017-18.

5.6.2 **Commission's view:**

5.6.2.1 The Commission has already discussed this issue in paragraph 5.5.2 of this order and Consequently, revises Table 3.3 of the APR Order on Employee cost as below:

**Table F: Revised Table 3.3 of APR Order on admitted Employee Cost**

Head of expense	APR Order			Review Order		
	Generation Total	Distribution	Total	Generation Total	Distribution	Total
Employee Cost (Direct)	6553.92	3212.22	9766.14	6553.92	3212.22	9766.14
Employee Cost (Centrally maintained)	3452.50	0.00	3452.50	3534.30		3534.30
Directors Fee	23.45	0.00	23.45	23.45	0.00	23.45
Total	10029.87	3212.22	13242.09	10111.67	3212.22	13323.89

5.6.2.2 Apportioned Employee Cost for Generation among generating units of DPL is revised as tabulated below:



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**Table G: Revised apportioned employee cost of generation among generating units of DPL**  
(Rs. Lakh)

Unit	Admitted in APR Order	Admissible in this Order
Unit VI	2959.47	2983.61
Unit VII	3730.67	3761.10
Unit VIII	3339.73	3366.96
<b>Total</b>	<b>10029.87</b>	<b>10111.67</b>

## **5.7 O&M expenses**

### **5.7.1 Review Petitioner's submission:**

5.7.1.1 DPL claimed O&M expenses of Rs. 17,042.42 Lakhs including legal fees of Rs. 0.54 Lakhs for the FY 2017-18 based on the audited accounts and further allocation of centrally maintained expenses of the Service Department and Central Workshop for the respective year.

5.7.1.2 The Commission in Table No. 3.7 of the Impugned Order had considered the same and further deducted the difference amount of Rs. 2437.18 Lakh based on the audited accounts. The reconciliation of the claim and considered figures by the Commission in Table No. 3.7 are provided below:

**Table H: Reconciliation of the O&M Expenses claimed by DPL and admitted in the Impugned Order (Rs. Lakhs)**

Sl. No	Particulars	Claimed	Admitted for Generation	Admitted for Distribution	Total O&M Admitted	Difference
		A	B	C	D=B+C	E = (A-D)
1	R&M Expenses	5,994.57	5,351.40	643.17	5,994.57	-
2	A&G Expenses of Power Plant	3,594.39	7,401.32	3,644.84	11,046.16	-
3	A&G Expenses of Service Department	7,440.27				



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Sl. No	Particulars	Claimed	Admitted for Generation	Admitted for Distribution	Total O&M Admitted	Difference E = (A-D)
			B	C	D=B+C	
		A				
4	A&G Expenses of Central Workshop	10.96				
5	Legal Fee	0.54				
6	<b>Sub - Total A&amp;G Expenses</b>	<b>11,046.16</b>	<b>7,401.32</b>	<b>3,644.84</b>	<b>11,046.16</b>	<b>-</b>
7	Auditors Fee	1.69	-	1.69	1.69	-
8	Less: Differences from Audited Statement	-	2,128.05	309.13	2,437.18	2,437.18
9	<b>Total O&amp;M Expenses</b>	<b>17,042.42</b>	<b>10,624.67</b>	<b>3,980.57</b>	<b>14,605.24</b>	<b>2,437.18</b>

5.7.1.3 It is clear from the above table that the Commission considered Rs. 3,980.57 Lakhs and Rs. 10,624.67 Lakhs as actual O&M Expenses for the Distribution and Generation functions respectively based on the audited accounts for FY 2017-18.

5.7.1.4 However, in Table 3.8 of the Impugned Order, the Commission approved the O&M Expenses for Distribution function as approved in the MYT Order instead of the actual O&M expenses of Rs. 3,980.57 Lakhs as admitted by the Commission in Table No. 3.7 based on the audited accounts of FY 2017-18. Therefore, DPL submits to review the above-stated issue.

5.7.1.5 Further, the Commission in Para No. 3.10.1 and 3.10.2 of the Impugned Order stated that in the absence of the Norms for FY 2017-18, the Commission considered the hybrid inflation index over the applicable norms for O&M expenses of FY 2016-17 as specified in Schedule 9A of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 ("Tariff Regulations").

5.7.1.6 Accordingly, the Commission in Table No. 3.9 of the Impugned Order computed Normative O&M Expenses for Generation business as Rs. 6,186.00 Lakh for the FY 2017-18.



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5.7.1.7 However, the Commission approved O&M expenses for Generation business as Rs. 4,454.94 Lakhs against Normative O&M Expenses of Rs. 6,186.00 Lakhs (computed in the Impugned Order at Table under para 3.10.2 and Table 3.9) as well as actual O&M Expenses at Rs. 10,624.67 Lakhs shown in Table No. 3.7 of the Impugned Order.

5.7.1.8 Therefore, DPL submits to approve the O&M Expenses as admitted by the Commission in Table No. 3.7 of the Impugned Order.

5.7.2 **Commission's view:**

5.7.2.1 The determination of admitted O&M expenses for distribution was done in paragraph 3.5, 3.9 and Annexure 3A of the Impugned Order. There is no error apparent on the face of the record except the impact of double deduction of apportioned Incomes of Service Department and CWS as described in paragraphs 5.5.2 and 5.6.2 of this order.

5.7.2.2 Based on the discussions in paragraph 5.5.2 and Table C of this order, Column 4 and 5 of Annexure 3A of the APR Order is revised in this Review order as below.

Table I: Revised Annexure 3A of APR Order

(Rs. Lakh)

O&M and other small expenses	Form E(B)	Application Vol 3		
		Statement IV Direct (Gen+Dist)	Page 9 Allocation (Gen+Dist)	Total (Audited Accounts)
1	2	3	4	5=3+4
Stores		1757.10		1757.10
R&M	5994.57	4238.38	117.74	4356.12
<b>Sub Total R&amp;M</b>	<b>5994.57</b>	<b>5995.48</b>	<b>117.74</b>	<b>6113.22</b>
Travelling Expense				0.00
Vehicle Maintenance				0.00
postage & security				0.00

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Other Management & Administrative Expenses					0.00
Legal Charges	0.54				0.00
Computer maintenance					0.00
General Establishment Charges	11045.62	4088.62	4507.10	8595.72	
Advertisement					0.00
<b>Sub Total A&amp;G</b>	<b>11046.16</b>	<b>4088.62</b>	<b>4507.10</b>	<b>8595.72</b>	
<b>Audit</b>	<b>1.69</b>	<b>1.69</b>	<b>3.43</b>	<b>5.12</b>	
<b>Sub Total O&amp;M</b>	<b>17042.42</b>	<b>10085.79</b>	<b>4628.27</b>	<b>14714.06</b>	

5.7.2.3 Accordingly, Table 3.7 of the APR Order regarding R&M Expenses, Audit Fee and Other Administrative & General Expenses of Generation & Distribution is also revised in this review order as below:

Table J: Revised Table 3.7 of APR Order on Claim of DPL on Distribution O&M as per the Commission

(Rs. Lakh)

Particulars	Total claim	As per Form 1.12					Distribution
		Unit VI	Unit VII	Unit VIII	Total Generation		
	1	2	3	4	5 = (2) + (3) + (4)	6 = (1) - (5)	
Repair & Maintenance including Stores	5994.57	0.00	3409.87	1941.53	5351.40	643.17	
Administrative and General Expenses	11046.16	501.94	3693.02	3206.36	7401.32	3644.84	
Audit	1.69	0.00	0.00	0.00	0.00	1.69	
Less: Difference from Audited Statement (Rs 17042.42 lakh - Rs 14714.06 lakh)	2328.36	80.02	1132.34	820.67	2033.03	295.33	

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<b>Total</b>	<b>14714.06</b>	<b>421.92</b>	<b>5970.55</b>	<b>4327.22</b>	<b>10719.69</b>	<b>3994.37</b>
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5.7.2.4 Finally, claimed and admissible value for R&M Expenses, Audit Fee and Other Administrative & General Expenses of Distribution, as determined by the Commission in Table 3.8 of the APR Order is revised as below:

**Table K: Revised Table 3.8 of APR Order on claimed and admitted value for R&M Expenses, Audit Fee and Other Administrative & General Expenses**

Sl. No	Expense Item	Amount Admitted in MYT Order	APR Order		Review Order	
			Claimed Amount as given in Table 3.7	Admitted amount in APR	Claimed Amount as given in Table J	Admitted amount in this order
1)	Distribution R&M	349.00	643.17	349.00	643.17	349.00
2)	Other A&G Distribution	685.00	3644.84	685.00	3644.84	685.00
3)	Audit Distribution	1.00	1.69	1.00	1.69	1.00
4)	Less: Difference from Audited Statement		309.13		<b>295.33</b>	
5)	Distribution A&G Expenses (2+3-4)	686.00	3337.40	686.00	3351.20	686.00
6)	Adjustment in terms of Regulation 2.5.5 (iv) of Tariff Regulations					
7)	<b>Total O&amp;M Expenses (1+5)</b>	<b>1035.00</b>	<b>3980.57</b>	<b>1035.00</b>	<b>3994.37</b>	<b>1035.00</b>

Thus, the A&G of Distribution remains same in this order as was in APR Order.

## **5.8 Interest on Working Capital**

### **5.8.1 Review Petitioner's submission:**

5.8.1.1 The DPL submits that it claimed Rs. 3017.86 Lakhs towards Interest on Working Capital as per the provisions in Tariff Regulations.

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5.8.1.2 However, the Commission in Table No. 3.17 of the Impugned Order considered Interest on Working Capital as Rs. 46.54 Lakhs for the FY 2017-18 by referring to actual interest on working capital paid as per "From – C" as submitted by the DPL. The Commission in para 3.23.2, Table 3.17 (Sl. No. 16) of the Impugned Order has also observed as follows:

*"Interest on Working Capital Actually Paid (As per Form C- excluding Cash Credit for Coke Oven plant")*

5.8.1.3 It is submitted that Cash Credit is for Power Plant business from the Coke Oven branch and not for the Coke Oven plant as observed by the Commission. The same may be observed from the Bank Statement of the Cash Credit Account submitted herewith.

5.8.1.4 DPL submits that it actually borrowed working capital loan from United Bank of India (Coak-oven Branch) to meet the Working Capital Gap. Further, DPL submits that it actually paid Rs. 246.27 Lakhs towards the Interest on Working Capital loan which includes Rs. 199.73 Lakhs to UBI, Coak-oven Branch and Rs. 46.54 Lakhs towards Indian bank during FY 2017-18. The Details of payment of actual Interest on working capital are provided below:

**Table L: Details of Actual Interest paid towards working Capital loan of UBI, Coke Oven Branch**

<b>Date of Interest Charged on C.C. account</b>	<b>Interest Amount (Rs)</b>
29.04.2017	10,52,238
31.05.2017	14,97,299
30.06.2017	12,61,868
31.07.2017	17,72,379
31.08.2017	14,68,234
30.09.2017	23,59,894
31.10.2017	19,82,576
30.11.2017	22,26,498
30.12.2017	14,22,096
31.01.2018	18,47,981
28.02.2018	14,58,162

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Date of Interest Charged on C.C. account	Interest Amount (Rs)
31.03.2018	16,23,787
Total Interest Paid	1,99,73,012
<b>Total Interest Paid (in Rs. Lakhs)</b>	<b>199.73</b>

5.8.1.5 Further, the DPL submits the Bank Statement of United Bank of India (Coke-oven Branch) for the FY 2017-18 with the instant petition.

5.8.1.6 Hence, DPL submits that there is an error apparent from record in disallowance of interest of cash credit account of the Coke Oven Branch (considered as Coke Oven Plant).

5.8.1.7 Therefore, DPL submits to review Interest on Working Capital of the Impugned Order for FY 2017-18.

5.8.2 **Commission's view:**

5.8.2.1 Considering the above submission of DPL the Commission decides to re-visit the issue related Interest on Working Capital. The Commission observes that Rs. 246.27 lakh (Rs. 46.54 lakh paid to Indian Bank + Rs. 199.73 lakh for Cash credit from UBI, Coke Oven Branch) was actually paid as Interest on Working Capital , as per Form C. The Commission re-determines the Interest on Working Capital for the year 2017 – 18 as shown in the paragraph 5.9 below.

5.9 Consequent to the above discussions, interest on admissible Working Capital [Table 3.17 of the impugned order] is re-determined in below table:

**Table M: Revised Table 3.17 of the Impugned Order on Interest on Working Capital**

Sl. No.	Particulars	Admitted in Impugned Order			Admissible in this Order		
		Gen	Dist.	Total	Gen	Dist.	Total
1	Annual Fixed charges now arrived excluding interest on working capital	66340.25	8636.48	74976.73	66422.05	8643.82	75065.87
2	Fuel Cost / power purchase cost as admitted	54543.81	8320.09	62863.90	54543.81	8320.09	62863.90



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Sl. No.	Particulars	Admitted in Impugned Order			Admissible in this Order		
		Gen	Dist.	Total	Gen	Dist.	Total
3	<b>Sub Total (1+2)</b>	120884.06	16956.57	137840.63	120965.86	16963.91	137929.77
	Less:						
4	Depreciation	11382.16	1377.99	12760.15	11382.16	1377.99	12760.15
5	Advance depreciation against	0.00	0.00	0.00	0.00	0.00	0.00
6	Deferred revenue expenditure	0.00	0.00	0.00	0.00	0.00	0.00
7	Return on Equity	10867.59	2629.59	13497.18	10867.59	2629.59	13497.18
8	Bad and doubtful Debt	0.00	0.00	0.00	0.00	0.00	0.00
9	Reserve for Unforeseen Exigencies	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Sub Total (4 to 9)</b>	22249.75	4007.58	26257.33	22249.75	4007.58	26257.33
11	Allowable Charges for working capital (3-10)	98634.31	12948.99	111583.30	98716.11	12956.33	111672.44
12	Normative requirement of Working Capital (10% of 11)	9863.43	1294.90	11158.33	9871.61	1295.63	11167.24
13	Security deposit held as on 31.03.2017		2613.41	2613.41		2613.41	2613.41
14	Requirement of working capital after utilizing the security deposit (12-13)	9863.43	0.00	9863.43	9871.61	0.00	9871.61
15	Interest allowable @11.50% on 14	1134.29	0.00	1134.29	1135.24	0.00	1135.24
16	Interest on Working Capital Actually Paid (As per Form C)			46.54	246.27		246.27
17	Interest on working capital allowed (Minimum of 15 and 16)	46.54	0.00	46.54	246.27	0.00	246.27

5.10 Based on the analyses and findings recorded in the foregoing paras, the Commission now redetermines Aggregate Revenue Requirement (ARR) of DPL



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for the year 2017 – 2018. Annexure 3B of the impugned order is revised as Annexure R enclosed with this order.

5.11 Consequently, the recovery of capacity charge for the generating station of DPL as per PAF achieved during the year 2017 – 18 against the normative availability computed in paragraph 3.28.1 of the Impugned Order is redetermined below:

**Table N: Revised recovery of capacity charge for the generating station**

Sl. No	Particulars	Admitted in Impugned Order			Admissible in this Order		
		Unit 6	Unit 7	Unit 8	Unit 6	Unit 7	Unit 8
1	Allowable Fixed Charges for generating station at normative PAF level	4630.29	22817.76	38938.74	4681.70	22917.77	39068.85
2	Cost admitted under the head 'Water charges'	1.24	936.8	620.82	1.24	936.80	620.82
3	Cost admitted under the head 'Coal & Ash Handling Expenses'	0.18	137.78	91.30	0.18	137.78	91.30
4	Fixed Charge to be considered for disallowance (4=1-2-3)	4628.87	21743.18	38226.62	4680.28	21843.19	38356.73
5	Normative PAF (%)	69.00	85.00	85.00	69.00	85.00	85.00
6	PAF Achieved (%)	0.18	59.54	47.46	0.18	59.54	47.46
7	Proportionate capacity charge of item 6 (For Unit 7 and 8)	12.08	16862.29	23630.80	12.21	16939.85	23711.23
8	Capacity Charge admitted on the basis of PAF achieved (8=2+3+7)	13.50	17936.87	24342.92	13.63	18014.43	24423.35



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5.12 Based on the foregoing analyses, the amounts of fixed charge/ capacity charges allowable under different heads in respect of DPL [Table below paragraph 3.32 of the Impugned Order] are reworked out as under:

**Table O: Revised Allocation of Fixed Costs (Rs. Lakh)**

Particulars	Admitted in Impugned Order	Admissible in this Order
Unit No 6	13.50	13.63
Unit No 7	17936.87	18014.43
Unit No 8	24342.92	24423.35
<b>Total Generation</b>	<b>42293.29</b>	<b>42451.41</b>
Distribution	8636.48	8643.82
<b>Total Fixed Charges</b>	<b>50929.77</b>	<b>51095.23</b>

5.13 The fuel and power purchase cost allowable to DPL totaling to Rs. 62863.90 lakh, as determined by the Commission in Chapter 2 of the impugned order remains same. The re-determined allowable fixed charges for generation and distribution functions as well as fuel and power purchase cost of DPL during the year 2017-18 [Table 4.1 of the Impugned Order] is worked out below:

**Table P: Revised Table 4.1 of the Impugned Order (Rs. Lakh)**

Particulars	Admitted in Impugned Order			Admissible in this Order		
	Generation	Distribution	Total	Generation	Distribution	Total
Recoverable Fixed Charge [Annex O]	42293.29	8636.48	50929.77	42451.41	8643.82	51095.23
Total fuel and power purchase cost	54543.81	8320.09	62863.90	54543.81	8320.09	62863.90
Less: Withheld for		1594.08	1594.08		1594.08	1594.08

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reserve for unforeseen exigencies							
Total	96837.10	15362.49	112199.59	96995.22	15369.83	112365.05	

5.14 Based on the analysis as done in the foregoing paragraphs, the amount adjustable on the instant case of APR for the year 2017 – 18 [Table 4.3 of the Impugned Order] is reworked out as under:

**Table Q: Revised Table 4.3 of the Impugned Order (Rs. Lakh)**

Sl. No.	Particulars	Admitted in Impugned Order	Admissible in this Order
1	Total sales revenue realizable in 2017 – 2018 [Table P]	112199.59	112365.05
2	Sales Revenue for 2017 – 2018 [Para 4.2 of the Impugned Order]	110446.00	110446.00
3	Net amount (+) recoverable / (-) refundable [(3) = (1)-(2)]	1753.59	1919.05

5.15 The Commission in paragraph 4.4 of the Impugned Order determined the recoverable amount as Rs. 1753.59 lakh. The Commission in the instant order redetermines the recoverable amount as Rs. 1919.05 lakh.

## ORDER

- 6.1 The impugned order is revised to the extent as mentioned in this order. Other portion of the order will remain unaltered.
- 6.2 The Review Petition stands disposed of in terms of the above.
- 6.3 Copy of the order shall be posted in the website of this Commission.
- 6.4 DPL is to take note of this order.

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

Sd/-  
(DR. MALLELA VENKATESWARA RAO)  
CHAIRPERSON

**Dated: 06.01.2026**

Sd/-

**DEPUTY DIRECTOR, WBERC**



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**Annexure R: Revised Annexure of 3B of the Impugned Order  
Summary of Fixed Charge**

Sl. No	Head of expense	Admitted in Impugned Order (Rs. Lakh)						Admissible in this Order (Rs. Lakh)					
		Unit VI	Unit VII	Unit VIII	Generatio n	Distributi on	Total	Unit VI	Unit VII	Unit VIII	Generatio n	Distributi on	Total
1	Employee Cost	2959.4 7	3730.67	3339.73	10029. 87	3212.2 2	13242. 09	2983.6 1	3761.1 0	3366.9 6	10111. 67	3212.2 2	13323. 89
2	Coal and Ash Handling Expenses	0.18	137.78	91.30	229.26	0.00	229.26	0.18	137.78	91.30	229.26	0.00	229.26
3	Water charges	1.24	936.80	620.82	1558.8 6	0.00	1558.8 6	1.24	936.80	620.82	1558.8 6	0.00	1558.8 6
4	O&M Expenses for Generation	501.94	2448	1505	4454.9 4	0.00	4454.9 4	501.94	2448.0 0	1505.0 0	4454.9 4	0.00	4454.9 4
5	A&G for Distribution	0	0	0	0.00	686.00	686.00	0.00	0.00	0.00	0.00	686.00	686.00
6	R&M for Distribution	0	0	0	0.00	349.00	349.00	0.00	0.00	0.00	0.00	349.00	349.00
7	Insurance	0.00	15.75	1.74	17.49	0.00	17.49	0.00	15.75	1.74	17.49	0.00	17.49
8	Rates & taxes	0.05	34.66	22.97	57.68	0.00	57.68	0.05	34.66	22.97	57.68	0.00	57.68
9	Reserve for Unforeseen exigencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Depreciation	0	4776	6606.16	11382. 16	1377.9 9	12760. 15	0.00	4776.0 0	6606.1 6	11382. 16	1377.9 9	12760. 15
11	Advance against Depreciation	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Interest on Borrowed Capital	0	6402.75	21249.0 2	27651. 77	1571.0 6	29222. 83	0.00	6402.7 5	21249. 02	27651. 77	1571.0 6	29222. 83



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Sl. No	Head of expense	Admitted in Impugned Order (Rs. Lakh)						Admissible in this Order (Rs. Lakh)					
		Unit VI	Unit VII	Unit VIII	Generation	Distribution	Total	Unit VI	Unit VII	Unit VIII	Generation	Distribution	Total
13	Other Finance Charges	0	0.44	2219.58	2220.02	0.00	2220.02	0.00	0.44	2219.58	2220.02	0.00	2220.02
14	Bad Debts	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Interest on Consumers' Security Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Return on Equity	1161.60	5338.7	4367.29	10867.59	2629.59	13497.18	1161.60	5338.70	4367.29	10867.59	2629.59	13497.18
18	Interest on Working Capital	6.36	16.21	23.97	46.54	0.00	46.54	33.63	85.79	126.85	246.27	0.00	246.27
19	Net UI Charge	0	0	0	0.00	286.99	286.99	0.00	0.00	0.00	0.00	286.99	286.99
20	Interest on Electricity Duty	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Reactive Energy Charge	0.00	0.00	0.00	0.00	0.00	0.00					7.34	7.34
22	Compensation on short lifting of coal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	<b>Gross Fixed Cost (Sum 1 to 22)</b>	<b>4630.84</b>	<b>23837.76</b>	<b>40047.58</b>	<b>68516.18</b>	<b>10112.85</b>	<b>78629.03</b>	<b>4682.25</b>	<b>23937.77</b>	<b>40177.69</b>	<b>68797.71</b>	<b>10120.19</b>	<b>78917.90</b>
24	Less: Income from other sources	0.55	419.18	277.79	697.52	1303.02	2000.54	0.55	419.18	277.79	697.52	1303.02	2000.54
25	Less: Interest Credit	0.00	600.82	831.05	1431.87	173.35	1605.22	0.00	600.82	831.05	1431.87	173.35	1605.22



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Sl. No	Head of expense	Admitted in Impugned Order (Rs. Lakh)						Admissible in this Order (Rs. Lakh)					
		Unit VI	Unit VII	Unit VIII	Generation	Distribution	Total	Unit VI	Unit VII	Unit VIII	Generation	Distribution	Total
26	Less: Expenses attributable to sale to person other than consumers and licensees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Net Fixed Charge (27 = 23- 24 - 25 - 26)	4630.29	22817.76	38938.74	66386.79	8636.48	75023.27	4681.70	22917.77	39068.85	66668.32	8643.82	75312.14