



**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**IN CASE NO.**

**FPPCA-115/22-23 AND  
CASE No - APR-113/22-23**

**FUEL COST ADJUSTMENT (FCA) AND  
ANNUAL PERFORMANCE REVIEW (APR)**

**OF**

**HALDIA ENERGY LIMITED  
FOR THE FINANCIAL YEAR 2020-21**

**DATE: 26/05/2026**



## Chapter 1 : PREAMBLE

- 1.1 The Regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), mandates that the generating companies or licensees, as the case may be, are subject to Annual Performance Review (APR). The West Bengal Electricity Regulatory Commission (Commission) vide Order dated 28.07.2022 in Case No. TP-92/20-21 determined the tariff for Haldia Energy Limited (HEL) for its 2 X 300MW Thermal Power Generating Station and Order dated 07.07.22 in Case No. TP-91/20-21 for 400 KV Double Circuit Dedicated Transmission Line for FY2020-21, FY2021-22 & FY2022-23.
- 1.2 The final Project Cost of 2 x 300MW HEL Power Plant was approved by the Commission vide its order dated 20.07.2022 in Case No. OA 270/17-18. Aggrieved by the Commission's order, HEL filed an appeal (Appeal No 141 of 2020) before the Hon'ble Appellate Tribunal for Electricity (APTEL) challenging the disallowed costs. Thereafter, Hon'ble APTEL vide Order dated 30.04.2025 directed this Commission to pass a consequential order after considering the observations of Hon'ble APTEL. Thereafter, this Commission passed the Order dated 29.07.2025 in Case No. RP-11/25-26 where the final project cost was determined considering the observations of Hon'ble APTEL.
- 1.3 Order for revised Project Cost of Transmission of HEL was approved by the Commission vide its order dated 29.12.25 in Case No. OA-530/25-26.
- 1.4 In the meanwhile, HEL has filed the Petition for approval of Fuel Cost Adjustment (FCA) for FY2020-21 on 29.09.2022 and the Annual Performance Review (APR) for FY2020-21 on 16.12.2022.
- 1.5 HEL has filed the Petition for APR for the 400 KV Double Circuit Dedicated Transmission Line for FY2020-21 vide letter dated 10.12.2022. Subsequently, on issuance of the Tariff Order of the dedicated transmission line for FY2020-21, HEL submitted supplementary Petition dated 29.12.2022.
- 1.6 The Commission had admitted the FCA and APR Petitions in FCA-115/22-23 and Case No. APR-113/22-23 on 04/11/2022 and 22/12/2022 respectively. HEL has submitted supplementary petition on 29.12.2022 which was admitted by the



Commission on 11/01/2023.

- 1.7 On admission of the FPPCA & APR Petitions, HEL was directed to publish the gist of the FCA & APR Petitions of FY2020-21, as approved by the Commission. Accordingly, the gist was published on 16.02.2023 in 'The Telegraph', the 'Aajkaal', the 'Bartaman' and the 'The Times of India'. The publication requested for submission of suggestions and objections from the stakeholders, if any, on the application to the Commission within 21 days from the date of publication of gist. The approved gist along with the APR Petition for FY2020-21 was also published on the website of HEL. Opportunities were offered to all to inspect the application and take copies thereof. No objections or suggestions have been received from any stakeholder within the due date.
- 1.8 HEL, vide its No. HEL-F/2026/481 dated 13.02.2026, has submitted the additional information for APR 2020-21 as sought by the Commission vide Ref. No. WBERC/APR-113/22-23/920 dated 02.02.2026.
- 1.9 HEL has filed an appeal before the Hon'ble APTEL challenging the MYT Order dated 28.07.22 in Appeal No. 292 of 2023. No stay has yet been granted by the Hon'ble APTEL on the said appeal. In view of this, the Commission decides to proceed with the APR 2020-21 of HEL following the provisions of the Tariff Regulations. However, this order is subject to any decision of the Hon'ble APTEL on the appeal preferred by HEL vide Appeal No. 292 of 2023.



## Chapter 2 : Determination of Fuel Cost

- 2.1 In this chapter of the order, the Commission takes up the determination of fuel cost allowable to HEL on the quantum of power sold to CESC Limited during FY2020-21 along with any gains arising from the performance of HEL over the operating norms set by the Commission.
- 2.2 The FCA during FY2020-21 is to be ascertained by following the formula as enunciated by the Commission in Part-B of the Schedule 7A of the Tariff Regulations.
- 2.3 Further, Paragraph A of Schedule 9B of the Tariff Regulations, contains provisions for sharing the gains, if any, for coal fired thermal power stations on account of its better performances over the operating norms set by the Commission. The operational parameters to be considered for such sharing of gains accrued to the generating stations are:
- i. Gain sharing for better Auxiliary Consumption (AEC) rate
  - ii. Gain sharing for better Specific Oil Consumption (SOC) rate
  - iii. Gain sharing for better Gross Station Heat Rate (SHR)
- 2.4 Further, in terms of Paragraph D of Schedule 9B of the Tariff Regulations, the sharable gains shall be used first to compensate the deficit in fixed charge recovery of the concerned generating station in case the availability of the generating station falls below the availability norm and thereafter the balance, if any, shall be passed on to the consumers / beneficiaries.
- 2.5 The Commission in order dated 20.01.2016 in Case No OA-121/11-12 has specified the normative operating parameters for HEL as below:

<b>Parameters</b>	<b>Unit</b>	<b>Normative value</b>
Plant Availability Factor (PAF)	%	85.0%
Plant Load Factor (PLF)	%	80.0%
Auxiliary consumption (AEC) rate	%	9.0%
Station Heat Rate (SHR)	kCal/kWh	2,345.00
Transit loss	%	0.8%
Specific Oil consumption (SOC) rate	ml/kWh	1.00
Man /MW	Per MW	1.30



- 2.6 Before ascertaining the amount of admissible fuel cost as well as the amount of gains, if any, to be shared with the beneficiary (here CESC Limited) under the provisions of Tariff Regulations explained in aforesaid paragraphs, the actual performance of HEL in comparison to the operational norms set by the Commission needs to be reviewed and admitted accordingly. Such comparisons are made hereunder considering the submission at Annexure-B1 Pg 70, Annexure-B2 Pg 73, Vol 1 of FCA Petition:

Sl No	Particulars	Units	Norms	Actual	Admissible
i	AEC	%	9.00%	7.60%	9.00%
ii	SOC	ml/kWh	1.00	0.12	1.00
iii	SHR	kCal/kWh	2,345.00	1,922.72	2,345.00

The computations of actual rate of Auxiliary Consumption, Specific Consumption of Oil and SHR achieved are shown in **Annexure-2A**.

- 2.7 As observed from Table 2-2 above, actual performance of HEL generating Station relating to Specific Oil Consumption, Auxiliary Energy consumption and SHR are better than the norms specified in the Tariff Regulations. Accordingly, gains arriving out of such improved performance are required to be shared with beneficiary subject to the conditions stipulated in Paragraph D of Schedule 9B of the Tariff Regulations.

**2.8 Determination of Allowable Fuel Cost:**

In terms of paragraph B of Schedule 7A to the Tariff Regulations, fuel cost is to be determined for the amount of energy sold by a generating company to the licensee considering the admissible normative parameters and the principles specified in regulation 5.8 of the Tariff Regulations.

**2.9 Generation and Auxiliary Consumption:**

Gross generation of the Station has been estimated by taking into consideration the ex-bus injection schedule certified by SLDC at Annexure 2A-1 and the normative auxiliary consumption as below:



Scheduled Injection (MU)	Normative Rate (%)	Normative Auxiliary Consumption (MU)	Admissible Gross Generation (MU)
a	b	$c=a/(1-b)-a$	$d=a+c$
3,903.83	9.0%	386.09	4,289.92

## 2.10 Weighted Average Heat Value and cost of Oil

HEL has submitted weighted average calorific value of oil for FY2020-21 as 9435.70kCal/L. HEL has submitted detailed calculation along with month-wise oil stock and sample test report in support of their claim. Average cost of oil (LDO) has been certified by the auditor as ₹ 43,614.00 per Kl at Annexure-B2, Page 73 and Pg 79, Vol 1of FCA Petition and the same has been considered.

Particulars	Unit	Claimed	Admitted
Quantum of oil	kL	493.23	493.23
Price of oil	₹/kL	43,614.00	43,614.00
Heat value of oil	kCal/L	9,435.70	9,435.70

## 2.11 Permitted Transit Loss & Handling Loss of Coal:

HEL has claimed 0.80% transit loss on entire coal including imported coal. The normative transit & handling loss for HEL admitted in Case No. OA 121/11-12 dated 20.01.2016 being 0.80%, the same has been considered by the Commission for determination of fuel cost.

## 2.12 Weighted Average Price of Coal

2.12.1 HEL has procured 92.58% of coal through linkage from CIL subsidiaries, 7.42% of coal through e-auction from CIL subsidiaries during FY2020-21. HEL has submitted the actual coal price along with the break-up. HEL also provided details of transportation cost of domestic coals. The landed coal price and heat value of coal purchased during the year FY2020-21 as per the submission by HEL at Annexure 2B, 2E & Annexure A4 in its FCA and APR petitions are as below:

Details of coal purchased	Unit	Claimed
a) Quantum of coal	Tonne	27,40,616.15



b) Cost of coal	₹ /Tonne	1,759.64
c) Transportation cost -Rly	₹ /Tonne	1,451.84
d) Transportation cost -Road	₹ /Tonne	32.88
e) Handling & transportation	₹ /Tonne	48.88
f) Sub-Landed price (b+c+d+e)	₹ /Tonne	3,293.23
g) Cost of coal prior period	₹	
h) Prior period adjustment (g/a)	₹ /Tonne	0.00
i) Landed price (f+h)	₹ /Tonne	3,293.23
j) GCV of coal Billed	kCal/kg	3,699.00
k) GCV of coal received	kCal/kg	2,999.00

*Cost of Prior period - separately adjusted. Shifted to Table 2.19*

2.12.1.2 The Price of Domestic Linkage Coal purchased during the year has been claimed at Annexure D & 2B-2 are as in Table below.

2.12.1.3 HEL has fuel supply agreement (FSA) with CIL subsidiary Mahanadi Coalfields Limited (MCL) for linkage coal. HEL has procured 92.58% of total coal procured during the year through linkage. The linkage coal prices are as per the basic price of coal for the respective grades as notified by CIL along with royalty, taxes and duties. HEL has submitted documentary evidences with detail computation of each cost component supported by sample bills of all sources of coal supplied under FSA in page 160-169 Vol-2 of FCA]. Based on such documentary evidences submitted by HEL, the Commission has considered the price of linkage coal as per documentary evidences submitted by HEL.

2.12.1.4 HEL has submitted details of transportation of Linkage Coal. In this regard:

- The Commission has observed that 97.56% of the domestic Linkage coal has been transported HEL through railway mode only. HEL has submitted the sample Railway receipts against the claimed transportation cost. The Commission observes that, the amount paid is based on the freight rate of Indian Railways and considers the same.
- With regard to transportation charges through railway mode, the Commission scrutinised the railway freight rate chart, notification for levy of Terminal Charge and levy of GST as per the notifications of Ministry of Railways submitted by HEL. HEL has also submitted detail computation of each cost component supported by sample bills of all sources of coal supplied under FSA and accordingly, admits the transportation charges of Rail mode as claimed by HEL.



- HEL has transported some portion of domestic coal (amounting to 2.44% of the total domestic Linkage coal procured through Road-cum-Rail (RCR) mode. HEL has submitted some samples of the invoices.
- The Commission in the Tariff Order for FY2020-21 had directed HEL to submit the documents related to (i) distance from coal mines to nearest siding along with details (ii) weighted average of distance if there are more than one locations for a particular source along with computation (iii) bidding documents to select successful service provider(s) for the job (iv) Newspaper publication intimating above bidding (v) Work Order to the successful service provider and (vi) any other documents felt required from the point of view of transparency and reasonability along with necessary backup data and information.
- HEL has undertaken transportation of domestic Linkage coal purchased through Rail-Cum-Road mode. The Commission scrutinised the road transportation charges apart from transportation charges corresponding to railway freight charges claimed by HEL in Pg 65, Pg 160-171 Vol-1. The Commission observes that HEL has undertaken competitive bidding [No RFQ No HEL:HO: COAL:2229 dated 23<sup>rd</sup> March, 2019, 2467 & 2468 dated 05<sup>th</sup> Dec, 2019, floated through web page for appointing Transporters. WOs to the successful Bidders viz. (i) M/s Godavari Commodities Limited, 18 N S Road, 2<sup>nd</sup> Floor, Kolkata – 700001 [May 2019, Dec 2019] (ii) M/s Maa Kalika Transport Pvt. Ltd, OCL Approach Road, Rajgangpur –770017, Sundargarh, Odisha [Dec2019] for transportation of coal through road mode. HEL has submitted documentary evidences of competitive bidding as stated above, computation of transport cost component supported by sample bills of all sources of coal supplied under FSA. To maintain transparency and reasonability, documents such as, “Note of approval” dated 17 & 20Dec2019 having Comparative Statement(s) against different RFQ as stated are provided. Accordingly, the Commission admits the transportation charges including road transportation charges as claimed by HEL.

2.12.1.5 Based on the above, the price of Domestic Linkage Coal considered by the Commission, as per Annexure A-2B.1, is shown in the Table below:

<b>Table 2-6: Price of Domestic Linkage Coal</b>			
<b>Details of coal purchased</b>	<b>Unit</b>	<b>Claimed</b>	<b>Admitted</b>



a) Quantum of coal	Tonne	25,37,393.25	25,37,393.25
b) Cost of coal	₹ /Tonne	1,720.01	1,720.00
c) Transportation cost - Rly	₹ /Tonne	1,471.30	1,471.30
d) Transportation cost -Rd	₹ /Tonne	21.88	21.88
e) Handling & Transportation	₹ /Tonne	43.44	43.44
f) Landed price (b+c+d+e)	₹ /Tonne	3,256.63	3,256.62

#### 2.12.1.6 Price of Domestic Coal procured through e-auction

The Price of Domestic Coal procured through e-auction submitted by HEL as per Annexure A-2B.1, is placed in Table below.

2.12.1.7 HEL has procured 7.42% of its total coal procurement through Domestic E-Auction from the subsidiaries of Coal India Limited viz. Eastern Coalfield Limited (ECL), Mahanadi Coalfields Limited (MCL), Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL). HEL has submitted the details for coal procured through E-Auction Coal along with allocation letters. Accordingly, the Commission has considered the price of Domestic coal procured through e-auction as submitted by HEL.

2.12.1.8 HEL has submitted some sample invoices for details of coal transportation of domestic coals procured through e-auction along with copies of invoices. In this regard:

- The Commission has observed that the 82.95% (major Part) of the e-auction coal has been transported through railway mode only. HEL has submitted the relevant Railway receipts against the claimed transportation cost. HEL has also submitted detail computation of each cost component supported by sample bills of all sources of coal supplied under Domestic E-Auction. The Commission observes that, the amount paid is based on the freight rate of Indian Railways and considers the same.
- HEL has procured minor portion of e-auction coal (amounting to 17.05%) through Road-cum-rail (RCR) mode. The Commission observes that HEL has undertaken competitive bidding RFQ No HEL:HO: COAL:2229 dated 23<sup>rd</sup> March, 2019, 2467 & 2468 dated 05<sup>th</sup> Dec, 2019, [floated through web page] and appointed successful Transporters by issuing WOs to (i) M/s Godavari Commodities Limited, 18 N S Road, 2<sup>nd</sup> Floor, Kolkata – 700001 [May 2019, Dec2019] (ii) M/s Maa Kalika Transport Pvt. Ltd, OCL Approach Road,



Rajgangpur –770017, Sundargarh, Odisha [Dec 2019] for transportation of coal through road mode. HEL has submitted details, computation of transport cost component supported by sample bills of all sources of coal supplied under Domestic e-Auction. The Commission has considered the documents submitted by HEL and admits the road transportation cost of Domestic coal procured through RCR mode as per the documentary evidences.

- The Commission observed that transportation charge claimed by HEL excludes demurrage charges.

2.12.1.9 Based on the above, the price of domestic coal procured through e-auction admitted by the Commission is as under:

Details of coal purchased	Unit	Claimed by HEL	Admitted
a) Quantum of coal	Tonne	2,03,222.90	2,03,222.90
b) Price of coal	₹ /Tonne	2,254.45	2,254.44
c) Transportation cost - Rly	₹ /Tonne	1,208.84	1,208.84
d) Transportation cost -Rd	₹ /Tonne	170.13	103.67
e) Handling Cost	₹ /Tonne	116.76	116.76
f) Landed price (b+c+d+e)	₹ /Tonne	3,750.17	3,683.71

Detail **break up of price of domestic linkage coal and coal procured through e-auction** is provided in the Annexure 2F.

#### 2.12.1.10 Price of Imported Coal

HEL *has not purchased any imported coal* during FY2020-21.

2.12.1.11 Further HEL has submitted at Form-D that it has incurred some cost related to prior period amounting to ₹ 902.86 Lakh during FY2020-21. This reconciles with Auditor's Certificate for Coal cost submitted by HEL. Hence Commissions allows the same. This amount has been reflected/considered in Table 2.16.

2.12.1.12 Based on the admitted price of Domestic Coal (Linkage & e-auction) the weighted average landed price of Coal admitted by the Commission for FY2020-21 is as Table below:

Details of coal	Unit	Claimed	Admitted
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Purchased		Domestic Linkage Coal	Domestic E-Auction Coal	Total Coal	Domestic Linkage Coal	Domestic E-Auction Coal	Total Coal
1	2	3	4	5=3+4	6	7	8=6+7
a) Quantum of coal	Tonne	25,37,393.25	2,03,222.90	27,40,616.15	25,37,393.25	2,03,222.90	27,40,616.15
b) Landed price	₹ /Tonne	3,256.63	3,750.17	3,293.23	3,256.62	3,683.71	3,288.29
c) Price prior Adjustment	₹ /Tonne			0.00			0.00
d) Overall Purchased rate	₹ /Tonne			3,293.23			3,288.29

*Prior period - separately adjusted.*

### 2.12.2 Weighted Average Heat Value of Coal

2.12.2.1 The Commission observed that, HEL has considered the price of coal consumed considering the coal purchased during the year and the opening coal stock available. The heat value of opening stock has been considered as per the closing stock of FY 2019-20 in case no. APR(R)-37/24-25 dated 12.03.2025. However, from their submission, it appears that the heat value of opening coal stock has not been factored while computing heat value of coal consumed during the year. The Commission finds it appropriate to compute the heat value of coal duly taking into the impact of coal purchased as well as closing stock.

Similarly, the landed price of coal consumed needs to be analyzed based on the admitted coal purchase rates mentioned in above and the coal stock position submitted by HEL in notes under Form D3 of its APR petition. While determining the opening Stock position for FY2020-21 the Commission has appropriately considered the order dated 12.03.2025 in Case No. APR(R)-37/24-25 and Order dated 23.10.2024 in Case No. APR-100/22-23 as detailed in Annexure -2E.

For computation of **Heat Value of Coal**,

- i) Beside linkage coal from the subsidiaries of CIL, HEL has sourced coal from domestic e-auction.
- ii) HEL submitted that CIL is in a dominant position and the third-party agencies (CIMFR or PFC empaneled government laboratories) are under the direct control



of CIL who are doing the sample testing of coal at the loading end.

- iii) Daily Gross Sample: The Gross Sample collected from a rake and/or day's supply for determination of moisture, ash & GCV on equilibrated basis shall be jointly reduced into laboratory sample on the date immediately following the date of collection. The final laboratory samples will be divided into two parts viz. Set - I & Set - II. Set - I shall be used for joint analysis to determine the ash, moisture and GCV as per BIS standards IS1350 Part-I, 1984 and IS1350 Part-11-1970 respectively. Set - II shall be kept under joint seal as stand-by sample in the safe custody for a period of fourteen (14) days or until the analysis results of Set - I are accepted without dispute, whichever is earlier.
- iv) And the supplier is not responsible for heat loss beyond the delivery point, i.e., mine end and there is no leeway in the contractual framework with CIL subsidiaries for adjustment of coal quality between the loading end and coal delivered at the project end, where the major heat loss occurs.
- v) HEL has submitted that coal handling agents engaged by HEL are deployed for close supervision of loading of coal into rakes and assurance to coal of proper and quantity matching with grades declared by suppliers at Pg 263 Vol-1 The contract with these coal handling agents contains contractual provisions for ensuring delivery quantity of purchased coal and also maintaining coal quantity in terms of heat value and ash content with graded penalties for grade difference for coal procured through e-auction. Further, HEL has stated that there had been no management in-action and the company explored all available options to redress the issue and recoveries, to the extent
- vi) The Commission notes that, the difference between the submitted 'as billed GCV' (which is the minimum GCV value of respective coal grade) and 'as received GCV' value of coal claimed by HEL varies from 600 to 800 kCal/Kg. The Commission finds that; moisture correction cannot contribute to such huge difference in heat value of coal. The Commission is of considered opinion that, though in terms of regulation 5.8.4 (1) of the Tariff Regulations, 'as received GCV' value of coal is required to be considered for determination of fuel cost, but that should



not be remained unchecked. Otherwise, the consumers have to pay for cost of higher grade of coal against the much low quality of coal received, which tantamount to excessive tariff burden on consumer on account of inefficiency of quality control by the generating station. Thus, in terms of regulation 8.4 of the Tariff Regulations, the Commission decides to limit the GCV loss to safeguard the consumer's interest and at the same time promote efficiency.

- vii) **“Regulation 8.4 of the Tariff Regulations** clarifies that 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. Notwithstanding anything contrary contained anywhere in these regulations or any other regulations of the Commission, the Commission may deviate from these regulations with reasoned order in order to meet the ends of justice or to prevent the abuse of the process of the Commission.”
- viii) The Commission notes that, in the second proviso of regulation 5.8.2 of Tariff Regulations, it has been specified that, “Landed cost of primary fuel shall be worked out based on the actual bill paid by the generating company including any adjustment on account of quantity and quality”. Thus, it is the responsibility of the Generator to ensure quantity as well as quality of coal from loading point till the unloading point and if there is any discrepancy in terms of quantity or quality of coal, generating company shall ensure proper adjustment. Since the Generator is paying price of coal for a particular range of GCV, the Generator should ensure all quality checks in procurement of coal. Fuel Supply Agreements (FSA) signed between Coal India Limited (CIL) and HEL on 21<sup>st</sup> August, 2013 from different coal blocks have also stressed upon supplying actual billed quantities maintaining the specified billed grade as well, through weighment of coal and assessment of quality of coal at loading end.
- ix) As per Fuel Supply Agreement (FSA) signed between HEL (Purchaser) and Seller (Coal India Limited) on 21<sup>st</sup> August 2013 from Clause No. 8.0 “Transfer of Title to Goods”: “Once delivery of Coal have been effected at the Delivery Point by the Seller, the property / title and risk of Coal so delivered shall stand



transferred to the Purchaser in terms of this Agreement. Thereafter the Seller shall in no way be responsible or liable for the security or safeguard of the Coal so transferred. Seller shall have no liability, including towards increased freight or transportation costs, as regards missing/diversion of wagons / rakes or road transport en-route, for whatever causes, by Railways, or road transporter or any other agency”

- x) “Also, Clause 5.7 of FSA clarifies about “Assessment of Quality of Coal at the loading end” as follows:

*5.7.1 Sample collection:*

- i) Samples of Coal shall be collected jointly either manually or through any suitable mechanical sampling arrangement including Auger Sampling method at each of the Delivery Points for determining the quality of Coal.*
- ii) For the purpose of sampling each rake (source wise, grade wise and plant wise) of Coal supplied from one Delivery Point shall be considered as a lot.*
- iii) Each day's supply from a source shall be considered as one lot for the purpose of sampling in case of Coal supplies by road, ropeways, belt and Merry-Go-Round (MGR) rail system. However, in case of Coal supplies by Railways, each rake from a source shall be considered for the purpose of sampling.*

*5.7.2 Detailed modalities for collection, handling, storage and preparation of samples by Third Party shall be as per Schedule V to this Agreement.*

*5.7.3 Sample preparation & analysis:*

- (i) Total Moisture*
  - a) Sample for determination of Total Moisture shall be segregated from the sample collected at the Delivery Point jointly by the Third Party and prepared and analysed, as per procedure given in Schedule V*
- (ii) Daily Gross Sample*
  - a) The Gross Sample collected as per clause 4.7.1(i) for determination of moisture, ash & GCV on equilibrated basis shall be reduced into laboratory sample on the date immediately following the date of collection. The final laboratory samples will be divided into two parts viz. Set-I and Set-II, as follows:*



- *Set-I shall be used for Third Party analysis to determine the ash, moisture and GCV as per BIS standards IS 1350 Part-I, 1984 and IS 1350 Part- 11-1970 respectively.*
  - *Set-II shall be kept under joint seal of the Seller, Purchaser and the Third Party as referee sample in the safe custody of Third Party at the loading end for a period of fourteen days or until the analysis results of Set-I are accepted without dispute, whichever is earlier.*
- b) *The sample in Set -I shall be analysed for ash, moisture and GCV content on equilibrated basis {wherever required in accordance with IS: 1350 (Part-I) -1984 and IS: 1350 (Part - II) - 1970.*
- c) *Set-I of the laboratory sample as prepared shall be analysed by the Third Party in the laboratory at the loading end as per relevant part of IS: 1350 (part-I)- 1984 and IS:1350 (Part-II)- 1970 within three-four (3-4) days from the date of preparation and distribution of laboratory sample for analysis of moisture and GCV.*
- d) *In the event of any dispute (which shall be raised not later than forty-eight (48) hours after analysis) at the time of Third-Party analysis of Set-I, the referee sample as in Set-II shall be referred for analysis within seventy-two (72) hours of the dispute but not later than eight (8) days of the collection of samples at any mutually agreed Government laboratory. The cost incurred for the analysis of the Referee sample including cost of transportation to the Government Laboratory shall be borne total by the Party raising the dispute.*
- e) *The procedure for storage of stand-by sample shall be mutually agreed upon by both the Parties.*
- 5.7.4 *Each sample shall be assigned with a code number and will be identified by such code only and no other particulars will be indicated or written on the tag attached with the relevant bag containing the sample.*
- 5.7.5 *All tools, tackles required for collection of samples, its preparation and all laboratory facilities for the purpose of analysis of samples shall be arranged by*



*the Seller as per the provision of this Agreement.*

*5.7.6 In the event that no sample is collected either by the Third Party or Seller as mentioned at (a) above from dispatches by a rake or on any day, as the case may be, from a source for any reason, the weighted average of the most recent results available in any preceding month against respective Source and Grade shall be adopted for such dispatches for which samples were not collected.*

- xi) Further, the Seller (CIL) shall give regular credit note on account of grade slippage to the extent of difference in the base price of declared grade and analyzed grade of coal and subsequently credit note on grade slippage shall be issued by CIL within 7(seven) days of acceptance of results under joint signature of HEL (Purchaser) and CIL(Seller). HEL is also ensuring delivery of actual billed quantities of coal as per billed grade to their generating stations through engagement of dedicated agencies for total co-ordination in supply of coal under FSA from different coal mines in Railway route.
- xii) Under the above context, the Commission decides to refer the provisions and recent orders of various SERCs on the "GCV As Billed" and "GCV As Received" values of Coal:
- a) *Odisha Power Generation Corporation (OPGC) in its petition has proposed Odisha Electricity Regulatory Commission (OERC) to consider "as received GCV" of coal with GCV loss of 400 kCal/kg from the "as billed value". OPGC placed report of Third-Party Sampling Agency (TPSA) in support of their claim. In its order dt 28.10.2020 in Case No. 43/2017, OERC has allowed 260 kCal/kg adjustment between "as billed GCV" and "as received GCV" to OPGC. In its order OERC allowed the adjustment by considering the difference in GCV between Equilibrated method and Total Moisture method considering average 8% Surface Moisture. In terms of OERC Regulation "GCV as received" shall be computed by moisture corrections from "GCV as billed" values of coal and further allowed 85kCal/kg as storage and handling losses within the plant.*
- b) *Andhra Pradesh Electricity Regulatory Commission (APERC) in its order dated 27.03.2024 under Case No. O-P-60/2023 approved Fuel Cost*



*Adjustment of Andhra Pradesh Generation Corporation Limited (APGENCO) during 2018-19 to 2022-23. Andhra Pradesh DISCOMs submitted that, they visited Dr. Narla Tata Rao Thermal Power Station (NTPPS) in Andhra Pradesh and found approximate one grade slippage happens between “as billed GCV” and “as received GCV”. APERC in its order has allowed maximum one grade (i.e. 300 kCal/kg) slippage of heat value and additionally 85 kCal/kg allowed for storage loss.*

c) *Karnataka Electricity Regulatory Commission (KERC) (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 vide Notification No. KERCS/2024/ 652 dated 09.09.2024 under Regulation 64(3) for computation of energy charge for thermal generating stations considered gross calorific value of coal as billed by supplier less:*

- *actual loss in calorific value of coal between “as billed by supplier” and “as received at generating station, subject to the maximum loss in calorific value of 300kCal/kg and*
- *actual stacking loss subject to the maximum stacking loss of 85kCal/kg for pithead stations and 120kCal/kg for non-pit head stations*

d) *CERC in Regulation 60 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulation, 2024 mentioned the following:*

- i) *Third Party Sampling through an Agency to measure “as received GCV”. Genco shall ensure recovery of compensation as per FSA to pass on the benefit to the beneficiaries.*
- ii) *In the case of integrated coal mine adjustment of 15 kCal/kg for each 100 km distance beyond 200 km or actual, whichever is less, subject to maximum adjustment of 300 kCal/kg.*
- iii) *In absence of TPSA, “as billed GCV” will be considered.*
- iv) *No loss of GCV is admissible for imported coal.*
- v) *Storage loss is allowed as 85 kCal/kg.*

xiii) *Thus, the Commission after prudence check decides to allow maximum GCV loss of 300 kCal/kg from the minimum of “the heat value of coal grade as Billed”*



from loading point by CIL till receiving at HEL generating stations, for different grades of coal sourced through FSA mode only. However, if the 'as received GCV' so computed is less compared to the GCV claimed by the petitioner, the higher GCV value shall be considered. (Ref Annexure – 2C)l.

- xiv) In case of coal sourced through e-auction mode, the generator pays premium prices for actual grade of coal supplied to their generating station(s). Hence, no GCV losses shall be allowed for coal sourced through e-auction mode. It was found that the additionally, in terms of Regulation 5.8.4 of the Tariff Regulation, a stacking loss of 120kCal/kg is allowed for all types of coal sourced in different mode.

Accordingly, the admissible landed price and GCV of coal consumed during FY2020-21 is as below:

Table 2-9: Coal Stock Position Table of HEL			
Particulars	Unit	Derivatives	Admitted
Stock Quantum (in MT)			
Opening Stock	MT	A	3,42,389.50
Coal Purchase during the year	MT	B	27,40,616.15
Coal consumed	MT	C	28,20,181.64
Closing stock	MT	D = A+B-C	2,62,824.01
Stock price (in ₹ /MT)			
Price of opening stock	₹/MT	E	3,620.36
Price of coal purchased	₹/MT	F	3,288.29
Price of coal consumed	₹/MT	$G = (A * E + B * F) / (A + B)$	3,325.16
Price of Closing Stock	₹/MT	$H = (A * E + B * F) / (A + B)$	3,325.16
GCV of Coal (in kCal/Kg)			
Heat value of opening stock	kCal/Kg	I	2,880.92
Heat value of coal purchased #	kCal/Kg	J	3,301.09
Heat value of coal consumed	kCal/Kg	$K = ((A * I + B * J) / (A + B))$	3,254.43
Heat value of closing Stock	kCal/Kg	$L = ((A * I + B * J) / (A + B))$	3,254.43
* The quantum, price and heat value of opening stock has been considered as per the closing stock of 2019-20. Ref A-2E : APR-100/22-23 dated.23.10.2024. Table 2.13 where actual UHV was considered.			
# Actual stacking loss 120kCal/kg is considered in Annexure 2B			

### 2.12.3 Admitted Fuel Cost

Total fuel cost admissible for FY2020-21 works out in **Annexure-2B.3** against the



claimed fuel cost of HEL as indicated in Petition for FCA Vol-1 Pg 28.

#### 2.12.4 Admitted Energy Charge Rate:

The admitted energy charge for FY2020-21 vis-à-vis the energy charge admitted by the Commission during the tariff determination stage is shown in the Table below:

Particulars	Unit	Value
Fuel cost per unit as per Tariff order	Paisa/kWh	242.44
Fuel cost per unit as allowed in FCA	Paisa/kWh	269.14

#### 2.12.5 C<sub>D</sub>: Cost Disallowable:

The factor C<sub>D</sub> as referred to in the formula in paragraph B of Schedule 7A of Tariff Regulations, stands for cost as to be found disallowable by the Commission as having been incurred in breach of economic generation or of order/direction of the Commission if any, or for any other reason considered sufficient by the Commission during the adjustment period and adjusted corresponding to actual level of sales. As the unit rates of energy charges from the generating stations have been worked out based on normative parameters, no further disallowance is required on this account.

#### 2.12.6 Gains on account of better performance over operating norms

2.12.6.1 As stated in aforesaid paragraphs, gain due to improved auxiliary consumption is as shown below:

Particulars	Unit	Derivation	Value
Normative Auxiliary Consumption [Annexure 2B]	MU	A	386.093
Actual Auxiliary Consumption [Annexure 2A-1]	MU	B	321.100
Savings in Auxiliary Consumption	MU	C=A-B	64.993
Cost of Generation	₹/kWh	D	2.45
Gain	₹ Lakh	E=CxDx10	1,592.33
Normative Auxiliary Consumption [Table 2-2]	%	F	9.00%
Actual Auxiliary Consumption [Table 2-2]	%	G	7.60%
Difference in Auxiliary percentage	%	H=F-G	1.40%
Category			B
Sharing Ratio as per Sl. No. 1 of Category B			80::20



Share % of CESC Limited	%	I	20.0%
Share of CESC Limited	₹ Lakh	J=E x I	<b>318.47</b>

2.12.6.2 Similarly gain due to improved Specific Oil consumption as shown in the table below:

Table 2-12: Gain due to improved specific oil consumption			
Particulars	Unit	Derivation	Value
Total Gross Generation [Sl No. D of Annexure 2B]	MU	A	4,289.92
Oil consumption on normative basis [Sl No. L of Annexure 2B]	kL	B	4,289.92
Actual oil consumption [Table 2-4 above]	kL	C	493.23
Savings in oil consumption	kL	D=B-C	3,796.69
Average rate of oil [Sl No. P of Annexure 2B]	₹/kL	E	43,614.00
Savings in amount	₹ Lakh	F=(DxE)/100000	1,655.89
Specific Consumption of Oil as per admissible Norms	ml/kWh	G	1.00
Actual Oil Consumption [Annexure 2A]	ml/kWh	H	0.12
Difference in specific oil consumption	ml/kWh	I=G-H	0.88
Category			A
Sharing Ratio as per Sl. No. 4 of Category A			74::26
Share % of CESC	%	J	26.00%
Share of CESC	₹ Lakh	K=F x J	430.53

2.12.6.3 Similarly gain due to improved SHR is as shown in the table below:

Table 2-13: Gain due to improved SHR			
Particulars	Unit	Derivation	Value
Ratio of Heat Rate to Design Heat Rate in accordance with Para A3 of Schedule 9B of the Tariff Regulations (SHRn/D)		1	1.06
Category		2	<b>Category B</b>
SHR/SHRn		3	Less than 0.97
Gross Generation (Annex-2B)	MU	4	4,289.923
Coal cost for sale to the Purchaser (CESC) in accordance with Regulations (e)	₹ Lakh	5	1,03,197.22
Coal cost for sale to the Purchaser (CESC) in accordance with Audited figures (f)	₹ Lakh	6	95,569.86
Coal cost difference =(e)-(f)	₹ Lakh	7=5-6	7,627.36
Applicable criteria in accordance with Para A3 of Schedule 9B to the Tariff Regulations		8	5



Share to the Purchaser in accordance with Para A3 of Schedule 9B to the Tariff Regulations	%	9	14%
Amount to be passed on to the Purchaser (CESC Limited) in accordance with Para A3 of Schedule 9B of the Tariff Regulations	₹ Lakh	10 = 7 x 9	<b>1,067.83</b>

2.12.7 Summing up the findings as explained in the earlier paragraphs, net of sharing of gains due to improved performance as stated aforesaid is as under:

Particulars	Unit	Derivation	Value
Auxiliary Consumption	₹ Lakh	1	318.47
Specific Oil	₹ Lakh	2	430.53
SHR/SHRn	₹ Lakh	3	1,067.83
Total Gain	₹ Lakh	4=1+2+3	1,816.83

2.12.8 Summing up the findings as explained in the earlier paragraphs, the amount of admissible fuel cost of HEL for FY2020-21 after netting of sharing of gains due to improved performance as stated aforesaid is as under:

Particulars	Derivation	Unit	Admitted
Admissible Cost of Fuel considering Normative Parameters (Para 2.12.3)	1	₹ Lakh	1,05,068.22
Cost disallowed (Para 2.12.5)	2	₹ Lakh	0.00
Less: Sharing of Gains with CESC limited (Para 2.12.7)	3	₹ Lakh	1,816.83
Fuel Cost Admitted (=1-3)	4 = 1-3	₹ Lakh	<b>1,03,251.40</b>

2.13 The bill amount for the year FY2020-21 has been done as per the relevant Orders and direction of the Commission as detailed in Annexure – 2 and for form 1.25 of APR petition.

2.14 Summing up the findings as explained in the earlier paragraphs, the amount of Fuel and Cost Adjustment (FCA) of HEL generating station for the FY2020-21 is now determined based on the FPPCA formula specified in paragraph B of Schedule 7A of the Tariff Regulations considering admissible fuel cost of HEL for FY2020-21, net of sharing of gains due to improved performance vis-à-vis the fuel cost recovered during the year is shown in the table below:



Particulars	Unit	Admitted
Total Admitted Fuel Cost	FC	1,03,251.40
Power Purchase Cost for pumping energy of PSP	PPC	0.00
Less: Cost disallowed	CD	0.00
Adjustment, if any -Prior Period Adjustment	A	902.86
Fuel cost recovered through sale to the purchaser	fc	1,13,898.56
Power purchase cost allowed in Tariff order for pumping energy	ppc	0.00
Adjustment relating to Schedule 9B [Share of benefits of Purchaser)	G	
FPPCA	{FC + (PPC -CD) +A} - (fc + ppc) -G	-9,744.31

Annexure A4, Page 51, Vol 1 for Prior Adjustment. Details at table 2.19A

As per SLDC -Energy Scheduled (MU)	3,894.90
Billed Rate (Paise/Unit)	292.43
Energy Charge Collected (₹ in Lakhs)	1,13,898.56

2.15 The admitted fuel cost has been considered by the Commission while approving the APR of HEL for FY2020-21 in the Chapter 4 of the order.

#### Annexure 2A.1

Actual Gross Generation (MU)	Actual Sent Out Generation (MU)	Auxiliary Consumption (MU)	Actual Auxiliary Consumption	Normative Auxiliary Consumption
4,224.930	3,903.830	321.100	7.60%	9.00%

Ref: Annexure - B1 Page 70 Vol 1of FPPCA Petition

#### Annexure 2A.2

Actual Gross Generation (MU)	Actual Oil Consumption (kL)	Specific Oil Consumption (ml/kWh)	Normative Oil Consumption (ml/kWh)
4,224.930	493.230	0.12	1.00

Ref: Auditor's Certificate: Annexure-B2, Page 73, Vol 1of FPPCA Petition



<b>Annexure-2A.3</b>			
<b>Computation of Actual Station Heat Rate (SHR) Achieved</b>			
Sl. No.	Particulars	Unit	Value
1	Gross Generation (Actual)	MU	4,224.93
2	Consumption of Oil (Actual)	KL	493.23
3	Consumption of Coal (Actual)	MT	28,20,181.64
4	GCV of Oil (Actual)	kcal/litre	9,435.70
5	Heat Value of Coal (Actual)	kcal/kg	2,878.79
6	Heat from Oil (2X4/1000)	GCal	4,653.97
7	Heat from Coal (3X5/1000)	GCal	81,18,716.10
8	Total Heat Used (6+7)	GCal	81,23,370.07
9	Station Heat Rate Achieved (8/1)	kcal/kWh	1,922.72
10	Normative Station Heat Rate	kcal/kWh	2,345.00

Quantity :Annexure-B2, Page 73, Vol 1of FPPCA Petition

**Annexure -2B**

<b>Computation of Fuel Cost &amp; Energy Charge</b>					
	Operating Parameters	Legend	Unit	Claimed	Admitted
D	Gross Admissible Generation	D	MU	4,289.923	4,289.923
B	Normative Auxiliary Consumption	B	%	9.00%	9.00%
C	Auxiliary Consumption	C	MU	386.093	386.093
A	Ex-bus Generation (Scheduled Injection)	A=D-C	MU	3,903.830	3,903.830
E	Normative Heat Rate (SHR)	E	kcal/kWh	2,345.00	2,345.00
I	Overall Permitted Heat	I=D*E	GCal	1,00,59,869.62	1,00,59,869.62
G	Heat Value of Oil	G	kcal/L	9,435.70	9,435.70
F	Specific Oil Consumption	F	ml/kWh	1.00	1.00
L	Total Oil Consumption	L=DxF	kL	4,289.92	4,289.92
P	Ave Price of Oil	P	₹/kL	43,614.00	43,614.00
R	Cost of Oil	R=L*P/10000	₹ Lakh	1,871.01	1,871.01
J	Permitted Heat from Oil	J=D*F*G/10000	GCal	40,478.43	40,478.43
K	Permitted Heat from Coal	K=I-J	GCal	1,00,19,391.19	1,00,19,391.19
H	Heat Value of Coal	H	kcal/kg	2,878.79	3,254.43
M	Permitted Coal Consumption excluding transit loss	M=(K/H)* 1000	Tonne	34,80,415.22	30,78,693.55
N	Transit Loss @ 0.80%	N=M*0.8/100	Tonne	27,843.32	24,828.17
O	Permitted Coal Consumption	O=K/H/0.992*1000	Tonne	35,08,258.54	31,03,521.72
Q	Ave Price of Coal (Consumption)	Q	₹/Tonne	3,288.29	3,325.16
S	Cost of Coal	S=O*Q/10000	₹ Lakh	1,15,361.55	1,03,197.22
T	<b>Total Cost of Fuel</b>	<b>T=R+S</b>	<b>₹ Lakh</b>	<b>1,17,232.56</b>	<b>1,05,068.22</b>
U	Energy charge rate	U =T x10/A	Paisa/kwh	300.30	269.14



Annex-2C

Weighted Ave GCV of Coal for computation of Energy Charges :FSA									
Type	Source/ Grade	GCV As Billed Values (Kcal/Kg)	GCV As Received Values (Kcal/Kg)	GCV band of the Grade (kCal/Kg)	GCV Admissible (kCal/Kg) one Gr down (min)	GCV As Received Values (Kcal/Kg)	Quantity Purchased (MT)	Coal Mix %age	Wt. Avg GCV of coal as received (kCal/Kg)
		Claimed	Claimed			Admitted			
1	2	3	4	5	6	7 = (max of 4,6)	8	9	10 = 7 x 9
FSA Rail	CCL G6	5501	4765.51	5501-5800	5201	5201	639.49	0.03%	1.31
FSA Rail	CCL G7	5201	4461.78	5201-5500	4901	4901	1,938.24	0.08%	3.74
FSA Rail	CCL G8	4901	4167.70	4901-5200	4601	4601	22,113.97	0.87%	40.10
FSA Rail	CCL G9	4601	3879.47	4601-4900	4301	4301	38,079.26	1.50%	64.55
FSA Rail	CCL G10	4301	3681.74	4301-4600	4001	4001	92,105.74	3.63%	145.23
FSA Rail	CCL G11	4001	3317.62	4001-4300	3701	3701	90,940.21	3.58%	132.64
FSA Rail	CCL G12	3701	2943.27	3701-4000	3401	3401	13,355.67	0.53%	17.90
FSA Rail	CCL G13	3401	2747.79	3401-3700	3101	3101	7,543.36	0.30%	9.22
FSA Rail	MCL G12	3701	2984.61	3701-4000	3401	3401	19,17,897.62	75.59%	2,570.66
FSA Rail	MCL G13	3401	2700.34	3401-3700	3101	3101	75,355.99	2.97%	92.09
FSA Rail	MCL G14	3101	2478.30	3101-3400	2801	2801	2,15,525.00	8.49%	237.92
FSA RCR	MCL G13	3401	2692.77	3401-3700	3101	3101	3,812.50	0.15%	4.66
FSA RCR	MCL G15	2801	2202.99	2801-3100	2501	2501	58,086.20	2.29%	57.25
		3677	2,976.47		3377	3377	25,37,393.25	100.00%	3,377.28

Allowing one grade slippage i.e.300 Kcal/Kg (Column No. 6)

Weighted Ave GCV of Coal for computation of Energy Charges ::e-Auction

Type	Source/ Grade	GCV As Billed Values (Kcal/Kg)	GCV As Received Values (Kcal/Kg)	GCV band of the Grade (kCal/Kg)	GCV Admissible (kCal/Kg)	GCV As Received Values (Kcal/Kg)	Quantity Purchased (MT)	Coal Mix %age	Wt. Avg GCV of coal as received (kCal/Kg)	
		Claimed	Claimed			Admitted				
1	2	3	4	5	6	7 = max of 4,6)	8	9	10 = 7 x 9	
e-Auction RCR	BCCL WIV	4349	4349.00	4349	4349	4349	64.00	0.03%	1.37	
e-Auction Rail	ECL G4	6101	5323.17	6101-6400	6101	6101	10,560.56	5.20%	317.04	
e-Auction Rail	CCL G11	4001	3320.19	4001-4300	4001	4001	1,36,160.68	67.00%	2,680.70	
e-Auction Rail	MCL G12	3701	2953.03	3701-4000	3701	3701	21,844.76	10.75%	397.83	
e-Auction RCR	MCL G12	3701	2984.63	3701-4000	3701	3701	14,690.35	7.23%	267.53	
e-Auction RCR	MCL G14	3101	2469.45	3101-3400	3101	3101	19,902.55	9.79%	303.70	
		3968	3,277.56		3968	3968	2,03,222.90	100.00%	3,968.16	
Total Qnty (FSA & e-Auction)							27,40,616.15			
Weighted Ave GCV : As Claimed									2,998.79	
Weighted Ave GCV : As Calculated									3,421.09	
Weighted Ave GCV As Calculated (after 120 Kcal/Kg loss during storage as per Regulation 3.8.4 of Tariff Regulations)									3301.09	

Annexure -2D

Computation of Fuel cost for sale to the Purchaser considering actual SHR			
Operating Parameters	Legend	Unit	2020-21
Sent out Energy--(Scheduled Injection at Haldia Bus)	A	MU	3,903.830
Normative Auxiliary Consumption	B	%	9.00%
Auxiliary Consumption	C	MU	386.093
Gross Admissible Generation	D=A+C	MU	4,289.923

Order on FCA and APR of HEL for FY 2020-21



Actual Station Heat Rate (as per Annexure-2A.3)	E	kCal/kWh	1,922.72
Permitted/Specific Oil Consumption	F	ml/kWh	1.00
Heat Value of Oil	G	kCal/L	9,435.70
Heat Value of Coal	H	kCal/kg	2,878.79
Overall Permitted Heat	$I=D*E$	GCal	82,48,333.75
Permitted Heat from Oil	$J=D*F*G/10^3$	GCal	40,478.43
Permitted Heat from Coal	$K=I-J$	GCal	82,07,855.32
Oil Consumption	$L=D*F$	KL	4,289.92
Permitted Coal Consumption without Transit Loss	$M=(K/H)*1000$	Tonne	28,51,145.75
Transit Loss	$N=O-M$	Tonne	22,993.11
Permitted Coal Consumption	$O=M/0.992$	Tonne	28,74,138.86
Cost of Oil per kL	P	₹ /KL	43,614.00
Cost of Coal per Tonne	Q	₹ /Tonne	3,325.16
<b>Cost of Oil</b>	$R=L*P/100000$	₹ Lakh	<b>1,871.01</b>
<b>Cost of Coal</b>	$S=O*Q/100000$	₹ Lakh	<b>95,569.86</b>
<b>Total Fuel Cost</b>	$T=R+S$	₹ Lakh	<b>97,440.86</b>

**Annexure – 2E**

Opening Stock position					
Particulars	Unit	Derivative	2018-19	2019-20	2020-21
Opening Stock	Tonne	A	2,25,198.00	2,30,840.14	3,42,389.50
Coal Purchased during the year	Tonne	B	31,40,095.00	31,28,887.00	27,40,616.15
Coal consumed	Tonne	C	31,34,452.86	30,17,337.64	28,20,181.64
Closing stock	Tonne	$D=A+B-C$	2,30,840.14	3,42,389.50	2,62,824.01
Price of opening stock	₹/Tonne	E	3,084.88	3,606.99	3,620.36
Price of coal purchased	₹/Tonne	F	3,644.43	3,621.35	3,288.29
Price of coal consumed	₹/Tonne	$G=((A*E+B*F)/(A+B))$	3,606.99	3,620.36	3,325.16
Price of closing stock	₹/Tonne	$H=((A*E+B*F)/(A+B))$	3,606.99	3,620.36	3,325.16
<i>Reference</i>			Rev Order dated 12.03.2025 Case No APR(R)-37/24-25. T-2 Pg 4	Ref : APR-100/22-23 dated 23.10.2024. Table 2.13 Pg 12	



## Annexure – 2F

Weighted Ave Fuel Cost : Admitted								
Source & transport mode	Grade	Qnty Purchased (MT)	Coal Mix (%)	Coal Cost (₹/MT)	Avg Cost x Mix (₹/MT)	Rail Transport Cost (₹/MT)	Avg Rail Transport Cost x Mix (₹/MT)	Distance to HEL (KM)
1	2		3	4	4a=3x4	5	5a=3x5	
<b>Domestic Linkage Coal:</b>								
Linkage CCL Rail	G6	639.49	0.03%	3,521.31	0.89	1,068.13	0.27	426
Linkage CCL Rail	G7	1,938.24	0.08%	3,072.04	2.35	1,098.26	0.84	426
Linkage CCL Rail	G8	22,113.97	0.87%	2,528.28	22.03	1,145.09	9.98	426
Linkage CCL Rail	G9	38,079.26	1.50%	2,127.88	31.93	1,163.54	17.46	451
Linkage CCL Rail	G10	92,105.74	3.63%	2,047.15	74.31	1,162.95	42.21	451
Linkage CCL Rail	G11	90,940.21	3.58%	1,895.27	67.93	1,147.51	41.13	451
Linkage CCL Rail	G12	13,355.67	0.53%	1,796.27	9.45	1,271.67	6.69	527
Linkage CCL Rail	G13	7,543.36	0.30%	1,726.35	5.13	1,117.85	3.32	462
		2,66,715.94		2036.13		1159.76		
Linkage - MCL Rail	G12	19,17,897.62	75.59%	1,706.88	1,290.15	1,519.31	1,148.38	502
Linkage - MCL Rail	G13	75,355.99	2.97%	1,677.82	49.83	1,529.31	45.42	502
Linkage - MCL Rail	G14	2,15,525.00	8.49%	1,569.27	133.29	1,528.32	129.81	557
		22,08,778.61		1692.46		1520.53		
Linkage - MCL RCR	G13	3,812.50	0.15%	1,605.38	2.41	1,082.75	1.63	420
Linkage - MCL RCR	G15	58,086.20	2.29%	1,322.98	30.29	1,055.22	24.16	420
<b>Sub-Total</b>		<b>25,37,393.25</b>	<b>100.00%</b>	<b>1340.37</b>	<b>1,720.00</b>	<b>1056.92</b>	<b>1,471.30</b>	
<b>Auction Coal:</b>								
Auction - BCCL RCR	WIV	64.00	0.03%	4,193.68	1.32	969.56	0.31	463
Auction - ECL Rail	G4	10,560.56	5.20%	5,008.30	260.26	916.56	47.63	310
Auction - CCL Rail	G11	1,36,160.68	67.00%	2,095.27	1,403.84	1,195.21	800.80	502
Auction - MCL Rail	G12	21,844.76	10.75%	1,959.17	210.59	1,393.15	149.75	451
Auction - MCL RCR	G12	14,690.35	7.23%	2,335.63	168.84	1,266.17	91.53	313
Auction - MCL RCR	G14	19,902.55	9.79%	2,140.15	209.59	1,213.29	118.82	313
<b>Sub-Total</b>		<b>2,03,222.90</b>	<b>100.00%</b>		<b>2,254.44</b>		<b>1,208.84</b>	
<b>Overall</b>		<b>27,40,616.15</b>			<b>1,759.63</b>		<b>1,451.84</b>	

Weighted Ave Fuel Cost : Admitted									
Source & transport mode	Grade	Qnty Purchased (MT)	Road Transport Cost (₹/MT)	Avg Road Transport Cost x Mix (₹/MT)	Handling Cost (₹/MT)	Ave Handling Cost (₹/MT)	Total Cost (₹/MT)	Ave Landed coal cost x Mix (₹/MT)	Distance to HEL (KM)
1	2		6	6a=3x6	7	7a=3x7	8=4+5+6+7	8a=3x8	
<b>Domestic Linkage Coal:</b>									
Linkage CCL Rail	G6	639.49	0.00	0.00	101.30	0.03	4,690.74	1.18	426
Linkage CCL Rail	G7	1,938.24	0.00	0.00	104.62	0.08	4,274.92	3.27	426
Linkage CCL Rail	G8	22,113.97	0.00	0.00	103.49	0.90	3,776.86	32.92	426

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Linkage CCL Rail	G9	38,079.26	0.00	0.00	103.01	1.55	3,394.43	50.94	451
Linkage CCL Rail	G10	92,105.74	0.00	0.00	103.57	3.76	3,313.67	120.28	451
Linkage CCL Rail	G11	90,940.21	0.00	0.00	102.40	3.67	3,145.18	112.72	451
Linkage CCL Rail	G12	13,355.67	0.00	0.00	105.80	0.56	3,173.74	16.71	527
Linkage CCL Rail	G13	7,543.36	0.00	0.00	100.32	0.30	2,944.52	8.75	462
2,66,715.94									
Linkage - MCL Rail	G12	19,17,897.62	0.00	0.00	31.95	24.15	3,258.14	2,462.68	502
	G13	75,355.99	0.00	0.00	29.59	0.88	3,236.72	96.12	502
	G14	2,15,525.00	0.00	0.00	33.31	2.83	3,130.90	265.94	557
22,08,778.61									
Linkage - MCL RCR	G13	3,812.50	897.03	1.35	194.67	0.29	3,779.83	5.68	420
Linkage - MCL RCR	G15	58,086.20	897.03	20.53	194.67	4.46	3,469.90	79.43	420
<b>Sub-Total</b>		<b>25,37,393.25</b>	<b>897.03</b>	<b>21.88</b>		<b>43.44</b>		<b>3,256.63</b>	
<b>Auction Coal:</b>									
Auction -BCCL RCR	WIV	64.00	231.12	0.07	115.70	0.04	5,510.06	1.74	463
Auction -ECL Rail	G4	10,560.56	0.00	0.00	169.20	8.79	6,094.06	316.68	310
Auction -CCL Rail	G11	1,36,160.68	0.00	0.00	110.35	73.94	3,400.83	2,278.58	502
Auction - MCL Rail	G12	21,844.76	0.00	0.00	24.17	2.60	3,376.49	362.94	451
Auction - MCL RCR	G12	14,690.35	971.50	70.23	208.28	15.06	4,781.58	345.65	313
	G14	19,902.55	340.75	33.37	166.87	16.34	3,861.06	378.13	313
<b>Sub-Total</b>		<b>2,03,222.90</b>		<b>103.67</b>		<b>116.76</b>		<b>3,683.71</b>	
<b>Overall</b>		<b>27,40,616.15</b>		<b>27.95</b>		<b>48.88</b>		<b>3,288.29</b>	



### Chapter 3 : Determination of Fixed Cost

- 3.1. The Commission determined the capacity charge of ₹ 76271.13 Lakh for Generating Station of HEL and ₹ 7794.31 Lakh for 400 KV D/C Transmission lines of HEL in the Tariff order for FY 2020-21 dated 28.07.2022 and 07.07.2022 respectively. Subsequently the Commission has determined the revised project cost of ₹ 4029.48 crores for Generating Station of HEL in the Order dated 29.07.2025 and ₹ 586.04 crores for Transmission of HEL in the order dated 18.07.2025.
- 3.2. HEL has claimed the additional capitalisation of ₹ 794.70 Lakh for FY 2020--21. The Commission vide letter no WBERC/APR-113/ 22-23/920 dated 02.02.2026 directed HEL to submit the justification for the claimed additional capitalisation along with package wise/head wise break-up and its classifications like Replacement, O&M nature, Tools & Tackles etc.
- 3.3. In response, HEL submitted vide letter dated 13.02.2026 & 16.02.2026 the break-up of additional capitalization. The Commission has scrutinized the nature of capex and justification provided by HEL and admitted additional capitalization as shown in the Table below:

**Table 3.1: List of Additional Capex**

Sl No	Name of Asset	Additional Amt as per Claim [₹ in Lakh}	Date of Capitalization	Justification	Reply of HEL	Commission's observation
A	Project Capex - Railway Siding	57.50	24-08-2020	Railway siding related Capex as per the original project cost	New	Included as capex as per Reg 5.2.2 (i)
B	COVID-19 Related Capex	59.30	FY2020-2021	Laptops and other accessories were purchased to enable employees to work from home during COVID-19 pandemic.	New	included as Covid Expense based on the submission of HEL
C						
1	Remote monitoring & diagnostic solution services	111.10	11-10-2020	This is a unique analytic solution with advanced pattern recognition helping to increase asset reliability. This application will help to notify nascent deviation from standard operating condition or parameter, for individual asset and also indicating	New	Included as new capex as per submission of HEL.



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				apparent cause of deviation. This early warning solution has not only enhanced asset availability but also helped in maintenance to take necessary preventive step to avoid major break down. At long term, it also will help to reduce inventory and maintenance resources.		
2	Interior development of technical building 3rd floor	11.20	31-03-2021	This was done to increase the effective office floor area to remove congestion and provide safe distance between working employees so as to minimize the effect of COVID-19.	New	Included as Covid Expense based on the submission of HEL
3	Additional part of boundary walls	27.60	01-04-2020	Enhancement of internal security arrangement was necessary and building up of additional boundary walls for strengthening of in plant security has been carried out.		Included as new capex as per submission of HEL
4	Wind barrier at coal stock yard	56.40	01-10-2020	To restrict EHS hazard from fugitive coal dust emission both inside plant and to nearby areas, wind barrier was installed to restrict air flow through coal piles in stock yard.	New	Included as new capex as per submission of HEL
5	Additional work for rain water harvesting pond for augmentation of plant water system	59.60	01-01-2021	In line with the GOI notification to keep the water requirement within stipulated norms, an unique initiative was envisaged to use the rain water in the process. Under this scheme, without disturbing the existing ecology, the low land areas were converted into rain water storages and necessary arrangements were made to pump this rain water into the raw water storage pond for further usage in the process. Usage of rain water in the power plant process have multi-fold advantages. It is reducing overall river water intake, usage of rain water during heavy monsoon also reduce the probability of flooding inside the plant and reduce additional pumping power which had otherwise been necessary for discharging the storm water.	New	Included as new capex as per submission of HEL
6	Desilting of south side raw water reservoir completed	11.10	05-03-2021	This is to recover the design raw water storage capacity which has been depleted over the years due to presence of heavy silt in the intake water and its natural settlement at in plant reservoir.	New	Included as O&M expense based on the submission of HEL
7	Front end upgrade of yokogawa CS 3000 DCS of U-2 - yokogawa India ltd	212.40	10-02-2021	This is an enabler for different digital initiatives considering cyber security of our plants. Carry out different such actions for Cyber Security were further imposed by the GOI vide different notification/guidelines. The letter from Ministry of Power (D.O 1/2/2021/IT Dt March8,2021) & later ministry published CEA guideline - 2021 as mandate.	New	Included as new capex as per submission of HEL
8	HP LP bypass system at unit - 2	31.90	10-02-2021	This is an enabler for different digital initiatives considering cyber security of our plants. Carry out different such	New	Included as new capex as per

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	Emerson Process Management (India) Pvt. Ltd.			actions for Cyber Security were further imposed by the GOI vide different notification/guidelines. The letter from Ministry of Power (D.O 1/2/2021/IT Dt March8, 2021) & later ministry published CEA guideline - 2021 as mandate.		submission of HEL
9	Ferrocare electrostatic liquid cleaner machine model	10.50	01-01-2021	To improve the reliability of the FD, ID and PA fans of the boiler. This Freeware Cleaner maintains the required oil cleanliness of the equipment and reduce any breakdown related to oil quality.	New	Included as new capex as per submission of HEL
10	Turbine fast cooling device	73.10	01-01-2021	The cooling down period of SEC turbine was originally 11 days which necessitated waiting period after shutdown to start any maintenance job of turbine. This fast cooling device has reduced the cooling down period from 11 days to 6 days and thus increase our Turbo-Generator availability.	New	Included as new capex as per submission of HEL
11	BEML bulldozer model BD-155A	18.80	30-09-2020	Needed to deal with variety of coal being handled.	New	Included as new capex as per submission of HEL
12	Misc Work	54.20	July20 to Mar21		Small Tools	Included as O&M expense based on the submission of HEL
D	<b>Grand Total (A+B+C)</b>	794.70				

Hence, from above list of additional capex, the Commission considers the expense in following heads:

Head	Amount in ₹ Lakh
New capex	658.90
Covid expense	70.50
O&M expense	65.30
<b>Total</b>	<b>794.70</b>

3.4. Balance Additional Capitalization of ₹ 1325.00 Lakh as per approved order dated 29.07.2025 for FY 2020-21, The Commission considers additional Capitalization of ₹ 729.40 Lakh (including capex for Covid-19).

3.5. Based on the above, the capital cost considered for FY 2020-21 for Generation Unit is as shown in the Table below:

**Table 3-2: Capital cost for FY 2020-21 (Generation Unit)**  
(₹ Lakh)



Particulars	Claimed	Admitted
Opening capital cost (as on 01.04.2020)	401622.00	401622.00
Additional capitalization (para 3.4 above)	2120.70	2054.40
Closing capital cost (as on 31.03.2021)	403742.70	403676.40
# Opening Capital Cost admitted as per Financial Impact for order dated 29.07.2025		

3.6. In this Chapter, the Commission has dealt with the components of ARR, other than fuel cost, claimed by HEL as detailed hereunder.

3.7. HEL has claimed the following components of ARR other than the fuel cost:

1. Operation and Maintenance (O&M) expenses
2. Insurance premium
3. Employee cost
4. Coal and Ash handling expenses
5. Corporate Social Responsibility (CSR) expenses
6. Statutory charges
7. Water Cess
8. Tax
9. Rent, Rates and Taxes (other than income tax)
10. Depreciation
11. Return on Equity
12. Interest expenses
13. Other finance charges
14. Incentives
15. Special allocation
16. Income other than sale of energy
17. Advance against Depreciation.
18. Other Mitigating Expenses – Amphan Cyclone
19. Other Mitigating Expenses – Covid 19, Compliance.

#### **FIXED COST DETERMINATION UNDER APR**

3.8. The Commission has determined the revised project cost of ₹ 4029.48 crores for Generating Station of HEL in the Order dated 29.07.2025 and ₹ 586.04 crores for Transmission of HEL in the order dated 18.07.2025. The Commission proceeds to determine the APR for 2020 - 21 on the basis of revised project cost as approved by the Commission.

3.9. Tariff Regulations have categorized different fixed charge elements under controllable and uncontrollable heads. Tariff Regulations have different provisions for treating the variation between projected expenditure and actual expenditure of such fixed charge



elements during APR.

3.10. In the tariff order of HEL for the year 2020 - 21, the Commission had considered specific principles to determine the fixed cost elements of ARR which were as follows:

- 1) inflationary impact considering Wholesale price Index (WPI), Consumer price Index (CPI) and Hybrid Index (60% WPI and 40% of CPI) depending on nature of fixed cost element;
- 2) business volume change related to line length of dedicated transmission line; and
- 3) sensitivity of different fixed cost elements with respect to business volume change and inflationary impact.

3.11. In view of clauses (ii) and (v) of the regulation 2.6.10 of Tariff Regulations, the Commission compares the inflation rates (WPI, CPI and hybrid index) and the business volume parameters (line length of dedicated transmission line), assessed in Tariff Order of 2020 - 21 and actual at the end of the 2020 - 21 in the Table below:

**Table 3-3:**

Particulars	Admitted in Tariff Order	Actual	Increase (+) / Decrease (-) (in%)
Line length of dedicated transmission line	89KMs	89KMs	0.00
WPI in%	1.67%	1.30%	-22.16%
CPI in%	7.54%	5.20%	-31.03%
Inflation in hybrid index WPI: CPI (60:40)1 %	4.02%	2.86%	-28.86%

In the tariff order, the Commission had considered the actual inflation/deflation rates for 2020 - 21 which is reflected in Table 2.1 above. Being a dedicated transmission line, there was no change in the line length. Hence, no increase is admissible in the controllable elements of fixed charge as per clause (ii) and (v) of the regulation 2.6.10 of the Tariff Regulations.



### **O&M expenses**

- 3.12. The O&M expenses viz., repairs and maintenance expenses including cost of consumables, legal and professional charges, audit fees, administrative and general expenses are categorised as controllable items in terms of the Tariff Regulations.
- 3.13. Further, in terms of regulation 2.6.10 (ii) of the Tariff Regulations, the Commission may allow certain additional expenditure through the APR Order on any element of controllable item, if the rate of inflation is found to be more than 15% with respect of the price of that item determined during tariff order. Since, the Commission has considered the inflation based on actual inflation of 2019-20, no such additional expenditure is allowable in terms of regulation 2.6.10 (ii) of the Tariff Regulations.

### **A. Generation:**

- 3.14. In terms of regulation 2.8.6.1 of the Tariff Regulations, the Commission has specified the norms for O&M expenses for the years 2020 – 21, 21-22 and 2022 - 23 vide Tariff order dated 28.07.2022 in Case No. TP - 92/ 20 - 21 as ₹ 9.24 Lakh per MW ₹ 9.61 Lakh Per MW and ₹ 10.00 Lakh per MW respectively and admitted ₹ 5544 Lakh as O&M expense for 2020-21. Considering the above, the normative O&M expenses for the year 2020-21 is as below:

**Table 3-4: Normative O&M Expense**

Installed Capacity in MW	O&M Expense admitted in Tariff order [in ₹ Lakh]
600	5544.00

- 3.15. It is observed that HEL has claimed an amount of ₹ 1019.10 Lakh as differential O & M expense in form 1.12 without any adequate substantiation. In addition, HEL also claimed following charges in its Form E(B).

Table 3-4A

Sl. No.	Particulars	Expenses claimed in ₹ Lakh
1	Differential O & M expense in form 1.12	1019.10
2	Auditors Fees	9.70
3	Legal Fees	120.30
4	Other Administrative & General Charges	764.70



5	Expenses relating to Amphan Cyclone	370.60
6	Expenses relating to Covid 19	7.40
	<b>Total</b>	<b>2291.80</b>

3.16. The Commission while analyzing the O&M expenses claimed by HEL with respect to the Audited Financial Statements and clarifications submitted vide letter dated 04.08.2023 has observed that,

- (i) **Repair & Maintenance Expenses including Consumables:** During scrutiny of Repair & Maintenance Expenses for the generation activity as submitted by HEL under Attachment -14 and subsequent clarification made vide Ref. HEL-F/2026/481 dated 12.02.2026, the Commission observes that following amount has been certified by the auditor:

Table 3-4B

Sl. No.	Particulars	R & M Expenses claimed (₹ Lakh)
1	Consumption of Stores and Spares,	1893.30
2	Repairs & Maintenance-	
a	Plant & Machinery	3680.60
b	Repairs & Maintenance-Building	26.10
c	Repairs & Maintenance-Others	95.00
	<b>Total</b>	<b>5695.00</b>

Besides, in the said clarification, HEL states that a sum of ₹ 2064.90 lakh stands included in the aforesaid sum of ₹ 3680.60 Lakh, which is pertaining to cost towards contracted employees. Hence, the Commission considers ₹ 3630.10 Lakh (₹ 5695 Lakh - ₹ 2064.90 Lakh) on account of Repairs & Maintenance including consumables.

- (ii) Audit Fees and Legal Charges: The Audit Fee and legal expense as claimed above are considered by the Commission.
- (iii) HEL has also stated that a sum of Rs 764.70 Lakh attributes to other administrative and General Expenses for generation activity in the aforesaid annexure and subsequent clarification. Hence, the Commission after careful consideration admits Rs 764.70 Lakh as mentioned hereunder on account of Other Administrative and General Expenses:

Table 3-4C

Sl. No.	Particulars	Claimed (₹ in Lakh)
---------	-------------	---------------------



1	Travelling Expenses	11.00
2	Vehicle Maintenance	178.30
3	Telephone Expenses	21.40
4	Security Charges after deducting Contract labour cost of ₹ 254.30 lakh	5.00
5	Other Management Expenses after deducting contract labour cost of ₹ 261.80 lakh	549.00
	<b>Total</b>	<b>764.70</b>

- (iv) HEL has claimed expenses relating to Amphan Cyclone of ₹ 370.60 lakh for restoration of damaged caused by storm. This expense shall be dealt separately subsequently.
- (v) HEL has claimed ₹ 7.40 Lakh as expenses relating to compliance of Covid-19 pandemic of Government advisories / social distancing norms and protocols. This expense shall be dealt separately subsequently
- (vi) Finance Charges not related to Capital Loan: The Commission observes that HEL has claimed ₹ 1842.80 lakh under the head Finance charge in Form 1.17 (c) which includes following charges:

Table 3-4D

Sl. No.	Particulars	Finance charges not related to Capital Loan (₹ Lakh)
1	Guarantee Commission	168.60
2	Other Bank Charges for Reduction of Interest Rate	1600.40
3	LC Opening Charges	73.80
	<b>Total</b>	<b>1842.80</b>

*Note: The Commission in this context notices that the claimed charges are related to day-to-day revenue activities of the generation business of HEL and to be considered under the O&M expenses.*

3.17. In view of above, the Commission recomputes the O&M expenses based on the submission of the petitioner as below:

Table 3-4E

Sl. No.	Particulars	O&M Expenses (₹ Lakh)
1	Repairs & Maintenance including Consumables	3630.10
2	Auditors Fees	9.70
3	Legal Fees	120.30
3	Other Administrative & General Charges	764.70
4	Guarantee Commission	168.60
6	Other Bank Charges for Reduction of Interest Rate	1600.40



7	LC Opening Charges	73.80
8	Miscellaneous work for Small Tools	54.20
9	Desilting of south side raw water reservoir	11.10
	<b>Total</b>	<b>6432.90</b>

3.18. Since, the actual O&M expenses are higher than the normative O&M expenses admitted in the Tariff Order, the Commission admits the O&M expenses of ₹ 5544.00 Lakh for the year 2020-21.

**Table 3-4F: Summary O&M expense (Generation)**

Particulars	Normative Expense	Actual	Admitted
O&M expenses	5544.00	6432.90	5544.00

**B. Transmission:**

3.19. While determining the admissible O&M expense for the 400 kV Transmission Line of HEL, the Commission, after detailed analysis, had admitted following expenses in the Tariff Order for 2020-21. HEL in its APR application has claimed an amount of ₹ 559.90 Lakh for O&M Expenses which includes following expenses:

Table 3-5

Sl. No.	Particulars	Admitted in Tariff Order (₹ Lakh)	Claimed (₹ Lakh)
1	Repairs & Maintenance including consumables	145.05	317.80
2	Administrative and General Expenses, Rent, Legal Charges and Auditor Fees	130.73	115.20
	Total	275.78	433.00
3	Insurance	37.49	119.70
4	Rates & Taxes	3.42	7.20
	Total O&M	316.69	559.90

3.20. **Repair and maintenance (R&M) expense:** R&M expenses being controllable in nature the Commission admits ₹ 145.05 Lakh as Repair and Maintenance Expenses including consumables in view of the amount admitted in the tariff order for the year 2020 - 21 under O&M Expenses.



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3.21. **Administrative and General (A&G) Expenses:** In addition to ₹ 115.20 Lakh claimed following charges under A&G expenses, HEL has claimed ₹ 205.90 Lakh as other Finance Charges for Interest rate reduction since it has been incurred for refinancing of Long term Loan in Form 1.17 (c). Such charges are related to day-to-day activities of the Company and therefore the claim is considered under the Other Administrative and General Expenses. Thus, the total A&G expense claimed as follows:

Table 3-5A

Sl. No	Particulars	Administrative and General (A&G) Expenses (₹ Lakh)
1	A&G expenses	115.20
2	Guarantee Commission	21.70
3	Other Finance Charges for Reduction of Interest Rate	205.90
4	LC Opening Charges	9.50
	<b>Total</b>	<b>352.30</b>

Administrative and General Expense being controllable in nature, the Commission decides to limit the amount up to ₹ 130.73 Lakh which was admitted in the tariff order for the year 2020-21.

Table 3-5B: Summary O&M expense (Transmission)

Sl. No.	Particulars	Admitted amount in Tariff Order (₹ Lakh)	Claimed (₹ Lakh)	Admitted (₹ Lakh)
1	Repairs & Maintenance including consumables	145.05	317.80	145.05
2	Administrative and General Expenses, Rent, Legal Charges and Auditor Fees	130.73	352.30	130.73
	<b>Total</b>	<b>275.78</b>	<b>670.10</b>	<b>275.78</b>

**Rates and Taxes:**

3.22. The Commission, while admitting expenses towards Insurance and Rates and Taxes respectively, stated that these two being uncontrollable in nature are subject to triuing up during APR. Further, the Commission in the Tariff Order has mentioned that actual expenses, if any, towards statutory charges will be allowed during triuing up following the provisions of the Tariff Regulations.



**A. Transmission:**

3.23. HEL has claimed an amount of ₹ 7.20 Lakh on account of Rates and Taxes against ₹ 3.42 Lakh admitted in the tariff order. These expenses are related to Municipal/ Panchayat tax, Land Revenue, Way Leave Licensee, License Fees for Railway Corridor, Foreshore Occupation Fee for two river towers as indicated by Kolkata Port Trust, etc. Being uncontrollable in nature, the Commission decides to admit the amount of ₹ 7.20 Lakh on account of Rates and Taxes for 2020-21.

Table 3-6: Rates and taxes in ₹ Lakh (Transmission)

Particulars	Claimed	Admitted
Rates and Taxes	7.20	7.20

**B. Generation:**

3.24. The Commission had approved the rent, rates and taxes of ₹ 51.32 in the Tariff Order for FY 2020-21. HEL has claimed the following amount in its APR Petition towards rent, rates and taxes on account of municipal/ panchayat tax, land revenue etc.

Table 3-7: Rates and taxes in ₹ Lakh (Generation)

Particulars	Admitted in Tariff Order (₹ Lakh)	Claimed (₹ Lakh)
Rent,	50.90	572.50
Rates and Taxes	0.42	
Total	51.32	

Note 41 of the Audited Financial Statements recognise ₹ 601.00 Lakh paid on account of Lease Rent. However, as per the Certificate of Cost Auditor, it is observed that total rent paid for Leased Properties is ₹ 516.90 Lakh and Commission admits the same along with ₹ 26.00 Lakh on account of Rates and Taxes. Hence, the expenditure on rent, rates and taxes is admitted as follows:

Table 3-7A: Rent, rates and taxes in ₹ Lakh (Generation)

Particulars	Claimed	Admitted
Rent		516.90
Rates and Taxes		26.00
Total	572.50	542.90

**Insurance Premium:**

**A. Transmission:**



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3.25. HEL has claimed following amount on account of Insurance premium regarding to its dedicated transmission system.

Table 3-8

Sl. No.	Particulars	Admitted in Tariff Order (₹ Lakh)	Claimed (₹ Lakh)
1	Insurance premium	37.49	119.60
a	Transmission business		

In terms of Tariff Regulations insurance premium is uncontrollable expenditure subject to condition that such insurance is done through a transparent process as per regulation 5.14.3 of the Tariff regulation HEL in its petition submitted that the Insurance Premium is finalized based on the most competitive offer in terms of regulation 5.14.3 of the Tariff Regulations and paid on yearly basis. Besides this, the premium also includes loss for business interruption. Accordingly, after due adjustment of the premium pertaining to loss for business interruption and average amount of first two month as per last year approved amount, the Commission decides to admit ₹ 113.55 Lakh as Insurance Premium for FY 2020-21, the details as follows:

Table 3-8A: Insurance in ₹ Lakh (Transmission)

Particulars	Derivative	Value in ₹ Lakh	Amount admitted in ₹ Lakh
Insurance approved for the period from 01.06.2019 to 31.05.2020	A	123.6	
Insurance for 1 <sup>st</sup> 2 months of 2020-21	$B = Ax2/12$		20.60
Insurance for the period from 01.06.2020 to 31.03.21 including premium of other policies	C	727.66	
Insurance for 10 months of 2020-21 after adjustment of business risk	$D = C/465640 \times 59480$		92.95
Total			113.55

**B. Generation**

3.26. The Commission had approved the insurance premium of ₹ 909.90 Lakh in the Tariff Order for FY 2020-21 for generation business. HEL has claimed the following amount in its APR Petition.

Table 3-9



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Sl. No.	Particulars	Admitted in Tariff Order (₹ Lakh)	Claimed (₹ Lakh)	As per note 31 of the audited financial statement (₹ Lakh)
1	Insurance premium			937.00
a	Generation business	909.90	817.40	817.40
b	Transmission business			119.60

3.27. The Commission vide letter dated 02.02.2026 has directed HEL to substantiate, by submitting copies of tender documents, quotations received, etc, that they have followed the transparent process in terms of regulation 5.23.1 of the Tariff Regulations for selecting the insurance policy. In response, HEL submitted insurance details vide letter dated 12.02.2026, property benchmarking and quotes received from vendors.

From the submitted documents, it is observed that HEL has selected the least quoted insurer for comprehensive mega risk policy. However, from the available submitted documents, the Commission observed that in addition to 'All Risks & Machinery Breakdown', the insurance premium also covers 'Business interruption' in terms of Gross profit & increased cost on working due to reduction in its turnover following loss covered under Machinery Breakdown. The Commission is of considered opinion that insurance covering in connection with the loss of profit of the company shall not be passed on to the consumer through tariff.

Thus, total premium paid for of Generation and Transmission unit for 10 months i.e. from 01.06.2020 to 31.03.2021 is  $= (885.17/12) * 10 = ₹ 737.64$  Lakh. Further ₹ 737.64 Lakh should be reduced by Business Interruption Loss proportionate to total sum insured of ₹ 10964.85 crore which is as follows:

₹ 60.55 Lakh = (₹737.64 lakh of total premium on Mega Risk Policy X ₹ 900 crore of sum insured for business interruption + ₹ 10964.85 crore of total sum insured for Mega Policy Risk) .

Accordingly, the Commission admits ₹ 677.09 Lakh as insurance premium of HEL Generating station as well as Evacuation unit. Besides this insurance premium for two months on an average of last approved amount as per APR (19-20) and other small premium has been added as per following table:



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Table 3-9A: Insurance premium (Generation) (₹ Lakh)

Particulars	Derivative	Claimed	Admitted
Insurance Premium (Comprehensive Mega Risk Policy)	A	-	677.09
Insurance for other small policy	B	-	50.57
<b>Sub-Total</b>	<b>C=A+B</b>	-	727.66
Insurance premium for Transmission allocated on the basis of Value of GFA as per page No 152 of Vol-2 = (C/465640) * 59480	D	-	92.95
Insurance for two months- April & May 2020 (Proportionate amount of last APR FY2019-20 = (695.49/12) x 2	E	-	115.92
<b>Total</b>	<b>F=C-D+F</b>	817.40	750.63

**Statutory Charges:**

3.28. The Commission while not approving any statutory charges in the Tariff Order for FY 2020-21, has mentioned that the same will be considered on the basis of audited financial statement as per the provisions of the Tariff Regulations in APR.

**A. Transmission:**

3.29. HEL has claimed an amount of ₹ 10.60 Lakh on account of Statutory Charges which has been paid to Government as well as Regulatory Authorities. HEL vide letter dated 16.02.2026 has submitted auditor certificate along with a detailed break-up of Statutory Charges for both generation and evacuation system. Considering the submission, Statutory Charges for the year 2020-21 is admitted as follows:.

Table 3-10: Statutory charges (Transmission) in ₹ Lakh

Particulars	Claimed	Admitted
MYT fees	0.60	0.60
APR fees & other petition fees	10.00	10.00
<b>Total</b>	10.60	10.60

**B. Generation:**

3.30. HEL has claimed the amount of ₹ 29.20 Lakh in its APR Petition towards statutory charges in terms of regulation 5.14.1 of the Tariff Regulations for payments made under various statute of Government as well as regulatory authority. Subsequently clarification /additional information is provided by HEL vide letter dated 12.02.2026 with Auditor's certificate which is admitted by the Commission, after prudence check.



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**Table 3-11: Statutory charges (Generation) ₹ Lakh**

Particulars	Claimed	Admitted
MYT fees	0.00	0.00
APR fees & other petition fees	12.00	12.00
Consent to Operate	8.50	8.50
Boiler License Renewal	1.00	1.00
Inspection of Boilers	1.00	1.00
West Bengal Fire & Emergency Services	3.30	3.30
Directorate of Factories	3.00	3.00
Fees for In-Principle approval of Capital cost for installation of Flue Gas Desulphurization (FGD) as per requirement of Environment (Protection)(Amendment) Rules 2015	0.30	0.30
Professional Enrolment Fees	0.10	0.10
<b>Total</b>	<b>29.20</b>	<b>29.20</b>

**Corporate Social Responsibility (CSR):**

**A. Transmission:**

3.31. HEL has claimed an amount of ₹ 104.80 Lakh on account of CSR.

**B. Generation:**

3.32. The Commission has not approved any amount towards CSR expenses in the Tariff Order for FY 2020-21. HEL has claimed the amount of ₹ 814.50 Lakh towards CSR expenses in its APR Petition.

The CSR expenses has not been allowed since the same is an appropriation of profit and a statutory obligation. The Commission takes a serious note regarding the said claim of CSR expenses in APR when such expenditure shall have to be met from the profits of the company.

3.33. In view of the above, the admitted O&M Expenses for Transmission System is tabulated below:

**Table 3-12A O&M expense (Transmission) in ₹ Lakh**

Particulars	Amount admitted	Amount claimed	Amount Admitted
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	in Tariff Order		
Repair and Maintenance Expenses	145.05	317.80	145.05
Administrative and General Expenses	130.73	352.30	130.73
Insurance	37.49	119.70	113.55
Rates & Taxes	3.42	7.20	7.20
Statutory Charges		10.60	10.60
Corporate Social Responsibility		104.80	0.00
<b>Total O&amp;M</b>	<b>316.69</b>	<b>912.40</b>	<b>407.13</b>

**Table 3.12B O&M expense (Generation) in ₹ Lakh**

Particulars	Amount admitted in Tariff Order	Amount claimed	Amount Admitted
O & M Expenses	5544.00	6367.60	5544.00
Insurance	909.90	817.40	750.63
Rates & Taxes	51.32	572.50	542.90
Statutory Charges		29.20	29.20
Corporate Social Responsibility		814.50	0.00
<b>Total O&amp;M Expenses</b>	<b>6505.22</b>	<b>8601.20</b>	<b>6866.73</b>

**Employee cost:**

**A. Generation:**

- 3.34. The Commission had approved the total employee cost of ₹ 7152.00 Lakh (own and contractual employees) in the Tariff Order for FY 2020-21. 205 nos own employees for ₹ 4354.00 lakh plus 563 nos contractual employees for ₹ 2798.00 lakh.
- 3.35. In the APR petition, HEL submitted that the man/MW ceiling determined by the Commission includes both own and contractual manpower under regular establishment. HEL referred to Regulations 5.9.1, 5.9.3, 5.9.4 and 5.9.6 and Note (x) of Schedule 9A of the Tariff Regulations in support of their submission. HEL in its APR petition has submitted that the requisite break-up of own employees and contractual employees in Form 1.17(h) along with auditor certificate for own and contractual manpower engaged in regular establishment. Based on the submissions of the Petitioner, the Commission finds that employee cost pertaining to contractual employees are under regular establishment and is admissible subject to the ceiling man/MW requirement approved by the Commission vide order dated 20.01.2016 in Case No OA-121/11-12.



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3.36. Employee cost includes mainly salary and wages, expenditure on account of terminal benefits to the employees and welfare expenses. HEL has claimed the employee cost of ₹ 7575.80 Lakh. From the submissions of HEL, the Commission's findings are as follows:

- a) The maximum ceiling man/MW requirement approved by the Commission vide its Order dated 20.01.2016 in Case No. OA-121/11-12 is 1.3. Thereby the maximum ceiling of the number of employee is  $600 \times 1.3 = 780$  no, whereas actual number of employees is seven hundred and sixty-six (766) comprising of own employees of two hundred and three (203) and contractual employees of five hundred and sixty-three (563), as per the auditor's certificate vide page No 191 & 194 of Vol 1 of the petition. Further, from the note 28 of Audited financial statement, it is revealed that, employee expenses in ₹ 7575.50 Lakh comprising of ₹ 4994.50 Lakh as expenses towards own employees and ₹ 2581.00 Lakh as expenses towards contractual employees.
- b) From the submission it is revealed that, HEL has claimed total employee cost of ₹7640.20 lakh against the actual amount of ₹ 7575.50 lakh. The excess claim is on account of notional employee of 780 nos against actual employee of 768. HEL has basically increased the number of contractual employees to match the ceiling man/MW norms of 1.3.
- c) As the man/MW requirement of 1.3 is maximum ceiling, the Commission does not find the approach adopted for increasing the number of contractual employees to be prudent Hence, the Commission considers the number of employees and employee cost as per Audited Financial Statement.
- d) Accordingly, the Commission admits the employee cost of ₹ 7575.50 Lakh for FY 2020-21.

**Table 3-13: Employee cost (Generation) (₹ Lakh)**

Particulars	Amount admitted in Tariff Order	Claimed	Admitted
Own Employees	4354.00	4995.00	4994.50



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Contractual Em- ployees	2798.00	2645.20	2581.00
Employee cost	7152.00	7640.2	7575.50

**B. Transmission:**

HEL has claimed an amount of ₹ 139.50 Lakh as employee cost against ₹ 66.03 lakh admitted in the Tariff Order for 2020 - 21. It is submitted that 7 numbers of own manpower were engaged for supervision of maintenance of the dedicated transmission line. The total own Employee cost admitted for Generation activity and Transmission activity arrives at ₹ 5134 Lakh (₹4994.50 Lakh + ₹139.50 Lakh) which aligns with the amount recognized at Note 28 of the Audited Financial Statement.

- 3.37. The man/CKM ratio being well within the limit of 0.35 specified in the Tariff Regulations, the Commission admits the amount of ₹ 139.50 Lakh as shown in Auditor's Certificate as employee cost, which is uncontrollable in nature.

**Table 3-14: Employee cost (Transmission) (₹ Lakh)**

Particulars	Amount admitted in Tariff Order	Amount claimed	Amount Admitted
Employee cost	66.03	139.50	139.50

**Coal and Ash handling expenses:**

- 3.38. The Commission had approved the coal and ash handling expenses of ₹ 615.30 Lakh in the Tariff Order for FY (20-21). HEL has claimed ₹ 346.10 Lakh in its APR Petition on this head. HEL vide letter dated 12.02.2026 has also submitted the supporting documents like sample copy of invoices to substantiate their claim. However, HEL has not submitted any information regarding income from sale of Fly Ash/ wet Ash. Hence, the Commission disallows 50 % of Coal and Ash Handling cost. In view of the above, the Commission finds it prudent to admit the coal and ash handling expenses as ₹ 173.05 Lakh (346.10/ 2) for the year 2020-21.

**Table 3-15: Coal and Ash Handling Expenses (₹ Lakh)**

Particulars	Amount admitted in Tariff Order	Claimed	Admitted
Coal and Ash handling Expenses	615.30	346.10	173.05



**Water Cess:**

- 3.39. The Commission had admitted the water cess of ₹ 48.90 Lakh in Tariff Order for FY 2020-21. However, HEL in its APR petition has not claimed any amount for Water Cess for the year 2020-21. In absence of claim by HEL, the Commission find it prudent not to admit any amount to HEL as Water Charges for the year 2020-21.

**Depreciation:**

**A. Generation:**

- 3.40. The Commission had admitted depreciation of ₹ 13172.83 Lakh in the Tariff Order for FY 2020-21. HEL has claimed an amount of ₹ 14401.10 Lakh towards depreciation in its APR Petition at different rates as per Regulation in Form B of the petition. Such depreciation has been claimed on depreciable assets considering fixed assets based on project cost as claimed by HEL. Meanwhile, Commission has accorded approval final project cost of HEL vide order dt 29.07.2025 for ₹ 402948.00 lakh. However, para 9.0 of such order states that, "the Hard Cost approved by the Commission includes Additional Capitalization of ₹ 23774.00 Lakh and IDC of ₹ 53648.00 Lakh. In 2020-21, the additional capital during the year of ₹ 729.40 Lakh against the claim of ₹ 794.60 Lakh has also been considered in arriving the closing capital. The Commission decides to allow depreciation as claimed after incorporating appropriate enhancement of project cost on the basis of the order dated 29.07.2025. Accordingly, the actual depreciation has been allowed in proportion to the approved average capital cost to the claimed average GFA.

**Table 3-16: Depreciation (₹ Lakh)**

SI No	Particulars	Claimed	Admitted
1	Opening Capital Cost	4,04,059.00	4,01,622.00
2	Add: Balance Addl. Capital	1,340.00	1,325.00
3	Addition to Fixed Cost	794.60	729.40
4	Closing Capital Cost (1+2+3)	4,06,193.60	4,03,676.40
5	Average Capital Cost [Avg of 1&4]	4,05,126.30	4,02,649.20
6	<b>Depreciation</b>	<b>14,301.00</b>	<b>14,213.56</b>
7	<b>Depreciation Percentage (6/5)</b>	<b>3.53%</b>	

**B. Transmission:**

- 3.41. The amount of depreciation as claimed by HEL is ₹ 1515.19 Lakh as provided in Form



B of Annex I after adjusting Project Cost. Further details with respect to reconciliation with Audited Financial Statements have been furnished in Auditors' certificate at Attachment 1 of the petition where it has been mentioned specifically that depreciation has been calculated as per Schedule A in Annexure A of Tariff Regulations of WBERC. Subsequently, HEL has claimed an amount of ₹ 1515.19 Lakh as depreciation based on the project cost of ₹ 58604 Lakh.

- 3.42. The Commission decides to allow depreciation as reflected in auditor's certificate after incorporating appropriate reduction on account of reduced project cost as computed below:

**Table 3-17**

In ₹ Lakh

SI No.	Particulars	Value ₹ Lakh
1	Gross Fixed assets as submitted as per Auditor's Certificate	59,480.00
2	Depreciation of Evacuation assets (as per Auditor's certificate)	1,538.60
3	Project cost approved in order dated 18.07.2025	5,8604.00
4	Depreciation admitted (2/1x3)	<b>1,515.94</b>

**Advance against Depreciation/ Interest Credit:**

- 3.43. In terms of Tariff Regulations, depreciation is primarily used for repayment of capital expenditure loan. Where the depreciation falls short of the actual repayment, such shortfall is allowed under Advance Against Depreciation (AAD). Similarly, when the actual loan repayment in a year is lower than the allowed depreciation, an interest credit at the rate of weighted average cost of debt for the corresponding year needs to be adjusted on such excess depreciation charged. Further, in terms of the Tariff Regulations, it is required to be ensured that the depreciation allowed should not go beyond 90% of the original project cost and after repayment of the entire loan the resulting depreciable amount shall be spread over the balance useful life of the fixed asset.

**A. Transmission:**

- 3.44. Considering the fact that, HEL started its operation from January, 2015, the cumulative



upto 2019-20 (i.e., 31.03.2020) is analyzed below:

**Table 3-18A**

YEAR	Admitted amount of Loan Repayment	Depreciation Admitted	Advance Against Depreciation	Excess Depreciation over loan repayment
	₹ Lakh	₹ Lakh	₹ Lakh	₹ Lakh
a	b	c	d	e=c-b+d
2014-15	-	261.60	0.00	261.60
2015-16	908.30	1516.00	0.00	607.70
2016-17	2085.80	1516.00	0.00	-569.80
2017-18	1794.00	1515.90	0.00	-278.10
2018-19	1756.00	1515.90	218.70	-21.40
2019-20	1784.40	1515.90	268.5	0
TOTAL	8328.50	7841.30	487.20	0

3.45. Cumulative depreciation and AAD admitted as per Financial Impact Order of 2014-15, 2015 - 16, 2016 - 17, 2017 – 18, 2018 – 19 and 2019-20 comes to ₹ 7841.30 Lakh against the cumulative loan repayment required during the said period amounting to ₹ 7841.30 Lakh. Thus, there is no excess depreciation over the loan repayment up to 31.03.2020. Thus, the amount for the concerned year is required to be considered while computing the Advance Against Depreciation (AAD)/ interest credit for the year 2020 - 21 as below:

**Table 3-18B**

SI No	Particulars	Amount in ₹ Lakh
A	Allowable repayment of loan during the year 2020 – 21	1698.44
B	1/10 of admissible loan	4358.70
C	Maximum permissible amount of loan repayment restricted to 1/10 th of admitted loan (Minimum A or B)	1698.44
D	Depreciation admitted for the year 2020 -2 1	1515.94
E	Excess of Depreciation & AAD upto 31.03.2020	0.00
F	Total fund for repayment (D + E)	1515.94
G	Advance Against Depreciation (C - F)]	182.50

**B. Generation:**

3.46. The Commission had approved the interest credit of ₹ 344.33 Lakh in the Tariff Order for FY 2020-21. HEL has not claimed any amount towards interest credit on depreciation in its APR Petition.

3.47. Considering the cumulative amount of depreciation and AAD allowed in previous



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orders, the interest credit on depreciation computed by the Commission for FY 2020-21 is as under:

**Table 3-19: Interest credit on depreciation (₹ Lakh)**

Sl No	Particulars	Amount Admitted
1	Cumulative Depreciation less Repayment up to 31.03.2020	16,222.80
2	Depreciation for FY 2020-21	14,213.52
3	Repayment for FY 2020-21	12,467.83
4	Depreciation over repayment for FY 2020-21 (2-3)	1,745.69
5	Cumulative Excess of Dep & AAD over repayment up to 31Mar 21 (1+4)	17,968.49
6	Weighted Average Cost of Debt	8.37%
7	<b>Interest Credit for FY 2020-21 (5x6)</b>	<b>1,503.96</b>

**Return on Equity (RoE)**

**A. Generation:**

- 3.48. The Commission had approved RoE of ₹15845.96 Lakh in the Tariff Order for FY 2020-21. As against the same, HEL has claimed the amount of ₹ 15863.10 Lakh towards RoE.
- 3.49. The closing equity ₹ 102231.60 Lakh for FY 2019-20 has been considered as opening equity for FY 2020-21. As the opening equity of ₹ 102231.60 Lakh is less than 30% of the approved capital cost the Commission has considered the same. The Commission observes that the entire claimed additional capitalisation for FY 2020-21 has been funded by 100% loan, In the Audited Financial Statement, it is observed by the Commission that there is no change in the structure of Equity Share Capital and therefore entire addition to capital cost during 2020-21, has been considered funded through Loan. Thus the closing equity for FY 2020-21 is also ₹ 102231.60 Lakh. RoE has been allowed at the rate of 15.50% in accordance with the Regulations.

**Table 3-20: RoE (₹ Lakh)**

Particulars	Claimed	Admitted
1. Opening equity	1,02,232.00	1,02,231.60
2. Addition Equity - during the year	221.00	0.00
3. Closing equity [1+2]	1,02,453.10	1,02,231.60
4. Average Equity	1,03,342.55	1,02,231.60
5. Rate of RoE	15.50%	15.50%



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6. RoE [4x5]	15,863.09	15,845.90
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**C. Transmission:**

3.50. HEL has claimed ROE on the equity of ₹ 15017 Lakh which was as on COD and no further equity addition has been done over the year. The equity contribution is 25.62% of the approved project cost and is within the limit of 30% specified in the Tariff Regulations. Thus, the return on equity claimed of ₹ 2327.64 Lakh on the value of ₹ 15017 lakhs has been admitted.

**Table 3-21 RoE**

SI No	Particulars	Value in ₹ Lakh
A	Admissible Equity base at the beginning of the year	15017
B	Equity addition during the year	0
C	Admissible Equity base at the end of the year	15017
D	Average Equity base throughout the year	15017
E	Approved Project cost	58604
F	30% of the approved Project cost	17581.2
G	Admissible equity base for the year (minimum of D and F)	15017
H	Rate of Return	15.50%
I	Return on Equity (G x H)	2327.64

**Interest expenses**

**A. Generation:**

3.51. The Commission had approved the interest expenses of ₹ 20565.53 Lakh in the Tariff Order for FY 2020-21. HEL has claimed the amount of ₹ 34532.80 Lakh towards interest expenses in its APR Petition and supplementary Petition. These include (i) interest on capital expenditure loan, (ii) interest on working capital and (iii) interest on temporary accommodation. Each of the above items have been discussed in detail hereunder:

**Table 3-22**

Particulars	Claimed in ₹ Lakh
Interest on capital expenditure loan	20240.00
Interest on working capital	1603.18
Interest on temporary accommodation	12689.62
<b>Total</b>	<b>34532.80</b>



**A1. Interest on capital expenditure loan:**

- 3.52. The Commission had approved the interest on capital expenditure loan of ₹ 19002.03 Lakh in the Tariff Order for FY 2020-21. HEL has claimed the amount of ₹ 20240.00 Lakh towards interest on capital expenditure loan in its APR Petition. HEL has submitted the computations in the prescribed Form C of Annexure-I of the APR Petition. HEL has also furnished auditor's certificate for interest cost. Interest on capital expenditure loan has been allowed after prudence check of loan details furnished in Form C and Financial Impact after revision of Project cost vide order dated 29.07.2025 and including additional capital.
- 3.18. The closing loan balance approved in the APR of FY 2019-20 has been considered as the opening loan balance for FY 2020-21. The debt portion of the admitted additional capitalisation during the year has been considered as the loan addition during the year as there is no equity infusion for funding the additional capitalisation during FY 2020-21. The repayment of loan has been considered in proportion to the admitted opening loan balance after repayment shown in financial impact up to 2019-20 as per approved order dated 29.07.2025 and claimed by HEL. Based on the above, the interest has been allowed on proportionate basis of approved average loan balance to the claimed average loan balance.

**Table 2-22A: Interest on capital expenditure loan (₹ Lakh)**

Particulars	Admitted
Opening balance of capital loan	243457.50
Addition of loan during the year for additional capital	2054.40
Repayment of loan	12467.83
Closing balance of capital loan	233044.07
Average loan during the year	<b>238250.78</b>
Interest Rate	8.38%
Net interest on Capital Expenditure Loan	<b>19965.42</b>

**B1. Interest on working capital:**

On the basis regulation 5.6.5.1 and 5.6.5.2 of the Tariff Regulations read with Suo Motu Order dated 06.04.2022 in Case No. SM - 30/ 21 - 22, the Commission has allowed interest on working capital in the Tariff Order for the year 2017 - 18. Further, the Commission vide paragraph 7 of the order dated 06.04.2022 has stated that "The



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interest on working capital which has already been determined for the period effective on and from 01.04.2016 in the tariff orders issued by the Commission considering the SBI PLR/MCLR without any float will be trued up based on actual working capital interest paid, subject to the ceiling of the interest on working capital assessed on normative basis at the rate of one-year MCLR of SBI, as on 1st April of the concerned year, plus 350 basis points."

3.53. The Commission had approved the interest on working capital of ₹ 1563.50 Lakh in the Tariff Order for FY 2020-21. As against the same, HEL has claimed the amount of ₹1602.50 Lakh towards interest on working capital. The Commission thus has computed normative rate of interest on working capital as 11.25% (one-year MCLR of SBI as on 01.04.2020 +3.50%). Further, in accordance with the Regulations, the lower of actual interest paid and normative interest on working capital assessed shall be considered in APR. Accordingly, the interest on working capital for FY 2020-21 is as shown in the Table below:

**Table 2-22B: Computation of interest on working capital (₹ Lakh)**

Particulars	Units	Amount
		₹ Lakh
Gross Sales (excluding IWC)	₹ Lakh	177835.11
IWC	₹ Lakh	1678.75
Gross Sales (including IWC)	₹ Lakh	179513.86
Less : Depreciation including Advance Depreciation	₹ Lakh	14213.52
Less : Deferred Revenue Expenditure	₹ Lakh	0.00
Less : Return on Equity	₹ Lakh	15845.90
Less : Reserve for unforeseen exigencies	₹ Lakh	0.00
Less : Incentive	₹ Lakh	232.37
Total Deductions	₹ Lakh	30291.78
Allowable Gross Sales for Working Capital	₹ Lakh	149222.07
Allowable <b>Normative</b> Working Capital @ 10%	₹ Lakh	14922.21
Interest Rate		11.25%
Interest on Working Capital (normative)	₹ Lakh	1678.75
Interest on Working Capital (actual)	₹ Lakh	177835.11
Interest on Working Capital admitted (lower of actual & Normative)	₹ Lakh	1678.75

### **C1. Interest on temporary accommodation:**

In terms of Regulation 5.6.5.4 of Tariff Regulation, the Commission may allow Interest



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on Temporary Accommodation if taken by Generation Company in actual from any source to a reasonable extent of unrealized arrear from the consumers / beneficiaries.

- 3.54. The Commission has not approved any interest on temporary accommodation in the Tariff Order for FY 2018-19 stating that the necessity of such loan will be examined based on tariff gap during the year and would be decided accordingly. HEL in its APR petition and supplementary petition has claimed an amount of ₹ 12689.62 Lakh towards interest on temporary accommodation in Form 1.17(a).
- 3.55. Contrary to the claim of HEL, the Commission observed that, there was a cumulative over recovery by HEL since 2014-15. HEL has already directed to make payment of such over recovery to its beneficiary through specific orders. Further, the Commission has observed that there will be refundable in this APR order for FY 2020-21. Thus, the requirement of Temporary Accommodation does not arise for FY 2019-20.

Based on the above, the total interest charges for FY 2020-21 are as under:

**Table 3-22C: Interest charges (₹ Lakh)**

Particulars	Claimed	Admitted
Interest on capital expenditure loan	20,240.00	19,965.42
Interest on working capital	1,603.18	1,602.50
Interest on temporary accommodation	12,689.62	0
<b>Total</b>	<b>34,532.80</b>	<b>21,567.92</b>

### **B. Transmission:**

#### **B1. Interest charge:**

- 3.56. HEL has claimed an amount of ₹ 2878.00 Lakh as interest on borrowed capital as disclosed in Form-C in Annex -1 of Vol-1 in the APR petition. HEL has furnished an auditor's certificate in support of their claim. The details of outstanding loan, repayment and interest paid during the year has been submitted in the Form C of Annexure -I of the APR petition. Considering final approved project cost of ₹ 58604.00 Lakh. the Commission decides to rely on the actual interest paid as per the Auditor's certificate vis-a-vis the loan details, and Financial impact due to revised project cost approved by the Commission vide order dated 29.12.2025 to arrive at the admissible interest on



capital borrowings.

The APR application was based on a project cost of ₹ 59480 Lakh whereas the project cost approved by the Commission was ₹ 58604 Lakh. Accordingly, the admissible debt based on approved project cost after adjusting the admissible equity amount comes to ₹ 43587 lakhs (₹ 58604 lakhs - ₹ 15017 lakhs of Equity Base). For the purpose of computing interest payable during the year, the Commission decides to consider proportionate repayment at the ratio of admissible and actual loan amount and applying the interest rate as per the actual weighted average rate of interest paid by HEL.

3.57. Thus, the Commission admits the Interest on Borrowed Capital as ₹ 2480.91 Lakh as per the table given below:

Particulars	In ₹ Lakh	
	Amount Claimed	Amount Admitted
CAPITAL EXPENDITURE	58,604.00	58,604.00
EQUITY	15,017.00	15,017.00
LOAN	43,587.00	43,587.00
Opening Balance of loan in 2020 - 21	35,258.50	35,258.50
Repayment in 2019 - 20	1,698.44	1,698.44
Closing Balance of loan in 2020 - 21	33,560.06	33,560.06
Average Loan during the year	34,409.28	34,409.28
Weighted average rate of interest	7.21%	7.21%
Interest on Capital Borrowing	2480.91	2480.91

# Repayment considered after due adjustment on loan refinancing during the year.

## **B2. Interest on Temporary Accommodation:**

- 3.58. HEL has submitted that the revenue has been realized as per tariff determined for 2020 - 21 in terms of the Tariff Order dated 07.07.2022 in Case No. TP-91/ 20 – 21. Further, considering the effects of unrealized entitlement since 2017 - 18, HEL has claimed an amount of ₹ 80.90 Lakh as interest on Temporary Accommodation in Form-C of the APR petition in terms of regulation 5.6.5.4 of the Tariff Regulations.
- 3.59. From the submission, the Commission has observed that the recovery through tariff is more than required revenue and thus, no temporary accommodation is admitted.



**B3. Interest on Working Capital :**

3.60. The Commission has considered normative Interest on working capital at the rate of 11.25 % (one-year MCLR of SBI as on 01.04.2020 + 3.50 %) hereunder in terms of regulation 5.6.5.1 of the Tariff Regulations:

**Table 3-23B**

SI No	Particulars	Amount in ₹ Lakh
A1	Gross Fixed Cost (excluding IWC)	8678.20
A2	IWC	96.15
A	Gross Fixed Cost (including IWC)/Gross Sales [A1+A2]	8774.35
B1	Less: Depreciation including Advance Depreciation	1698.48
B2	Less: Deferred Revenue Expenditure	0.00
B3	Less: Return on Equity	2327.64
B4	Less: Reserve for unforeseen exigencies	0.00
B	Total Deductions: (sum B1:B4)	4026.12
C	Allowable Gross Sales for Working Capital without working capital interest	4748.24
D	Allowable Normative Working Capital (a), 18% on C (A - B)	854.68
E	Normative Interest on WC requirement at (E) at SBI MCLR rate plus 350 bp	11.25%
F	Interest on Working Capital on D (E % on D)	96.15
G	Actual interest paid	111.12
H	Interest on Working Capital admitted (Minimum of F & G)	96.15

**Other Finance charges:**

**A. Generation:**

3.61. The Commission had approved the finance charges of ₹ 298.11 Lakh in the Tariff Order for FY 2020-21. As against the same, HEL has claimed ₹ 1842.80 Lakh towards finance charges. They have also submitted Auditor certificate vide page no 201 in Vol – 1 of the petition which include (i) guarantee commission, (ii) Bank Charges for interest rate reduction and (iii) LC opening charges. Separate disclosure in Audited Financial Statement is not available. Each of the above items have been discussed in detail hereunder.

**Guarantee commission**



3.62. HEL has claimed the amount of ₹ 168.60 Lakh towards Guarantee Commission. However, in Note 2 of the Form 1.17 (C) in the petition, HEL submits that Guarantee Commission is the charge incurred to various authorities for day-to-day operations of the Company, accordingly, the Commission has admitted Guarantee Commission under O&M Expense in paragraph 3.17 above as per Regulation 5.6.4.2(iv) of the Tariff Regulations. Thus, the Commission finds it prudent not to admit the above amount of Guarantee commission under other finance charges for the year FY 2020-21.

**Bank Charges for Interest rate reduction**

3.63. HEL has claimed ₹ 1600.40 Lakh towards Bank charges /Front end fees. The Commission notes that HEL, in its Form 1.17 (c), has mentioned that such Bank Charges are paid for reduction in interest rate of existing Loans as well as renewal of working capital loan. The Statement of Cash Flow for FY2020-21 provides that fresh loan was drawn for refinancing of existing loan and reflects the Proceeds from long term loan (net of re-finance loan) and renewal of working capital and accordingly 100% of this expenditure is considered under O&M Expense in paragraph 3.17 above.

**LC opening charges**

3.64. HEL has claimed the amount of ₹ 73.80 Lakh towards LC opening charges. The Commission noted that LC opening charges is the charge incurred for renewal of letters of credit for procurement of goods and services. Thus, it is part of routine A&G expense as furnished in Format 1.17 (c) and accordingly, the Commission has admitted other bank charges under O&M Expense in paragraph 3.17 above. Thus, the Commission finds it prudent not to admit the above amount as LC Opening Charges for the year 2020-21.

3.65. Based on the above, the other finance charges for FY 2020-21 is admitted as shown in the Table below:



**Table 3-24: Other Finance charges (₹ Lakh)**

Particulars	Claimed	Admitted
Guarantee Commission	168.6	0
LC opening Charges	73.8	0
Bank Charges for interest rate reduction	1600.4	0
	<b>1842.8</b>	<b>0</b>

**B. Transmission.**

**Other Financing Charges:**

- 3.66. HEL has claimed ₹ 237.10 lakh as other finance charges as per Form No 1.17 (c) in Annex –I of vol 1 of petition against ₹ 68.10 lakh as approved in Tariff Order 20-21. The Commission has scrutinized the details of this expenditure and this expenditure has been considered under A&G expenses since expense is made for interest rate reduction taken for long term as well as working capital loan. Accordingly, the Commission finds it prudent not to admit the above amount as Other Finance Charges for the year 2020-21.



**Income Tax:**

**A. Generation:**

3.67. The Commission had admitted MAT of ₹ 2768.29 Lakh & ₹ 406.69 Lakh for Generation and Transmission unit respectively in the Tariff Order for FY2020-21. HEL has claimed the amount of ₹ 10532.90 Lakh for generation activity and ₹ 1543.30 Lakh for transmission activity towards Income Tax. HEL has income tax liability of ₹ 11907.33 (before Interest and fee) vide intimation notice U/S 143 (1) for FY2020-21. Considering the tax liability under Income Tax intimation notice U/S 143 (1), the Commission admits Income Tax of ₹ 11819.27 for Generation & Transmission unit as a whole after deducting income tax attributable to income from interest on inter corporate deposit of ₹ 447.00 Lakh and dividend of ₹ 57 Lakh appearing at Note 26 of the Audited Financial statements and allocates the admitted sum on the basis of their claim ratio i.e.(87.22 : 12.78) of Generation and Transmission as below :

**Table 3-25A: Income Tax (Generation)**

Particulars	Claimed in ₹ Lakh	Admitted in ₹ Lakh
Income Tax	10532.90	10308.77

**Table 3-25B: Income Tax (Transmission)**

Particulars	Claimed	Admitted
Income Tax	1543.30	1510.50

**Incentive:**

**A. Generation:**

3.68. The Commission had not approved any incentives in the Tariff Order for FY 2020-21 stating that the amounts to be passed on to the beneficiary for improved performance, if any, as per the provisions of the Tariff Regulations during APR. HEL has claimed the amount of ₹ 232.40 Lakh towards performance incentives. These include (i) incentive for less oil consumption rate, and (ii) incentive for better SHR. Each of the above items have been discussed in detail hereunder.



**Incentive for less oil consumption rate:**

3.69. HEL has claimed the amount of ₹ 126.70 Lakh towards incentive for less oil consumption rate. The incentive for less oil consumption rate in accordance with Paragraph 3 of Schedule 10 of the Tariff Regulation is computed hereunder:

**Table 3-26A: Incentive for less oil consumption rate**

Particulars	Unit	Admitted
Normative Oil Consumption Rate	ml/kWh	1.00
Actual Oil Consumption Rate	ml/kWh	0.12
Difference of Normative Oil Consumption Rate and Actual Oil Consumption Rate	ml/kWh	0.88
Gross Generation	MU	4224.90
Rate of Incentive	Paise/Unit	0.30
Incentive on Less Oil Consumption Rate	₹ Lakhs	126.75

**Incentive for better SHR**

3.70. HEL has claimed the amount of ₹ 105.60 Lakh towards incentive for better SHR. The incentive for better SHR in accordance with the Paragraph 4 of Schedule 10 of Tariff Regulations is computed hereunder:

**Table 3-26B: Incentive for better SHR**

Particulars	Unit	Value
Station Heat Rate (SHR)	kcal/kWh	2172.36
Design Heat Rate (DSHR)	kcal/kWh	2391.90
SHR/(DSHR)		0.91
Rate of Incentive	Paise/Unit	0.25
Generation	MU	4224.90
Incentive on Better Gross Station Heat Rate	₹ Lakhs	105.62

**Table 3-26C: Gross Incentives (₹ Lakh): Generation**

Particulars	Unit	Admitted
Incentive for less oil consumption rate	₹ Lakh	126.75
Incentive for better SHR	₹ Lakh	105.62
<b>Gross/ Total (1+2)</b>	<b>₹ Lakh</b>	<b>232.37</b>

**B. Transmission:**

3.71. HEL has not claimed incentive in FY 2020-21 as per Form ET due to less actual availability (99.70 %) w.r.t targeted availability i.e (99.75 %). Hence incentive is not



admissible for HEL in this respect as per Tariff Regulations.

**Special allocation:**

3.72. Regulation 5.11.1 of the Tariff Regulations specify that the generating company 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 station, if any, will have to be considered while arriving at the overall ceiling as stated herein. Regulation 5.24.1 of the Tariff Regulations specify that the sum apportioned to the reserve for unforeseen exigencies shall have to be invested separately prudently. Further, Regulation 5.24.2 of the Tariff Regulations specify that the interest accrued from such investment shall be reinvested under the same reserve / fund.

**A. Generation:**

3.73. The Commission had not admitted any amount towards reserve for unforeseen exigencies in the Tariff Order for FY 2020-21 in terms of Regulation 5.11 of Tariff Regulations. HEL has claimed the amount of ₹ 1013.50 Lakh as appropriation towards reserve for unforeseen exigencies in the APR Petition.

3.74. HEL has submitted document dated 12.02.2026. No investment is made towards reserve for unforeseen exigencies during the FY 2020-21. Since no amount is admitted in Tariff Order for 2020-21 in terms of Regulation 5.11 of Tariff Regulations, hence, the Commission finds it prudent not to admit the special allocation for the year 2020-21.

**B. Transmission:**

3.75. The Commission had admitted ₹ 135.09 Lakh towards reserve for unforeseen exigencies in terms of Regulation 5.11 of Tariff Regulations in the Tariff Order dated 07.07.2022 for FY 2020-21. HEL has claimed the amount of ₹ 146.50 Lakh for 2020-21 as appropriation towards special allocation in its APR Petition.



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3.76. HEL has submitted document dated 12.02.2026. No investment is made towards reserve for unforeseen exigencies during the FY 2020-21 in terms of Regulation 5.11 of Tariff Regulations. Actual investment on this head is made in FY 2022-23 after issuance of Tariff Order dated 07.07.2022. Hence, the Commission finds it prudent not to admit the special allocation for the year 2020-21.

**Claim due to Amphan:**

3.77. HEL has claimed expenses relating to Amphan Cyclone of ₹ 370.60 lakh due to significant maintenance work for restoration of damaged caused by Cyclone. HEL has provided details of the restoration work in respect of above claim as detailed below:

- a. Repairing of Cooling Tower (CT) Cells, V-bars and grids of all 24 CT cells.
- b. Repairing of insulation at various locations of boilers of both units and insulation of steam pipe line at different locations.
- c. Restoration/ repairing of damaged ESP canopy, ridge & corrugated sheets of ESP
- d. Restoration of damaged U1 Boiler lift enclosure casing, damaged Lift Cable.
- e. Replacement of Cable tray structure & support at different places.
- f. Restoration of damaged Lightning Arrestors and earth switch of 400 KV Switchyard.
- g. Complete Restoration of 33KV transmission line, Poles uprooted at no of locations in the span of 14km, cable & battery Replacement.
- h. Restoration of damaged sheets of all the conveyors and Transfer points. Restoration of Intake discharge line, peripheral boundary.
- i. Immediate Shore Protection Work damaged due to Super Cyclone AM-PHAN

It is observed from the Cost Auditor's Certificate that the Petitioner has incurred amount of ₹ 1200.00 Lakh in FY 2020-21 and ₹ 1032.90 Lakh in FY 2021-22 and thus total amount comes to ₹ 2232.90 Lakh. After receiving insurance claim of ₹ 1650.00 Lakh in FY2021-22 HEL has claimed net amount of ₹ 582.90 Lakh in the APR Petition 2020-21. Hence, the Commission finds it prudent to allocate the net amount of ₹ 582.90 Lakh in the FY 2020-21 and FY 2021-22 as per the expenditure



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ratio as above. Accordingly, the Commission allows the total expenses related to Amphan Cyclone in the FY 2020-21 for Generation and Transmission business as per the Table below:

<b>Table 3-27 Claim due to Amphan [₹ in Lakh]</b>			
Sl No	Particulars	Calculation	Admitted amount
1	Cost Incurred during FY 2020-21	1,200.00	
2	Cost Incurred during FY 2021-22	1032.90	
3	<b>Sub-Total [1+2]</b>	<b>2,232.90</b>	
4	Less: Insurance Claim Received in FY2021-22	1,650.00	
5	<b>Net Total [3-4]</b>	<b>582.90</b>	
6	Allocation between FY2020-21 & 2021-22		
7			
8	FY 2020-21	$5/3 \times 1200$	313.26
9	FY 2021-22	$5/3 \times 1032.90$	269.64
10	<b>Total [8+9]</b>		<b>582.90</b>

3.78. The Commission now admits the expenditure for FY2020-21 of ₹ 313.26 on account of Amphan Cyclone in total for Generation and Transmission business which is apportioned according to the claim ratio i.e. (370.6: 212.3) and comes to ₹ 199.17 and ₹ 114.09 respectively. The expenses for FY 2021-22 of ₹ 269.63 may be claimed by the Petitioner in the FY2021-22.

**Claim due to COVID 19 (Generation):**

3.79. HEL has claimed ₹ 7.40 Lakh as expenses relating to compliance of COVID-19 pandemic of Government advisories/ social distancing norms and protocols as detailed below:

<b>Table 3.28 Claim due to COVID-19 [₹ in Lakh]</b>			
SL No	Particulars	Claimed	Admitted
1	Sanitation and other COVID mitigating expenses	4.20	4.20
2	Fogging machine, soap, mask, PPE etc	0.80	0.80
3	Car Hire	0.20	0.20
4	Quarantine related Expenses	2.20	2.20
5	<b>Total [Sum 1:4]</b>	<b>7.40</b>	<b>7.40</b>



The Commission finds it prudent to admit the above amount on above head for FY 2020-21.

**Income other than sale of energy (Non-Tariff Income):**

3.80. The Commission had not approved any income other than sale of energy in the Tariff Order for FY2020-21. HEL has claimed the amount of ₹ 51.50 Lakh towards income other than sale of energy in its APR Petition whereas Note 26 of Audited Financial Statement of HEL shows ₹ 711.00 Lakh as Other non-operating Income in Table below.

3.81. The Commission observes that in terms of the Tariff Regulation, income from investments and bank balances is to be considered under 'Other Income' wherein income from all investments is required to be considered except those made out of profit and I or any equity issue exclusively meant for non-core business excluding embedded generation of licensee. In view of the above, the Commission considers the Income other than sale of energy as per the principles adopted in the previous APR Orders for FYs 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 in terms of clause 6.1 of Schedule 1 of the Tariff Regulations as detailed below:

**Table 3-29: Other income (₹ Lakh)**

SL No	Particulars	Claimed	Note 26 of Audited Financial Statement	Admitted
<b>A</b>	<b>Interest Income</b>			
1	From bank	0.00	151.00	151.00
2	Interest on inter corporate deposit	0.00	447.00	0.00
3	Others	0.00	0.00	0.00
<b>B</b>	<b>Other non-operating income</b>			0.00
1	Dividend Income	0.00	57.00	0.00
2	Gain on sale of current investment gain	0.00	0.00	0.00
3	Unwinding of discount on financial instrument	0.00	4.00	0.00
4	Others	51.50	52.00	52.00
<b>C</b>	<b>Total (A1+A2+A3+B1+B2+B3+B4)</b>	<b>51.50</b>	<b>711.00</b>	<b>203.00</b>

The Commission has considered Interest from bank of ₹ 151.00 lakh being income from operational surplus from generation business and other income of ₹ 52.00 lakh from audited statement as other income claimed by HEL. The income from interest on inter corporate deposit and dividend has not been considered by the Commission being income earned not from generation business.



**Admissibility of Capacity Charges based on Availability:**

**Generation:**

- 3.82. On the basis of above analysis, the element wise fixed cost for HEL is shown in Annexure 3A.
- 3.83. In terms of Regulation 6.4.2 of the Tariff Regulation, the recovery of capacity charges for generating station of HEL shall be against the normative availability. Schedule 9A of the Tariff Regulations specify the target Plant Availability Factor (PAF) for coal fired thermal generating stations.
- 3.84. PAF Achieved: HEL has submitted the availability parameters of the Generating station at Form 1.1 as well as availability declarations certified by the SLDC in the petition.
- 3.85. Since PAF achieved by HEL is higher than the normative PAF of 85%, the admissible Capacity Charge in terms of Regulation 6.4.2 of the Tariff Regulations is worked out hereunder:

**Table 3-28A: Admissible Capacity Charge (₹ Lakh)**

Particular	Value
Admitted Fixed Charge (AFC)	75,359.61
Less: Incentive	232.37
Admitted Fixed Charge (AFC) excluding incentive	75,127.24
Normative PAF (PAF <sub>N</sub> )	85%
Actual PAF (PAF <sub>A</sub> )	93.50%
Admissible Capacity Charge (AFC x (0.5 + 0.5 x PAF <sub>A</sub> / PAF <sub>N</sub> )) (In ₹ Lakh)	78883.6
Add: Incentive	232.37
<b>Total admissible Capacity Charge</b>	<b>79115.97</b>

**Transmission**

- 3.86. HEL has achieved actual plant availability which is lower than targeted plant availability and therefore the capacity charges in terms of Regulation 6.16.3 is worked out hereunder:



**Table 3-28 B Admissible Capacity Charge (₹ in Lakh**

<b>Particular</b>	<b>Value</b>
Total AFC	8,774.36
Actual Plant Availability (%)	99.70
Targeted Plant Availability (%)	99.75
<b>Total Fixed Cost Recoverable as per Plant Availability [8774.35*(99.70/99.75)</b>	<b>8769.96</b>



**Annexure - 3A**

**FIXED CHARGES FOR FY 2020-21 (₹ LAKH)**

**A. Generation:**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Admitted</b>
1	O&M Expenses	5,544.00
2	Rent, Rates and Taxes	542.90
3	Insurance Charges	750.63
4	Statutory Charges	29.20
5	Employee Cost	7,575.50
6	Coal and Ash Handling	173.05
7	Water Cess	0.00
8	CSR Expenses	0.00
9	Depreciation	14,213.56
10	Depreciation - Advance	0.00
11	Return on Equity	15,845.90
12	Interest on Capital Borrowing	19,965.42
13	Interest on Working Capital	1,678.75
14	Interest on Temporary Accommodation	0.00
15	Other Finance Charges	0.00
16	Income Tax	10,308.77
17	Incentives	232.37
18	Expenses Related to Amphan	199.17
19	Other Mitigating Expenses (COVID-19)	7.40
20	<b>Sub - Total Fixed Cost Sum(1:19)</b>	<b>77,066.57</b>
21	Less: Interest Credit on Depreciation	1,503.96
22	Less: Income other than sale of Energy (NTI)	203.00
23	<b>NET Fixed Cost [20-21-22]</b>	<b>75,359.61</b>



**B. Transmission:**

SL. No.	Particulars	Admitted
1	O&M Expenses	275.78
2	Insurance Charges	113.55
3	Rates and Taxes	7.20
4	Statutory Charges	10.60
5	Employee Cost	139.50
6	Coal and Ash Handling	0.00
7	Warer Cess	0.00
8	CSR Expenses	0.00
9	Depreciation	1515.94
10	Advance against Depreciation	182.50
11	Return on Equity	2,327.64
12	Interest on Capital Borrowings	2,480.91
13	Interest on Working Capital	96.15
14	Interest on Temporary Accommodation	0.00
15	Other Finance Charges	0.00
16	Income Tax	1,510.50
17	Reserve for Unforeseen Exigencies	0.00
18	Other Mitigation Services -Amphan	114.09
19	Incentives	0.00
20	Special Allocation	0.00
21	<b>Gross Fixed Cost Sum (1:20)</b>	<b>8,774.36</b>



**Chapter 4 : AMOUNT ADJUSTABLE ON APR**

- 4.1 Based on the forgoing analysis and admissions of the adjustments under different elements of fixed charges and fuel cost, the re-determined admitted fixed charges as well as fuel cost of HEL during FY 2020-21 is as under:

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount</b>
1a	Admitted Fuel Cost (From Table 2-15)	1,05,068.22
1b	Prior period Adjustment	902.86
2	Fixed / capacity charge (Generation from Paragraph 3.85)	79115.97
3	Fixed charge (Transmission from Paragraph 3.86)	8769.96
4	Less: Sharing of gain with CESC Limited (From Table 2.15))	1,816.83
5	<b>Admitted Net ARR for recovery (1a+1b+2+3-4)</b>	<b>1,92,040.18</b>

- 4.2 The Commission had passed the MYT Order for FY2020-21, FY 2021-22 and FY2022-23 of the generation business of HEL on 28.07.2022 in Case No. TP-92/20-21 determining Aggregated Revenue Requirement for 2020-21 as ₹ 1,69,635.20 Lakh. The Commission, in paragraph 6.6 of the said Tariff Order, directed HEL to make necessary adjustments of any over recovery/ under recovery from CESC Limited in 10 equal instalments.
- 4.3 The Commission had passed the MYT Order for FY 2020-21, FY 2021-22 and FY 2022-23 of the transmission business of HEL on 07.07.2022 in Case No. TP-91/20-21 determining Aggregated Revenue Requirement for 2020-21 as ₹ 7,794.31 Lakh, The Commission, in paragraph 5.4 of the said Tariff Order, directed HEL to make necessary adjustments of any over recovery/ under recovery from CESC Limited in 12 equal installments.
- 4.4 The total revenue for HEL from operations for FY 2020-21 as per Note 27 of the audited Financial Statement is ₹ 2,18,333.60 Lakh which includes the revenue of ₹ 2,06,932.70 Lakh and ₹ 11,401.00 Lakh for Generation and transmission businesses respectively. The total Revenue for Generation Business includes revenues from



energy charges and capacity charges of ₹ 1,13,899.00 Lakh and ₹ 93,034.00 Lakh respectively.

4.5 HEL in Form E(B) of the Petition has claimed ₹ 1,70,935.80 Lakh as revenue recovered in terms of the Tariff Order dated 28.07.2022 and in Form E(T) of the Petition, HEL has claimed ₹ 7,794.31 Lakh as revenue recovered in Terms of the Tariff Order dated 07.07.2022.

4.6 The Commission decides to determine the adjustable amount based on the actual revenue recovered during the year 2020-21 by HEL and the amount recoverable during the year 2020-21 as detailed below:

Sl. No.	Particulars	Total
1	Total recoverable (as per table 4-1 above)	<b>1,92,040.18</b>
2	Amount recovered (from generation business)	2,06,932.70
3	Amount recovered (from transmission business)	11,401.00
4	<b>Balance (refundable) /adjustable amount (2+3-1)</b>	<b>26,293.52</b>

4.7 In terms of the Tariff Regulations, the above stated net refundable amount or part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the subsequent period or that for any other ensuing year or through a separate order, as may be decided by the Commission. The Commission in the said order shall also consider penal interest for not complying with the direction of the MYT order.

4.8 HEL is to take note of this order.

4.9 The Petition is thus disposed of.

4.10 A copy of the order shall be posted in the website of the Commission. HEL shall download the copy of the order from 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.



Order on FCA and APR of HEL for FY 2020-21

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Sd/-

(DR MALLELA VENKATESWARA RAO)  
CHAIRPERSON

Dated: 26/05/2026

Sd/-

DEPUTY DIRECTOR, WBERC