



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

**FOR THE YEAR 2022 -23**

**CASE NO: APR – 126 / 24 – 25**

ANNUAL PERFORMANCE REVIEW FOR THE FINANCIAL YEAR 2022- 23  
IN RESPECT OF DISTRIBUTION AND RETAIL SUPPLY OF ELCTRICITY  
BY DAMODAR VALLEY CORPORATION FOR THE PART OF THE  
DAMODAR VALLEY AREA FALLING WITHIN THE TERRITORY OF THE  
STATE OF WEST BENGAL.

**DATE: 19.01.2026**



## CHAPTER-1 Introduction

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission") conducts the Annual Performance Review (in short APR) under Regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2011, as amended time to time (hereinafter termed as "Tariff Regulations"). The Commission introduced Multi-Year-Tariff (MYT) and through the APR process, the Commission evaluates the differences between actual performance and projections approved in the Aggregate Revenue Requirement (ARR) of generating companies or licensees. This ensures that revenue requirements are adjusted based on actual performance and compliance with regulatory standards under different factors / heads of accounts. Further, the adjustments for deviations in controllable and uncontrollable factors are comprehensively reviewed, and any necessary revenue adjustments are being made in the manner as specified in the Tariff Regulations.
- 1.2 Damodar Valley Corporation (in short 'DVC' or the "Petitioner") submitted their APR application dated 28<sup>th</sup> June, 2024 for the year 2022-2023 which was received by the Commission on 1<sup>st</sup> July 2024. DVC also submitted additional information / data as was asked for by this Commission from time to time. DVC along with their APR application provided the requisite data / information in the prescribed proforma, the copies of the annual reports and audited annual accounts for the concerned year and the adjustment in generation and power purchase cost for the year 2022-2023. The APR application submitted by DVC was admitted by this Commission on 16.07.2024 for processing and the same was numbered as APR-126/24-25 for the year 2022-2023.



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- 1.3 APR for the financial year 2022-2023 encompasses the review of the different elements of fixed charges, categorized as controllable and uncontrollable, as allowed to DVC. The ARR for the year 2022-2023 is considered from Tariff order dated 07.03.2024 issued in Case No. TP-88/19-20 vis-à-vis the actuals as per the audited accounts.
- 1.4 The instant APR application of DVC pertains to the year 2022-2023 under the seventh control period. Adjustments, arising from this review of annual performance for the year 2022-2023 will be incorporated either in tariff determination for subsequent financial years or through separate order as specified in regulation 2.6.6 of the Tariff Regulations.
- 1.5 This Commission has taken careful note of the representations made by DVC. The relevant issues have been addressed appropriately, while examining the admissibility of expenses under different heads of accounts. The APR is to cover the annual fixed charges allowed to the licensee, the effect of gain sharing and incentives as per Schedule-9B and Schedule-10 of the Tariff Regulations. The instant application of DVC for the year 2022-2023 is being viewed in the subsequent parts of this order.
- 1.6 In terms of regulation 2.6.12 of the Tariff Regulations, after initial scrutiny of the petition filed by the petitioner and to ensure transparency and different stakeholders' participation, the Commission directed the petitioner, DVC to publish the gist of the application of APR of DVC for the year 2022-2023 inviting comments / suggestions and or objections, if any, from all the interested parties and stakeholders. Such public notice was subsequently published by DVC in various newspapers simultaneously as follows: -



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Sl. No.	Newspaper	Version	Date of Publication
1	The Telegraph	English	30 <sup>th</sup> October, 2024
2	Business Standard	English	30 <sup>th</sup> October, 2024
3	Aajkaal	Bengali	30 <sup>th</sup> October, 2024
4	Ekdin	Bengali	30 <sup>th</sup> October, 2024

The application of APR for the year 2022-2023 was also uploaded in the website of DVC. The last date of submission of suggestions and objections on such publication was 21 days from the date of such publication. Opportunities were also given to all to inspect the application and take copies thereof.

- 1.7 However, no comment, suggestion, objection whatsoever on the aforesaid APR application for FY 2022-23 of DVC was received by the Commission during the stipulated period.
- 1.8 It is worth to mention that the Hon'ble Supreme Court of India had issued an order on 15.05.2023 in Civil Appeal nos. 3164-3171 of 2022, wherein the Commission has been directed to consider the issue relating to truing up charges pending before it without being influenced by any of the proceedings pending before the Appellate Tribunal for Electricity (in short 'APTEL') or any other Forum or order(s) passed by Hon'ble APTEL or any other Forum.



## CHAPTER-2

### Brief Submission of DVC

- 2.1 Damodar Valley Corporation (DVC), as a deemed distribution licensee, has filed this APR application for FY 2022-23 seeking a review of its performance in distribution and retail supply of electricity within the State of West Bengal in accordance with the provisions of Tariff Regulations.
- 2.2 DVC as a deemed distribution licensee undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area and the same is covered by Section 62(1)(d) of the Electricity Act, 2003. DVC also supplies electricity to the licensees located in the state of West Bengal viz. West Bengal State Electricity Distribution Company Limited (WBSEDCL) at nine (9) different off take points in radial mode and India Power Corporation Limited (IPCL) at four (4) different off-take points through its own Transmission & Distribution network. Each such point of supply has a specific contract demand as per the respective PPAs, aligning with Section 62(1)(d) of Electricity Act, 2003.
- 2.3 DVC has claimed composite T&D loss of 2.71% (actual) during the FY 2022-23 which is within the ceiling of 2.75% as approved by this Commission vide order dated 22.01.2024 in Case no OA-431/22-23 as composite T&D loss for the Transmission and Distribution network of DVC for the year 2022-2023.
- 2.4- DVC in the instant APR application, has considered the following cost components as part of the claimed ARR in connection to distribution and retail supply of electricity in the State of West Bengal: -
  - a. Cost of own generating stations and for T&D network system of DVC based on the Tariff Orders issued by Central Electricity Regulatory



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- Commission (CERC) for the period 2019-2024;
- b. Power purchase cost actually incurred by DVC for the period during the period FY 2022-23;
  - c. Cost incurred by DVC to meet RPO through purchase of renewable power / REC during FY 2022-23;
  - d. Transmission charges of Power Grid Corporation Limited (i.e. the POC charges) from whom DVC avails transmission services based on the tariff determined by CERC, and other incidental charges viz. POSOCO Charges, ERPC Charges etc. related to purchase of power;
  - e. O& M expenses on ULDC Charges (separately billed by PGCIL);
  - f. Interest on working capital;
  - g. Regulatory fees paid to the Commission along with the Publication expenses;
  - h. Interest paid to the consumers on Cash Security Deposits;
  - i. Regulatory fees paid to CERC and the Publication expenses to the extent of energy utilized for distribution activity;
  - j. Water, Environmental protection, Pollution and other Cess paid by DVC to the respective State Govt. Authorities;
  - k. Interest on Temporary Financial Accommodation;
  - l. Payment of Rebate on sale of power;
  - m. Legal charges related to distribution activities; etc.

2.5 CERC has issued the Tariff Orders for the period 2019-2024 in respect of all the Generating Stations of the DVC. Accordingly, DVC has considered all the latest Tariff Orders for the concerned period as the input cost of its Generating Stations in the present APR.

DVC craves leave before this Commission to revise the AFC in respect of its Generating Station and T&D network after issuance of the True-Up orders



by CERC for the 2019-2024 period.

- 2.8 DVC has claimed the Annual Fixed Charge based on actual availability factor achieved in respect of Generating Stations and unified T&D network. As per the direction of the Commission, station wise actual availability factor of peak and off-peak hours of high demand season and low demand season based on CERC (Term & Conditions of tariff) regulations, 2019, (CERC Tariff Regulations 2019) duly certified by SLDC, DVC, is submitted.
- 2.9 DVC submitted that CERC while issuing tariff orders for different generating stations and Transmission & Distribution (T&D) systems for the periods 2014-2019 and 2019-2024, did not grant DVC's claims concerning contributions to the Pension & Gratuity fund (P&G fund), additional Operations and Maintenance (O&M) expenses (beyond normative). In response to CERC's decision, being aggrieved, DVC has filed appeals before the Hon'ble APTEL challenging the Tariff Orders issued by the CERC for the periods 2009-14 and 2014-19. Furthermore, with Hon'ble APTEL's permission, DVC has also submitted a petition (bearing number 197/MP/2016) before the CERC, seeking consideration of the unique nature of DVC's P&G Fund issue compared to other Central Generating Stations. The present APR application for FY 2022-23 is without prejudice to the final decision of the Hon'ble APTEL in the pending appeals.
- 2.10 It is submitted that in the Tariff Order dated 07.03.2024, Commission declined to permit the full recovery of the sinking fund contribution, instead associating it with the plant availability factor (PAF) and transmission availability factor (TAF), contrary to the submissions made by DVC for full recovery without considering the availability of the Generating stations and T&D network. On a similar matter, DVC has already filed appeals before Hon'ble APTEL,



bearing number 109 of 2019, against the order dated 25.05.2015. In the current APR petition, DVC has asserted its right to the sinking fund contribution without tethering it to the availability factor. DVC craves leave to revise the computation of the recovery of the annual fixed charge in respect of its generating stations and T & D networks based on the final outcome of the appeal pending before Hon'ble APTEL.

- 2.11 Regarding the energy charge of the thermal generating stations, DVC has computed the Energy Charge Rate (ECR) for FY 2022-23, in accordance with the CERC Tariff Regulations and claimed the actual energy charge based on actual data. DVC has submitted the details of ECR for each thermal generating station duly certified by the Auditor.
- 2.12 DVC submits that in addition to its own generation capacity, DVC procures power from Central Sector Generating Stations like NTPC and NHPC, as well as hydropower from Bhutan through PTC, to supply pooled power to consumers in radial mode. Further, DVC has long term power purchase agreement with Maithon Power Limited (MPL) for 150 MW. In times of exigency, DVC resorted to power purchase from energy exchanges to meet the real time demand of consumer load and to avoid load shedding.
- 2.13 DVC submitted that its daily variation of consumer load is more than 10%, (around 350 MW to 450 MW), on an average and DVC tries to manage this variation with internal generation and purchase from exchange.
- 2.14 DVC relies on Power Grid Corporation Limited (PGCIL) for electricity transmission from generating to receiving points at the DVC Grid, incurring charges covering CTU network costs and associated expenses paid to Power Grid Corporation Ltd. Consequently, both the Power Purchase Cost and associated Transmission costs are integral input factors in determining the



Aggregate Revenue Requirement (ARR) for DVC's retail sale activities. Tariffs for power procurement sources of DVC are subject to tariffs determination by the CERC and are completely uncontrollable for DVC.

- 2.15 DVC has incurred expenditure to draw UI power from the grid in order to avoid shedding to the consumers to maintain uninterrupted power supply. Accordingly, the cost of UI import is claimed in the instant APR petition as per annual accounts of DVC. Therefore, DVC prayed before this Commission to allow the expenses actually incurred by DVC for UI drawal during the period 2022-23 as claimed in the instant APR application.
- 2.16 DVC has submitted that during FY 2022-23 an amount of Rs. 25.79 Cr was booked as a power purchase cost from Kanti Bijlee Utpadan Nigam Limited (KBUNL), though there was no purchase from KBUNL in FY 2022-23. Such amount of Rs 25.79 Cr includes, Rs 4.79 Cr as revision of capacity charge for the past period and Rs 21 Cr as a provisional liability for the period March 2017-March 2018. In this regard it is submitted that for the period March 2017 to March 2018, there was a dispute between DVC and KBUNL regarding the power purchase bill raised by KBUNL. M/s KBUNL filed a petition before CERC (116/MP/2019) and the said matter was pending before CERC until disposed of by CERC vide order date 18<sup>th</sup> May 2024. The said provision will be adjusted during the year FY 2024-25 after receiving final bill from KBUNL in accordance with the CERC order. Accordingly, final adjustment entry will be made in the Annual Accounts of FY 2024-25 and the excess provision made during FY 2022-23, if any, will be modified accordingly in FY 2024-25.
- 2.17 DVC submits that apart from the conventional power purchase, DVC also procures 40 MW solar power from NTPC and NTPC Vidyut Vyaper Nigam Limited (NVVNL) on Long-Term agreement for fulfilling its Renewable



Purchase Obligation (RPO). DVC has installed solar power plant of a capacity of 13.83 MWp capacity to fulfil its RPO target. DVC prays before this Commission to allow the cost of purchase of Solar power and Solar and Non-Solar RECs actually incurred by DVC for the year 2022-23.

- 2.18 DVC has also submitted that the cost of renewable power purchase and RECs is segregated between the two states i.e., West Bengal and Jharkhand based on the respective purchase obligation.
- 2.19 It is submitted that DVC incurred some additional charges i.e., ULDC charge, expense for AMC charges paid for ULDC communication scheme. DVC submits that the ULDC communication assets do not belong to DVC and instead PGCIL has invested for such installations. Hence it cannot be decided by CERC in the T&D Tariff of DVC. Payment for these ULDC assets is made to PGCIL by DVC as per the CERC orders (Case no. 232/TT/2016 dated 14th December 2017, Case no. 181/TT/2018 dated 30th September 2019). Tariff to be claimed by PGCIL as approved by CERC does not include the O&M expenses. Individual utilities are required to operate and maintain the ULDC assets. DVC submits that DVC incurs regular expenditure on the AMC contract of O&M activities, and this is essential to maintain proper operation of the scheme. Hence DVC has claimed the O&M expenses of ULDC charges for FY 2022-23.
- 2.20 This Commission, in the Tariff Order dated 07.03.2024 for FY 2020-21 to 2022-23 has allowed the cost on account of Tariff Filing Fees, Licensee fees and Publication expenses related to Tariff Petition submitted before CERC on projection basis. In line with the above, DVC now claims the actual expenditure incurred on this head duly apportioned for the distribution activity of DVC.
- 2.21 In the Tariff order dated 07.03.2024, Commission has directed DVC to give



justification for the increase in the Tariff Filing Fees and Publication Expense in the APR submission. In this regard, DVC furnishes the detailed break-up of actual expenditure incurred on this head. DVC submitted that all the expenditures were made following the relevant Regulations pertaining to Fees notified by this Commission. In the instant application, DVC has claimed the actual expenditure incurred on this head during FY 2022-23.

- 2.22 It is submitted by DVC that in the Tariff order dated 07.03.2024 for the FY 2020-21 to 2022-23, this Commission has allowed the cost of different cess paid to state authorities to run its generating stations. On this backdrop, DVC prays before this Commission to allow the water and pollution cess already paid to different state authorities in proportion to the energy utilized in the distribution activity.
- 2.23 DVC has submitted that they incurred substantial legal expenses in relation to the various court cases pertaining to its distribution activity in the states of Jharkhand and West Bengal. Such legal expenses pertaining to distribution activity only have been claimed with Auditor's certificate in the present APR petition in accordance with Regulation 5.7.2 (ii) of the Tariff Regulations.
- 2.24 In the instant APR petition, DVC has claimed the Interest on working capital in accordance with the Regulation 5.6.5.1 of Tariff Regulations. Accordingly, as per the regulations, DVC has claimed 10% rate for computation of working capital for the year 2022-23. DVC prays before this Commission to allow the Interest on Working Capital (IWC).
- 2.25 It is submitted that DVC is in possession of cash from a very few consumers as a payment security mechanism. On such security amount, DVC has to pay interest to consumers @6% simple interest per annum. Accordingly, such expenditure on account of interest on security deposit is claimed in the APR



petition at actuals as per Regulation 5.6.5.3 of Tariff Regulations.

- 2.26 DVC has given rebate to consumers on payment of bills within due time and also on payment made through online mode in accordance to the directive given in the tariff orders. Such rebate for timely payment of bills is booked in the Annual Accounts of the respective years as an expenditure item and is not included in the Revenue from sale of power. Accordingly, in the instant petition, DVC claims such rebate amount in ARR of FY 2022-23 for the consumers of DVC in the state of West Bengal.
- 2.27 DVC in the instant APR petition has claimed the Interest on Temporary Financial accommodation as the financing cost of the principal amount which could not be recovered from the consumers within due time and against which delayed payment surcharge was raised to the consumers. In the context of DVC mentioned that there are short term borrowings that DVC has taken to meet the unrealized consumers arrears. DVC in the instant petition has submitted the state wise break-up of the Delayed Payment Surcharge and the corresponding amount of interest on temporary financial accommodation attributable to the West Bengal distribution business. DVC submits before this Commission to allow the Temporary Financial Accommodation on notional basis commensurate with the Delayed payment surcharge (DPS) income of the West Bengal part only, which is adjusted in the ARR as Non-Tariff Income (NTI).
- 2.28 The Open Access charges received during FY 2020-21 has been adjusted by DVC in the ARR of the FY 2022-23 as per direction of the CERC at para 17 of the order dated 07.08.2023 in petition no 87/MP/2021.
- 2.29 Commission has approved the Delay Payment Surcharge (DPS) amount as the Non-Tariff Income (NTI) in the order dated 07.03.2024 for tariff of FY 2022- 23



and directed DVC to submit clarification against each element of the other income of Power Business in the APR application. Accordingly, DVC has submitted the necessary clarification for excluding elements of "other income" (except DPS in relation to electricity business) of Audited Annual Account for FY 2022-23 from Non-tariff income in this APR, petition which are excluded from Non-tariff income during determination of the Aggregate Revenue Requirement (ARR) for DVC. The clarification for following element of other income (which were not considered under NTI in the tariff petition under various major heads) are given hereunder:

**I. Interest from Employees Loan and Advances: (Rs. 0.13 Cr.)**

This income is related to the interest received from the loan and advance provided to the employees of DVC as an employee welfare measure. The entire capital asset base of DVC is allocated to the business of Generation and Transmission whose tariff is determined by CERC. The Tariff determined by CERC is inclusive of the O&M component which caters to the Employee Cost of DVC on a normative basis. The JSERC and WBERC merely adopt the tariff determined by CERC and do not allow any additional expenditures related to the employees of DVC pertaining to any of its business including distribution business. Further, DVC utilizes its own fund for giving such loans and advances to the employees. Accordingly, the interest received on this account has no bearing on any tariff determination process. Therefore, this income, which is related to the employees of DVC, is not linked to determination of distribution tariff and no manpower cost is allowed additionally in the distribution tariff of DVC for the relevant period. Therefore, income under this head of other income does not qualify as non-tariff income for distribution business.



**II. Interest from Non-Current Investment: (Rs. 0.18 Cr.)**

DVC extended interest bearing revolving advances to M/s RITES and others for mobilization of assets for works related to Railway Infrastructure at the Generating Station BTPS #A of DVC as per the contract agreement. Interest earned on the advance given to M/s RITES and others is booked under this head. This income, therefore, is related to the BTPS-A generating station. As such, it is not related to distribution business of DVC and hence does not qualify as non-tariff income for distribution business.

**III. Interest on IT Refund (Rs. 1.06 Cr.)**

Income pertains to the interest accrued on the advance income tax paid to the Income Tax authority over and above the actual taxes incurred. State Regulator does not approve any Income Tax related to Distribution Activity of DVC separately since DVC does not claim any additional profit in the distribution tariff. Entire Income Tax of DVC is considered by CERC in the generation and transmission tariff while allowing the Return on Equity (RoE). Therefore, the interest income on account of advance tax paid does not qualify as non-tariff income for distribution business.

**IV. Interest on Security Deposit for Purchase of power: (Rs. 0.02 Cr.)**

DVC maintains payment security mechanisms in the form of cash deposit to PTC (Power Trading Corporation) for power purchase. Against such cash security deposit, DVC has earned interest from PTC. The cash held with PTC as payment security mechanism was arranged from DVC's own fund for which any additional expenditure was not allowed in distribution tariff. If such amount had been deposited in the bank account or invested somewhere, DVC would have earned interest.

It is also to be noted that, besides PTC power, DVC also purchases power from



NTPC, MPL, NHPC and avails transmission services from PGCIL etc. for the purchase of power. In terms of the PPAs, DVC has maintained payment security against such utilities in the form of Letter of Credit (LC). For maintaining such LCs, DVC has incurred substantial amount as Bank Charges which has not been booked as the Power Purchase Cost.

If the interest on Security Deposit for Power Purchase to be considered as Non-Tariff Income, for the sake of justice the charges for the LCs maintained by DVC for other source of Power Purchase also needs to be considered as part of Power Purchase Cost. Hence, such interest incurred on account of security deposit has not been considered as part of non-tariff income of DVC in its distribution business.

**V. Interest on Short Term Deposit (Rs. 11.17 Cr.)**

There are certain court cases, wherein DVC has been directed to provide BG to the claimant. Against such BG, DVC has opened fixed deposit utilizing its own fund with the respective banks as its guarantee. Interest earned on such Fixed Deposit is booked under this head. DVC utilizes its own fund in such fixed deposits. Accordingly, the interest received on this account has no bearing on any tariff determination process. DVC also submits that these deposits pertain to different vendors supplying different capital items. Since no asset is part of the Distribution Activity of DVC so far as the tariff determination is concerned, this income is not related to distribution business of DVC. Therefore, such income does not qualify as non-tariff income for distribution business.

**VI. Interest on CLTD (Rs. 0.16 Cr.)**

Interest income under this head is due to opening of 'Corporate Liquid Term Deposit' (CLTD) Account opened by DVC at some field formations to defray the regular operational expenses. Such earnings occur due to existence of small



amount of surplus cash maintained in these accounts.

Therefore, this income, which is related to operational expenses, is not linked to determination of distribution tariff as the same is not allowed separately in the distribution tariff of DVC. Therefore, income under this head of other income does not qualify as non-tariff income for distribution business.

**VII. From Others (Rs. 0.92 Cr.)**

DVC has made an investment in National High-Power Testing Laboratory in the form of Loan. The investment is in no way related to the Distribution business of DVC and has not been made from the earnings out of the distribution business. Accordingly, this income also does not qualify to be considered as non-tariff income of DVC for its distribution business.

**VIII. Dividend – Non Current Investment: (Rs. 236.57 Cr.)**

DVC has formed Joint Venture companies with Tata Power, SAIL. DVC has also equity participation in PTC. Such equity has been provided out of own fund of DVC. The dividend earned from such JV Companies and PTC are booked under this head. Accordingly, any dividend received on this account has no bearing on any tariff determination process.

Therefore, this income is not linked to determination of distribution tariff as no asset of distribution business is utilized and nothing is allowed additionally in the distribution tariff of DVC PMKUSUM Grant: (Rs. 0.49 Cr.)

Rs.0,49 Cr. was an income inadvertently booked under the head of PMKUSUM Grant during FY-2021-22, which was rectified through reverse entry in FY-2022-23. As such there is no actual income under the head of PMKUSUM Grant.

**IX. Delay Payment Surcharge (DPS – Rs. 519.95 Cr.)**



The total Delayed Payment Surcharge (DPS) shown in the Annual report of DVC for FY 2022-23 is related to DPS of Jharkhand Consumers, DPS of West Bengal Consumers and DPS of bilateral Consumers. Out of the total DPS amount booked in the Audited Annual Accounts, DPS amount on account of firm consumers of West Bengal is considered as Non-Tariff Income in the instant petition.

**X. Income from Service Charges (Rs. 19.70 Cr.)**

DVC sometime provide consultancy and supervision service for construction of infrastructures for other agencies utilizing its own manpower. DVC claims service charges for such activities. The services rendered involves the professional expertise of its manpower. Since the entire employee cost is catered by CERC in generation and transmission tariff and the State Commissions do not allow any manpower cost separately, thus, this income falls under the Generation and Transmission business of DVC and does not qualify to be considered as non-tariff income of DVC for its distribution business.

**XI. Profit on Disposal of Fixed Assets (Rs. 19.33 Cr.)**

Entire Fixed Assets of DVC falls under the ambit of CERC. This Commission does not determine tariff for any Fixed Assets of DVC for its Electricity Business. Accordingly, any profit on account of Disposal of Fixed Assets should be accounted for by CERC as per Tariff Regulations of CERC for 2019-24 period. Accordingly, this income also does not qualify as non-tariff income of distribution business.

**XII. Provision Written Back Employees Benefits (Rs. 5.00 Cr.)**

Entire employee cost of DVC is covered by CERC Tariff. Therefore, any income derived from the employee benefits also falls under the Jurisdiction of CERC.



On this matter, it is clear that this income does not qualify as non-tariff income of distribution business.

**XIII. Provision written back – Fixed Assets (Rs 4.74 Cr.)**

Entire fixed assets base of DVC is covered by CERC Tariff. Any income derived from such assets also falls under the Jurisdiction of CERC. Provision on account of fixed assets was not allowed by CERC since tariff is determined based on cash expenditure. Therefore, when such provision is written back now, it cannot be construed as real income of DVC and rather should be treated as book adjustment (merely accounting entries) against earlier expenditure provision.

Therefore, it is clear that consideration of this income is not linked to determination of distribution tariff and so does not qualify as non-tariff income in distribution tariff.

**XIV. Provision written back against Doubtful Debts (Rs. 7.94 Cr.)**

The provision created for doubtful debt in the past year is now been written back and booked as an income item in the FY 2022-23. In this regard, this Commission might appreciate that the provision of Doubtful debt is not a pass-through element in Distribution Tariff. Accordingly, DVC never claimed the provision taken on account of bad debt in the ARR of the past period. The entire revenue billed, irrespective of its realization, is being considered to compute the Revenue Gap/Surplus amount. This is merely a book adjustment. Hence, any provision of the doubtful debt which now is being written back on the certainty of the recovery, cannot be construed as the Non-Tariff income of Distribution Activity.

**XV. Provision written back Stock-Current assets: (Rs 0.19 Cr.)**

Entire asset base of DVC is covered by CERC Tariff. Therefore, any income



derived from such assets also falls under the Jurisdiction of CERC. It may further please be noted that provision on account of assets was not previously allowed by CERC since tariff is determined based on cash expenditure. Therefore, when such provision is written back now, it cannot be construed as real income of DVC and rather should be treated as book adjustment against earlier expenditure provision.

**XVI. Other Miscellaneous Income: (Rs. 206.01 Cr.)**

Other Miscellaneous Income booked in FY-2022-23 is Rs. 206.01 Cr and out of which Rs. 187.58 Cr. Relates to power head. Clarification on the individual items of the Miscellaneous Income is furnished below by DVC, based on the total booked amount.

Sl No.	Items	Amount (in Rs. Crs.)	Justification
i.	Misc. Recovery from Employees and Outsider	25.54	There are many amenities i.e. Schools, Hospitals, Transport Services, Quarters, Marriage Ceremony halls, Guest house etc. in the different field formations of DVC. Such amenities are being hired out to the employees of DVC as well as the outsider/visitors, guests of DVC against payment of a token amount which is booked under this head. These assets are not linked with the Distribution Business of DVC. Therefore, this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
ii.	Land Rent	0.35	Entire assets base is allocated to the Generation and Transmission business of DVC, whose tariff is being determined by CERC. Therefore, this income is not part of the distribution business, hence does not qualify as the Non-Tariff Income of Distribution Business.
iii.	Income from Scrap Sale	113.57	One-time income received from selling of scrap material of different projects of DVC. Such scraps are generated due to expiry of useful life of the assets and on being replaced by new assets after decapitalizing the old



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			assets. As the scrap material is related to its Generation and Transmission assets, hence this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
iv.	Sale of Tender Form	0.38	The income is arising from the sale of Tender forms submitted by various vendor during tendering process. The Income is not related to the distribution business of DVC hence this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
v.	Recovery of Liquidated Damages	13.52	This income arises from the Liquidated Damages recovered from some vendor for failing to complete the assigned job as per the contract agreement. As, the entire assets base and the entire O&M related expenditure falls under CERC and the state commission does not allow any expenditure on this account separately, for the distribution business of DVC, hence this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
vi.	Commission on Electricity Duty	4.55	In West Bengal, DVC received commission for collection and depositing electricity duty to the state authority on behalf of the Consumers. For this additional work, DVC has assigned additional manpower and other associated expenditure. DVC performs such activities as mandated in the relevant West Bengal Electricity Duty Act. Risks associated with such activity is also borne by DVC. No assets of Distribution Business of DVC are utilized to recovery of this additional income therefore this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
vii.	Income from Energy Certificate	5.05	On account energy efficiency measure undertaken, DVC achieved some energy certificate from BEE for different generating stations of DVC. This income arises from the sale of such energy certificate; hence this income is related to the Generating Business of DVC. Therefore, this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
viii.	Forfeiture of SD/EMD	17.07	This income arises from the forfeiture of the security deposit or earnest money deposited by various vendors for breach of contract agreement. This income is not related to the Distribution Business of DVC hence this income also does not qualify as the Non-Tariff of Distribution Business of DVC.



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ix.	Gain on Foreign Exchange Rate Variation	7.77	This income is on account of variation of exchange rate for sale to Bangladesh. It is to be noted that, the cost of sale to Bangladesh is not included in the ARR of the Distribution activity of DVC. Therefore, this income is not part of the Distribution Business of DVC, hence this income also does not qualify as the Non-Tariff of Distribution Business of DVC.
x.	Remission of Liability no Longer required	18.21	The longstanding unclaimed liability has been reversed in this financial year. It is to be noted that, while determining the Tariff, CERC approve the tariff on cash basis. Therefore, the liability which was provisioned earlier was not made part of Tariff. Therefore, now, when it is reversed, the same cannot be construed as real income of DVC and rather should be treated as book adjustment (merely accounting entries) against earlier expenditure provision. Therefore, this Income also does not qualify as the Non-Tariff Income of Distribution Business of DVC.

2.29 CERC vide their Order No.87/MP/2021 dated 07.08.2023 had directed DVC to adjust the amount of received from open access charges in the distribution tariff claimed both from WBERC and JSERC. Accordingly, DVC in the instant application has adjusted the open access charges received during FY-2022-23 Rs.92.08 Cr. Which has been adjusted by DVC in the ARR of the FY 2022-23.

2.30 DVC has submitted before this Commission to assess the revenue realized amount from IPCL and WBSEDCL instead of the billed amount to these licensees for determining the revenue gap/surplus while conducting Annual Performance Review (APR) for FY 2022-23.

2.31 DVC has raised the following appeals before this Commission:

- a) Admit the present submission and determine the trued up ARR based on submissions made herewith in respect of Annual Performance Review



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for the years FY 2022-23 and allow DVC to adjust the under/over recovery as deemed proper.

- b) Provide the opportunity to DVC to submit additional information, if required.
- c) Settle other commercial issues based on the present submission and submissions made earlier by DVC for the relevant periods;
- d) Pass such other order(s) as this Commission may deem fit and proper keeping in view the facts and of the case.



### CHAPTER – 3

#### DETERMINATION OF GENERATION & POWER PURCHASE COST AND OTHER COST

3.1. The Tariff Orders of own generating stations and T&D network of DVC passed by CERC for the period 2019 – 24 are considered for arriving at the cost of DVC's own generating stations and T&D network for this period for determining the input cost at the retail end of the distribution segment in West Bengal command area of DVC.

3.2. **Energy sales by DVC and energy balance:**

DVC is a distribution licensee having own generating stations. A substantial part of its energy requirement is met out of its own generation and the balance is met by purchase from other agencies.

3.3. **Energy sales**

The following table depicts comparative sales figure (in MU) as per the submission of the petitioner and admitted sales by this Commission for the consumers of DVC for the year 2022-23 in the command area of DVC in West Bengal vis-à-vis total sale in DVC command area. This Commission approves the actual energy sales as submitted by the Petitioner for the year 2022-23.

**Table – 1: Sales in the command area of DVC in West Bengal vis-à-vis, total sale in DVC command area**

Sl. No.	Particulars	Claim	Admitted
1	Sale to consumers in WB other than Licensee (in MU)	10187.49	10187.49
2	Sale to Licensee - IPCL in radial mode (in MU)	237.46	237.46



Sl. No.	Particulars	Claim	Admitted
3	Sale to Licensee - WBSEDCL in radial mode (in MU)	572.49	572.49
4	Total Annual Sale in WB area [1+2+3] (in MU)	10997.44	10997.44
5	Energy sales by DVC in Jharkhand area (in MU)	8957.44	8957.44
6	Total annual sale of DVC in their command area in the State of West Bengal and Jharkhand [4+5] (in MU)	19954.88	19954.88
7	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%) [4 / 6]	55.112	55.112

### 3.4. Sources of energy

3.4.1 The petitioner has submitted that the total supply of energy of the petitioner to their command areas in West Bengal and Jharkhand and to other distribution licensees are met from the resources of power from its own generating stations including both Thermal and Hydel Power Stations along with purchase of power from central sector generating stations (CSGS) i.e. NTPC, NHPC and hydel power from PTC and Maithon Power Limited (MPL) through Inter State Transmission. DVC also procures power from Renewable Energy (RE) Sources and from power exchanges during exigencies.

### 3.5 Generation of Power from own power stations

3.5.1. DVC in their petition has submitted the quantum of ex-bus energy in MU during the period which has been admitted by this Commission. The generation of Tilaya Hydro Station (THS) and Koderma Thermal Power Station (KTPS) Solar PV are not considered for consumers of West Bengal, as the usage of those generation of THS and KTPS Solar PV are shown by the DVC in their RPO sheet against Jharkhand to meet its Renewable Purchase Obligation (RPO) target.



3.5.2. The net sent out energy in MU available for supply to the consumers in command area in West Bengal in 2022-23 has been considered by this Commission as follows:

**Table-2: Admitted share of net generation from own generating stations for supply in command area in West Bengal**

Sl. No.	Name of the Generating stations	Ex-bus Energy	Share of Energy for sale to consumers of DVC (incl. colony energy of Gen station)	Percentage share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
	[1]	[2]	[3A]	[4] = [3] / [2]	[5]	[(6) = (3)x(5)/100]
1	DTPS U# 4	111.48	111.48	100.00%	55.112	61.44
2	MTPS U#1 to 3	3123.82	3123.82	100.00%	55.112	1721.60
3	MTPS U# 4	1263.26	1263.26	100.00%	55.112	696.21
5	MTPS U# 5 & 6	3108.52	99.76	100.00%	55.112	54.98
6	MTPS U# 7 & 8	6867.31	135.13	100.00%	55.112	74.47
7	CTPS U# 7 & 8	3135.60	2.28	100.00%	0.000	0.00
8	DSTPS U # 1 & 2	6724.17	2255.39	72.56%	55.112	1242.99
9	KTPS U# 1 & 2	6886.93	2047.49	29.82%	55.112	1128.41
10	BTPS 'A'	3581.51	138.07	4.40%	55.112	76.09
11	RTPS U # 1&2	5281.67	4556.26	67.76%	55.112	2511.05
12	MHS	99.76	114.85	1.67%	55.112	63.30
13	PHS	135.13	2157.71	60.25%	55.112	1189.16
14	THS#	2.28	2312.96	43.79%	55.11	1274.72



Sl. No.	Name of the Generating stations	Ex-bus Energy	Share of Energy for sale to consumers of DVC (incl. colony energy of Gen station)	Percentage share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
					2	
15	MTPS Solar PV#	0.02	0.02	85.18%	100.000	0.02
16	KTPS Solar PV#	0.03	0.03	115.84%	0.000	0.00
17	TOTAL Gen	40321.49	18318.51	45.43%		10094.44
18	Total Gen. w/O Solar and THS	40319.16	18316.18	45.43%		10094.42

# After prudence check, the generation of MTPS Solar PV is admitted entirely for West Bengal, since the usage of generation of MTPS is shown in RPO sheet by DVC against West Bengal to meet its Renewable Purchase Obligation (RPO) target. The generation of KTPS Solar PV and THS are considered for the State of Jharkhand, since as per submission of DVC, their usages have been shown to meet Renewable Purchase Obligation (RPO) target for Jharkhand State.

### 3.6 Power Purchase from CSGS and other sources including renewable energy

3.6.1 After meeting the energy requirement as earmarked above from own generating stations of DVC for supply to consumers in the West Bengal command area, the balance energy is catered through the power purchase from the CSGS and other sources including renewable energy (RE) in FY 2022-23.

3.6.2 The purchase quantum of energy for sale in DVC command area as considered by this Commission during the period is tabulated below:



**Table – 3: The purchase quantum of energy as admitted by the Commission**

Agency	Purchased Energy (in MU)	CTU Grid Loss (in MU)	Net Purchase (in MU)
<b>NHPC</b>			
Rangit	31.63	1.08	30.55
Teesta	239.34	8.24	231.10
<b>NTPC</b>			
TSTPS	14.30	0.51	13.79
KBUNL	0.00	0.00	0.00
<b>NTPC (Talcher, Unchhar) Solar</b>	28.51	0.00	28.51
<b>NVVNL Solar (Rajasthan)</b>	28.80	1.03	27.77
<b>PTC power from Bhutan</b>			
Chukha (PTC)	163.86	5.52	158.34
Kurichu (PTC)	9.37	0.32	9.05
Tala (PTC)	131.59	4.42	127.17
<b>MPL</b>	1081.44	38.28	1043.16
<b>Power Exchange (IEX, PXIL)</b>	387.54	13.20	374.34
GTAM Purchase (Solar)	100.03	3.44	96.59
GTAM Purchase (Non-Solar)	243.25	8.84	234.41
JEM Solar	3.83	0.00	3.83
<b>Total</b>	<b>2463.49</b>	<b>84.88</b>	<b>2378.61</b>
<b>TOTAL excluding RE</b>	<b>2059.07</b>	<b>71.57</b>	<b>1987.50</b>
Percentage of share for sale in West Bengal			55.112
Share for sale in West Bengal (excluding RE & UI)			1095.35
RE (MU) for WB arrived from the submission of DVC regarding usage of RE power to meet RPO in WB (refer to Annexure-2)			186.67
Share for sale in West Bengal (including RE & excluding UI)			1282.02

### 3.7 Distribution Loss

3.7.1 The petitioner has claimed T&D loss of 2.71% for the year 2022- 23 and has prayed to allow actual composite T&D loss in place of only the Distribution



loss as detailed in Chapter-2 of this order.

In this context, it is worth to be mentioned that the Commission in its letter dated 25.11.2024 and 11.12.2024 directed to submit the system loss of DVC Transmission network corresponding to the bilateral sale, sale to Bangladesh and power exchange. In response, DVC has made submission vide its letter dated 02.12.2024 and 20.12.2024 that actual bilateral sale at ex-bus of the generators is deducted from actual ex-bus generation to arrive at net energy supply to the consumers. From the chart attached with letter dated 20.12.2024, it is observed that except for MTPS U#5&6 and CTPS U#7&8, all other generating stations supplying to other licensees are directly connected to CTU system. For MTPS U#5&6 it is shown as "CTU Connected (at Kalyaneshwari)" and for CTPS U# 7&8, it is shown as "CTU Connected (at Dhanbad)" respectively. Accordingly, it is clear that ex-bus generation of MTPS U#5&6 and CTPS U#7&8, sold to other licensees also uses the Composite T&D system of DVC network before getting connected with CTU system at Kalyaneshwari and Dhanbad respectively

Further, from the submission of DVC in the Review petition of APR Order for 2020-21 & 2021-22 before this Commission, it is observed that MTPS-Kalyaneshwari lines (134.2 km.) used to connect the Generation bus of MTPS Unit 5 & 6 with CTU at Kalyaneshwari Substation of DVC and CTPS-Dhanbad lines (45.6 km.) used to connect the Generation bus of CTPS Unit 7 & 8 with CTU at Dhanbad Substation of DVC. These two lines are 3.76% of Composite T&D network.

As DVC in their above letters could not furnish the actual loss related to energy usage (3850.66 MU) through above lines, hence proportionate line loss is considered for such energy usage during computation of Distribution loss.



3.7.2 In response to Letter dated 08.12.2025 of the Commission, DVC, vide letter dated 15.12.2025 at Annexure -2, has provided the break-up of the consumption of 95.42 MU shown under the head "Unit utilized in own premises including construction power" in APR petitions for 2022-23. In above additional information of DVC, it is mentioned that the consumption of 95.42 MU under the head "Unit utilized in own premises including construction power" was made in the colonies of different generating stations of DVC since CERC Tariff Regulations regarding "Auxiliary Energy Consumption" of the generating stations stated that "auxiliary energy consumption shall not include energy consumed for supply of power to housing colony and other facilities at the generating stations and the power consumed for construction works at the generating stations and integrated Coal mine." From the above submission of DVC, it is clear that the consumption of 95.42 MU under the head "Unit utilized in own premises including construction power" is not related to Distribution business. Thus, such consumption of each generating station is excluded from computation of T&D loss & energy balance as per submission of DVC for the consumers of Jharkhand & West Bengal which is as follows:.

**Table - 4: Distribution Loss computation**

Particulars	Unit	Derivation	Admitted
Ex-bus Generation (after colony consumption)	MU	A	40321.49
Energy Purchased	MU	B	2378.61
Energy received for wheeling	MU	C	894.34
Net UI import (+ve) / export (-ve)	MU	D	113.29
Total Energy available	MU	E=Sum(A:D)	43707.73
Less: Unit Sold to other Licensees evacuated directly from ex-bus of the Gen Stn to CTU system	MU	F	18152.33
Net energy injected into Composite T&D system	MU	G = E-F	25555.40
Ex-bus energy of MTPC # 5& 6 & CTPS U#7 & 8 injected at interface point with CTU system after Line loss of composite T&D system against Unit Sold to other Licensees outside DVC command	MU	H=3850.66 x (1-Loss%)	3745.54



Particulars	Unit	Derivation	Admitted
area			
Line loss of composite T&D system against Unit Sold to other Licensees outside DVC command area for ex-bus energy of MTPC # 5& 6 & CTPS U#7 & 8	MU	I=3850.66 - H	105.12
Net energy of Composite T&D system utilized for the consumers of Jharkhand & West Bengal	MU	J=G-I-J	21704.74
Units sold to consumers	MU	K	19954.88
Units wheeled Out	MU	L	1065.32
Units utilized in own premises including construction power	MU	M	0.00
Overall Utilization	MU	N=Sum(J:M)	21020.20
Unutilized Units	MU	L= J - N	684.54
System Loss %	%	O= L / J x 100	3.15

Table- 4A (in MU)

Generating Station	Ex-bus gen	Sale to consumer	Sale to other
MTPS U#5 & 6	3108.52	2255.39	853.13
CTPS U#7 & 8	3135.60	138.07	2997.53
Total	6244.12	2393.46	3850.66

3.7.3 Thus, this Commission considers composite T&D loss at 2.75% in place of 3.15% as derived in the instant order as 2.75% is approved by the Commission vide order dated 22.01.2024 in case no OA-431/22-23 as ceiling of composite T&D loss for the transmission and Distribution network of DVC for the year 2019-20 onwards.

### 3.8 Energy balance

3.8.1 On the basis of the analysis done in the foregoing paragraphs, this Commission admits the energy balance for supply to their command area, in West Bengal



for the year 2022-2023 in the table below. For year 2022-2023, it has been observed that the proportionate own generation and the proportionate purchase are more than Energy requirement for distribution business in West Bengal. Hence, there is import of 67.94 MU energy through Unscheduled Interchanges (UI), which is determined by deducting proportionate own generation and proportionate purchase from Energy requirement for distribution business in West Bengal as given below:

**Table-5: Energy Balance**

Sl. No.	Particulars	Unit	Admitted
A	Sales within West Bengal	MU	10997.44
B	Sales within Jharkhand	MU	8957.44
C	Total Sales within DVC Area (A+B)	MU	19954.88
D	Units utilized in own premises including Construction Power	MU	0.00
E	Overall Utilization (C+D)	MU	19954.88
F	Percentage of share for sale in West Bengal (%)	%	55.112
G	Proportionate utilization in West Bengal (E x F/100)	MU	10997.53
H	T & D Loss (%) for West Bengal	%	2.75
I	T & D Loss (MU) for West Bengal $[(G/(1-H\%)- G)]$	MU	310.98
J	Energy Requirement for DVC for distribution business in West Bengal (G+I)	MU	11308.52
K	Proportionate Generation available for sale to the consumers within West Bengal	MU	10094.44
L	Additional Requirement beyond generation (J - K)	MU	1214.08
M	Proportionate Purchase for sale in West Bengal	MU	1282.02
N	Net UI export to the grid (M - L)	MU	67.94

### **3.9 Cost arising from own generation**

3.9.1 The Tariff of DVC in respect of generation and transmission functions falls in the jurisdiction of the CERC. Tariff so determined by the CERC shall form the



basis for determining the tariff at the retail end of the distribution segment. In regard to retail sale and supply of electricity, DVC is governed by the provisions of Section 62 in conjunction with Section 86(1) of the Electricity Act, 2003.

- 3.9.2 Accordingly, the generation and transmission tariff of DVC, as determined by the CERC, is taken as an input cost based on which the annual performance review (APR) has been considered.
- 3.9.3 This Commission finds it prudent to consider the input cost as per the Tariff orders for the period 2019 – 24 issued by CERC for finalization of APR for the year 2022-23. Therefore, this Commission considers Tariff Orders for the period 2019-20 to 2023 – 24 in respect of all generating stations in determining proportionate fixed cost and Ash disposal expense of the respective generating stations towards allocation to consumers and licensees in radial mode in West Bengal part. Tariff orders issued by CERC for the period for the period 2019 – 24 in respect of integrated T&D network system of DVC have been considered for determination of fixed cost of T&D system.
- 3.9.4 However, after issuance of True-up order by CERC in respect of own generating stations and T&D network, DVC shall compute the adjustment amount, if any, based on respective truing up orders and submit the same along with the subsequent APR petition.
- 3.9.5 This Commission has observed that CERC in the Tariff orders for thermal generating stations of DVC for the period 2019-20 to 2023 – 24, has allowed the Ash Disposal Expenses to be recovered from beneficiaries based on the MOEF&CC notification as a separate item not making a part of the O&M expenses and the consequent annual fixed charges being determined in the said Tariff orders under the 2019 Tariff Regulations. Accordingly, apart from



AFC, this Commission considers Ash Disposal Expenses approved by CERC beyond O&M expenses and AFC to be separately recoverable by DVC as per the respective Tariff orders of the CERC in respect of thermal generating stations of DVC.

3.9.6 Applicable fixed cost and Ash disposal expense of the given stations in the present APR petition have been considered by DVC in proportion to the installed capacity of the units still under commercial operation. The AFC approved by CERC in its Tariff orders after considering Date of commercial operation (COD) of new units as well as retirement of old units during the period has been considered by this Commission as tabulated below:

**Table-6: Annual Fixed Charges and Ash Disposal Expenses approved by CERC in its Tariff orders for year 2022-23**

STATION	Approved AFC as per CERC's Order (Rs. Lakh)	Approved Ash Evacuation Expenses as per CERC's Order (Rs. Lakh)	Petition No and Order date of CERC
DTPS U# 4	14468.00	301.54	567/GT/2020 dated 19.05.23
MTPS U#1 to 3	43945.45	1236.49	577/GT/2020 dated 17.02.23
MTPS U#4	14166.28	402.18	205/GT/2020 dated 30.11.22
MHS	4108.62	0.00	578/GT/2020 dated 16.02.23
PHS	3811.41	0.00	566/GT/2020 dated 28.02.23
THS	1219.84	0.00	572/GT/2020 dated 16.03.23



MTPS U#5 & 6	37935.04	1262.01	571/GT/2020 dated 14.03.23
MTPS U# 7,8	104464.29	2398.77	568/GT/2020 dated 27.04.23
CTPS U# 7&8	57965.41	1582.90	570/GT/2020 dated 16.06.23
DSTPS U # 1 & 2	107046.92	130.98	573/GT/2020 dated 03.07.23
KTPS U # 1 & 2	115004.10	1142.37	564/GT/2020 dated 20.07.23
BTPS - A	73503.78	386.44	574/GT/2020 dated 26.10.23
RTPS U # 1 & 2	137183.45	0.00	575/GT/2020 dated 29.04.23
T&D System	51221.00	—	713/TT/2020 dated 02.03.22, 482/TT/2020 dated 23.07.22 (Corrigendum to order dated 10.06.22) and 12/TT/2023 dated 19.05.2024.

3.9.7 The fixed cost claimed to be recovered for the own generating stations of DVC are guided by formula laid down in regulation 42 of CERC Tariff Regulations, 2019 and aforesaid tariff orders passed by CERC for the period 2019 – 24 with Plant Availability Factor achieved during the year (PAFY) and Normative Annual Plant Availability Factor (NAPF).

3.9.8 DVC has claimed contribution to Pension & Gratuity (P&G) fund and Sinking Fund in full in the petition irrespective of PAFY referring Section 40 of the DVC Act and in terms of the judgment of the Hon'ble APTEL dated 23.11.2007

DVC has also prayed to revise the APR based on decision of the Hon'ble APTEL in the appeals filed by DVC against the tariff orders of CERC for



different generating stations and T&D system for the period 2014-19 where the claim of DVC in respect of contribution to Pension & Gratuity fund (P&G fund), additional O&M expenditure etc. for the period FY 2014-19 has been disallowed.

- 3.9.9 This Commission has noted that CERC has determined the Annual Fixed Charge (AFC) in the respective True up orders for the years 2014–2015 to 2018–19 and Tariff orders for the years 2019-20 to 2023–24 for all the generating stations of DVC and T&D network system. CERC in the said tariff orders have allowed Sinking Fund as part of AFC, but disallowed the claim of DVC on the share of Pension & Gratuity (P&G) fund stating that these expenses may be met through the normative O&M expenses allowed to the generating station.
- 3.9.10 This Commission has further observed that APTEL vide its judgement dated 23.3.2016 in Appeal No. 255 of 2014 has upheld the decision of the State Commission of Jharkhand that the contribution to Pension and Gratuity and Sinking fund has since been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 42 of the CERC Tariff Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as normative plant availability factor.
- 3.9.11 This Commission in the Tariff Order dated 07.03.2024 for the year 2022-23, did not allow DVC to recover the entire contribution to sinking fund, where it was linked with the Plant Availability Factor achieved during the year (PAFY) against claim of recovery in full without factoring the availability of the Generating stations.
- 3.9.12 This Commission has noted that the CERC in its True up orders for the period



2014 – 15 to 2018 – 19 and tariff orders for the period 2019-20 to 2023 – 24 has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. As per regulation 42 of CERC Tariff Regulations, 2019, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of DVC to recover for contribution to Sinking Fund as allowed by CERC in AFC in full without factoring the availability of the Generating stations is not admitted in the instant order.

3.9.13 This Commission in the instant order has considered the AFC as determined by CERC for the respective generating stations as input cost. Accordingly, this Commission allows the recovery of fixed cost against each generating station based on the actual yearly Plant Availability Factor (PAFY) of each generating station certified by SLDC of DVC against normative PAF (NAPF) as per regulation 42, 49 and 50 of CERC Tariff Regulations, 2019 and the Tariff orders. The admitted fixed charge of own generation for the year 2022-23 for sale to firm consumers and other licensee in radial mode in West Bengal and Jharkhand command area of DVC (Col-H in the table below) is as follows:

**Table-7: Fixed charges of own generating stations of DVC for sale to consumers including other licensees**

Name of the Generating Station	Normative PAF	Actual PAFY				AFC approved by CERC	Recoverable Fixed Charge as per CERC formula	Ash Disposal Expense	Share of Firm Consumer	Recoverable AFC and Ash expense for consumers of DVC
	(%)	(%)	(%)	(%)	(%)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(%)	(Rs Lakh)
A	B	C				D	E	F	G	H=(E+F) x G
		HD-p	HD-op	LD-p	LD-op					
DTPS U# 4	74.00%	27.44%	27.31%	8.36%	8.39%	14468.00	2565.53	301.54	100.00%	2867.07



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Name of the Generating Station	Normative PAF (%)	Actual PAFY (%)				AFC approved by CERC (Rs Lakh)	Recoverable Fixed Charge as per CERC formula (Rs Lakh)	Ash Disposal Expense (Rs Lakh)	Share of Firm Consumer (%)	Recoverable AFC and Ash expense for consumers of DVC (Rs Lakh)
		(%)	(%)	(%)	(%)					
A	B	C				D	E	F	G	H=(E+F) x G
MTPS U#1 to 3	85.00%	96.87%	96.89%	81.49%	81.43%	43945.45	42565.82	1236.49	100.00%	43802.31
MTPS U# 4	85.00%	103.80%	103.35%	92.09%	92.49%	14166.28	14166.28	402.18	100.00%	14568.46
MTPS U# 5 & 6	85.00%	78.28%	78.01%	90.53%	90.77%	37935.04	37161.17	1262.01	72.56%	27877.98
MTPS U# 7 & 8	85.00%	95.79%	95.45%	89.74%	89.70%	104464.29	104464.29	2398.77	29.82%	31861.25
CTPS U# 7 & 8	85.00%	91.95%	91.35%	82.34%	82.03%	57965.41	56478.09	1582.90	4.40%	2556.60
DSTPS U # 1 & 2	85.00%	86.19%	85.46%	89.19%	89.54%	107046.92	107046.92	130.98	67.76%	72623.15
KTPS U# 1 & 2	85.00%	90.29%	90.41%	89.31%	88.83%	115004.10	115004.10	1142.37	1.67%	1936.92
BTPS 'A'	85.00%	93.25%	92.81%	90.92%	91.87%	73503.78	73503.78	386.44	60.25%	44515.77
RTPS U # 1&2	85.00%	68.68%	68.78%	57.23%	56.89%	137183.45	96687.70	0.00	43.79%	42341.68
MHS	80.00%	80.00%				4108.62	4108.62	0.00	100.00%	4108.62
PHS	80.00%	80.00%				3811.41	3811.41	0.00	100.00%	3811.41
THS	80.00%	80.00%				1219.84	1219.84	0.00	100.00%	1219.84
<b>TOTAL GENERATION</b>						<b>714822.59</b>	<b>658783.55</b>	<b>8843.68</b>		<b>294091.06</b>
<b>TOTAL THERMAL + HYDRO GENERATION (Except THS)</b>						<b>713602.75</b>	<b>657563.71</b>	<b>8843.68</b>		<b>292871.22</b>

3.9.14 DVC has submitted the station wise monthly energy charge rate (ECR) for the FY 2022-23 for their generating stations based on the actual fuel cost including the primary fuel (coal) and secondary fuel (oil) and the formula prescribed in the Regulation 43(1) and 43(2) of the Tariff Regulations, 2019 of CERC and the normative parameters set out in the Regulation. In this respect, a statement showing the station wise monthly ECR duly certified by a chartered accountant firm has been submitted with the petition. DVC has further submitted Annual weightage average Energy Charge Rate (ECR) for each thermal generating stations duly certified by an Auditor.

3.9.15 This Commission admits the ECR and cost thereof for firm power from generating



stations of DVC for the year 2022-23. The admitted energy charge of own generation for sale to firm consumers and other licensee in radial mode in West Bengal and Jharkhand command area of DVC is as follows:

**Table- 8: Energy charges of own generating stations of DVC for sale to consumers including other licensees**

Name of the generating Station	Share of Energy for sale to consumers of DVC#	Energy Charge Rate*	Energy Charge
	(MU)	(P/kwh)	Rs.(In Lakh)
A	B	C	D = BXC
DTPS U# 4	111.48	343.40	3828.22
MTPS U#1 to 3	3123.82	365.62	114213.11
MTPS U# 4	1263.26	374.05	47252.24
MHS	99.76	0.00	0.00
PHS	135.13	0.00	0.00
THS	2.28	0.00	0.00
MTPS U# 5 & 6	2255.39	378.26	85312.38
MTPS U# 7 & 8	2047.49	357.70	73238.72
CTPS U# 7 & 8	138.07	362.37	5003.24
DSTPS U # 1 & 2	4556.26	379.32	172828.05
KTPS U# 1 & 2	114.85	353.98	4065.46
BTPS 'A'	2157.71	277.12	59794.46
RTPS U # 1&2	2312.96	388.09	89763.66
MTPS Solar PV	0.02	323.00	0.65
KTPS Solar PV	0.03	416.00	1.25
<b>Total Generation</b>	<b>18318.51</b>		<b>655301.44</b>
<b>Total Thermal + Hydro Generation (except THS + Solar)</b>	<b>18316.18</b>		<b>655299.54</b>

# Energy rate computed from Audit Certificate enclosed as Annexure 6 (Pg 128 &129)

Generation cost pertaining to Solar PV (MTPS and KTPS) and small Hydro power station, THS were considered separately under RPO generation as



applicable in West Bengal and Jharkhand area respectively.

3.9.16 DVC submitted that they meet up a part of RPO through their own solar generating plant i.e., MTPS and KTPS PV solar units with generation of 0.02 MU and 0.03 MU respectively for the FY 2022-23. Further they also submitted that generation from their small Hydro power station, THS also meets up their RPO requirement. For FY 2022-23, THS has generated 2.28 MU, which has been shown by DVC as Non-solar RE power in Jharkhand area. The details of RE generation is shown in the table below:

**Table– 9: RE Generation**

Head	RE Generation (WB)	RE Generation (JH)	RE Generation (WB+JH)
Solar Generation in MU	0.02	0.03	0.05
Non- Solar Generation in MU	0.00	2.28	2.28
Cost of Solar Generation (Rs. Lakh) (A)	0.65	1.25	1.90
Cost of Non-Solar Generation (Rs. Lakh) (B)	0.00	1219.84	1219.84
Total Cost of RE Generation (Rs. Lakh) (C= A + B)	0.65	1221.09	1221.74

3.9.17 The station wise fixed charge, energy charge of different power stations of DVC in FY 2022-23 on the basis of availability and percentage utilization by the consumers and other licensee in radial mode in command area of West Bengal, computed on the basis of sales ratio in West Bengal to the total sales of DVC in their command area in West Bengal and Jharkhand as shown in preceding paragraphs have been summarized below:



**Table-10: Cost of generation admitted for share to consumers in West Bengal**

Particulars	Energy Charge for sale to consumers of DVC (Rs. Lakh)	AFC for sale to consumers of DVC (Rs. Lakh)	Total Cost (Rs. Lakh.)	Share of Energy for sale to consumers in West Bengal (%)	Cost of generation admitted for consumers in West Bengal (Rs. Lakh)
[1]	[2]	[3]	[4] = [2] + [3]	[5]	[6] = [4] x [5]
Generation excluding RE	655299.54	292871.22	948170.76	55.112	522555.87
RE Generation for WB	0.65	—	0.65	100%	0.65
Total Generation					522556.52

Admissible cost for RE power is considered corresponding to usage of RE to meet the RPO target in West Bengal area.

### **3.10 Incentives for various Generating stations of DVC**

3.10.1 DVC has also claimed incentives for MTPS U#1-3, MTPS U#4, KTPS U#1&2,CTPS U#7&8, MTPS U#7&8 and BTPS-A for certain periods during peak and non-peak hours of the day along with respective high and low demand season for the FY-2022-23, wherever they had achieved Annual Plant Load Factor (PLAF) more than 85% duly certified by SLDC in the petition. The computation of incentives for the aforesaid plants were based on as per provision in Regulation 42(6) of CERC Tariff, Regulations, 2019.

3.10.2 Based on DVC's submission and after prudence checking, the computation of incentives in respect of the generating stations, MTPS U#1-3, MTPS U#4, KTPS U#1&2, CTPS U#7&8, MTPS U#7&8 and BTPS-A for the year 2022-23 as admitted by the Commission are given below:



**Table – 11(a): Incentive computation for MTPS U#1-3**

MTPS U#1-3		3 X 210MW	
Season	Description	Peak	Off-Peak
PLF achieved in %(HD Season) - peak & Off-peak	A	88.31%	85.68%
PLF achieved in %(LD Season) - peak & Off-Peak	B	63.00%	59.94%
Energy above Normative PLF of 85% (HD Season) (kWh)	$C = (A-85\%) \times \{630 \times (1-0.098) \times \text{No. of days (HD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	684662 4	703278 6
Energy above Normative PLF of 85% in LD season(kWh)	$D = (B-85\%) \times \{500 \times (1-0.098) \times \text{No. of days (LD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	0.00	0.00
Rate of Incentive(P/kWh)	E	65	50
Applicable incentive (HD Season) in Rs. Lakh	$F = C \times E / 100 / 100000$	44.50	35.16
Applicable incentive (LD Season) in Rs. Lakh	$G = D \times E / 100 / 100000$	0.00	0.00
Considering for HD Season: 91 days & LD Season: 274 days for MTPS U#1-3. The Peak & Off-peak hours are considered as 4 & 20 hours respectively.			

**Table – 11(b): Incentive computation for MTPS U#4**

MTPS U#4		1 X 210MW	
Season	Description	Peak	Off-peak
PLF achieved in %(HD Season) - peak & Off-peak	A	94.06%	91.26%
PLF achieved in %(LD Season) - peak & Off-Peak	B	79.94%	76.46%



Energy above Normative PLF of 85%(HD Season)(kWh)	$C = (A-85\%) \times \{210 \times (1-0.098) \times \text{No. of days (HD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	6246769	21580999
Energy above Normative PLF of 85% in LD season(kWh)	$D = (B-85\%) \times \{500 \times (1-0.098) \times \text{No. of days (LD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	0.00	0.00
Rate of Incentive(P/kWh)	E	65	50
Applicable incentive (HD Season) in Rs. Lakh	$F = C \times E / 100 / 100000$	40.60	107.90
Applicable incentive (LD Season) in Rs. Lakh	$G = D \times E / 100 / 100000$	0.00	0.00
Considering for HD Season: 91 days & for LD Season: 274 days for MTPS U#4. The Peak & Off-peak hours are considered as 4 & 20 hours respectively.			

Table – 11(c): Incentive computation for KTPS U#1&2

KTPS U#1&2		2 X 500MW	
Season	Description	Peak	Off-peak
PLF achieved in %(HD Season) - peak & Off-peak	A	88.52%	86.11%
PLF achieved in %(LD Season) - peak & Off-Peak	B	85.04%	79.43%
Energy above Normative PLF of 85%(HD Season)(kWh)	$C = (A-85\%) \times \{1000 \times (1-0.0575) \times \text{No. of days (HD Season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	12076064	19040385
Energy above Normative PLF of 85% in LD season(kWh)	$D = (A-85\%) \times \{1000 \times (1-0.0575) \times \text{No. of days (HD Season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	413192	0.00
Rate of Incentive(P/kWh)	E	65	50
Applicable incentive (HD Season) in Rs. Lakh	$F = C \times E / 100 / 100000$	78.49	95.20



KTPS U#1&2		2 X 500MW	
Season	Description	Peak	Off-peak
Applicable incentive (LD Season) in Rs. Lakh	$G = D \times E / 100 / 100000$	2.69	0.00
Considering for HD Season: 91 days & for LD Season: 274 days for KTPS U#1&2. The Peak & Off-peak hours are considered as 4 & 20 hrs respectively.			

Table – 11(d): Incentive computation for CTPS U#7&8

CTPS U#7&8		2 X 250MW	
Season	Description	Peak	Off-peak
PLF achieved in %(HD Season) - peak & Off-peak	A	88.06%	83.40%
PLF achieved in %(LD Season) - peak & Off-Peak	B	79.12%	76.70%
Energy above Normative PLF of 85%(HD Season)(kWh)	$C = (A - 85\%) \times \{500 \times (1 - 0.098) \times \text{No. of days (HD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	5078621	0.00
Energy above Normative PLF of 85% in LD season(kWh)	$D = (B - 85\%) \times \{500 \times (1 - 0.098) \times \text{No. of days (LD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	0.00	0.00
Rate of Incentive(P/kWh)	E	65.00	50.00
Applicable incentive (HD Season) in Rs. Lakh	$F = C \times E / 100 / 100000$	33.01	0.00
Applicable incentive (LD Season) in Rs. Lakh	$G = D \times E / 100 / 100000$	0.00	0.00

Considering for HD Season: 92 days & for LD Season: 273 days for CTPS U#7&8. The Peak & Off-peak hours are considered as 4 & 20 hrs respectively.

Table – 11(e): Incentive computation for MTPS U#7&8

MTPS U#7&8		2 X 500MW	
Season	Description	Peak	Off-peak



PLF achieved in %(HD) - peak & Off-peak	A	88.79%	87.03%
PLF achieved in %(LD) - peak & Off-Peak	B	84.29%	80.84%
Energy above Normative PLF of 85%(HD Season)(kWh)	$C = (A-85\%) \times \{1000 \times (1-0.0575) \times \text{No. of days (HD Season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	12716587	34056295
Energy above Normative PLF of 85% in LD season(kWh)	$D = (B-85\%) \times \{500 \times (1-0.0575) \times \text{No. of days (LD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	0	0
Rate of Incentive(P/kWh)	E	65	50
Applicable incentive in Rs.(HD Season)	$F = C \times E / 100 / 100000$	82.66	170.28
Applicable incentive in Rs.(LD Season)	$G = D \times E / 100 / 100000$	0.00	0.00
Considering for HD Season: 89 days & for LD Season: 276 days for MTPS U#7&8. The Peak & Off-peak hours are considered as 4 & 20 hrs.			

Table – 11(f): Incentive computation for BTPS-A

BTPS-A		1 X 500MW	
Season	Description	Peak	Off-peak
PLF achieved in %(HD) - peak & Off-peak	A	90.32%	84.56%
PLF achieved in %(LD) - peak & Off-Peak	B	87.01%	85.57%
Energy above Normative PLF of 85%(HD Season)(kWh)	$C = (A-85\%) \times \{500 \times (1-0.0575) \times \text{No. of days (HD Season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	9225944	0



BTPS-A		1 X 500MW	
Season	Description	Peak	Off-peak
Energy above Normative PLF of 85% in LD season(kWh)	$D = (B-85\%) \times \{500 \times (1-0.0575) \times \text{No. of days (LD season)} \times \text{No. of hours in a day (peak or off-peak period)} \times 1000\}$	10343561	14666243
Rate of Incentive(P/kWh)	E	65	50
Applicable incentive in Rs.(HD Season)	$F = C \times E/100$	59.97	0.00
Applicable incentive in Rs.(LD Season)	G	67.23	73.33
Considering for HD Season: 92 days & for LD Season: 273 days for BTPS-A. The Peak & Off-peak hours are considered as 4 & 20 hrs respectively.			

Table – 12 Incentive as admitted for West Bengal part

PLANTS	HD season Peak in Rs. Lakh (A)	HD season off peak in Rs. Lakh (B)	LD season peak in Rs. Lakh (C)	LD season Off peak in Rs. Lakh (D)	Total incentive in Rs. Lakh (E=A+B+C+D)	Distribution ratio in percent (F)	Applicable total incentive (in Rs.Lakhs) G = E X F	Applicable incentive for WB part (in Rs.Lakhs) in sales ratio: H=G X 55.112%
MTPS # U-1 -3	44.50	35.16	0.00	0.00	79.67	100.00%	79.67	43.91
MTPS # U-4	40.60	107.90	0.00	0.00	148.51	100.00%	148.51	81.85
KTPS U#1&2	78.49	95.20	2.69	0.00	176.38	1.67%	2.94	1.62
CTPS U#7&8	33.01	0.00	0.00	0.00	33.01	4.40%	1.45	0.80
MTPS #U7&8	82.66	170.28	0.00	0.00	252.94	29.82%	75.41	41.56
BTPS-A	59.97	0.00	67.23	73.33	200.53	60.25%	120.81	66.58
TOTAL							428.80	236.32



**3.11 Purchase cost from CSGS and other sources including Renewable Energy for sale to consumers in the command area in West Bengal**

3.11.1 This Commission has considered the power purchase costs from CSGS, PTC, MPL, Power Exchange, Renewable Energy (RE) Sources etc. as well as transmission & other incidental charge, excepting ULDC charge (PGCIL), ERPC charge & provision of power purchase (KBUNL) for reasons stated below, related to power purchase for the year 2022-23 for DVC command area in West Bengal and Jharkhand as per submission of the petitioner.

3.11.2 In response to letter dated 29.05.2025, DVC vide letter 09.06.2025 has submitted the break-up of Transmission charge claimed with power purchase. Transmission charge, Reactive energy charge and POSOCO charge are considered in Power Purchase cost, as stated above whereas following charges are not considered under power purchase for reasons stated hereunder:

- i) DVC has submitted during the claim of AMC charge for ULDC asset that in terms of the tariff approved by CERC in Order dated 14.12.2017, vide case no. 232/TT/2016 and 181/TT/2018 dated 30th September 2019), the ULDC charges billed by Power Grid Corporation of India Limited (PGCIL) since this asset belongs to PGCIL. This cost is booked under ULDC charges in Annual Report of DVC. This amount excludes O&M charges related to the communication assets established by PGCIL under ULDC scheme for Load Despatch Centre of DVC which is responsible for overall operation of DVC's entire power system. Hence proportionate cost of such expense is shared for the consumers of Jharkhand & West Bengal after deduction of proportionate share for sale to other licensees beyond DVC command area.



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- ii) ERPC charge is payable by DVC as a member of Eastern Region Power Committee (ERPC), which is functional for co-ordination among all the power utilities of Eastern Region for smooth operation of the grid, dispute resolution & adopt future measures for the power system of this region. DVC as a power utility participate in this Committee for smooth operation of its power system & growth of their overall business which includes generation, Transmission & Distribution business, in co-ordination with other power utilities of this region as well as other region.

3.11.3 In response to letter dated 08.12.2025, DVC vide letter 15.12.2025 has submitted the break-up of other incidental charge of power purchase. Except provision of Rs 2100 Lakh against power purchase of KBUNL due to pending litigation, other incidental charges including provisions of power purchase are allowed along-with power purchase cost as per submission of DVC, since such provision of power purchase is made against some pending bill of different agencies at year end which is paid & adjusted in succeeding financial year.

3.11.4 The breakup of source wise power purchase costs viz fixed charge, energy charge, transmission, Reactive energy charge, POSOCO charge & other incidental charges as considered by this Commission for sale to consumers of DVC in the command area in West Bengal and Jharkhand are shown in Annexure-1

3.11.5 DVC vide their response to the communication of this Commission, DVC has submitted the letter dated 28-04-2025 along with the supporting document as auditor's certificate mentioning the break-up of Unscheduled Interchange (UI) of energy exported and imported along with the UI purchased and payable



amount for the concerned year for 2022-23. The same is given as follows:

**Table – 13(a): Break-up of UI import and export as submitted by DVC**

Sl. No	Particulars	MU	Amount (Rs. lakh)	Rate (Rs./ kwh)
1	UI Import (+) from Central Grid	(+)171.84	13455.00	<b>7.83</b>
2	UI Export (-) to Central Grid	(-) 58.55	2776.00	<b>4.74</b>
3	Net UI Import [(1) – (2)]	(+)113.29	10679.00	

3.11.6 From the 'Energy Balance' table (Table-5), it transpires that there is an excess energy of 67.94 MU for West Bengal part at normative loss, which is exported through grid. Accordingly, the Commission has considered 67.94 MU as the UI export. Considering the UI export rate of 4.74 Rs./kwh, as shown in Table- 13(b), in terms of regulation 5.17.3 of Tariff Regulations, Notification No. 49/WBERC dated 27<sup>th</sup> August 2012, UI charges receivables are shared equally between consumers and distribution license. Accordingly, the Commission has admitted the cost of receivable amount in the ARR in respect of APR for FY 2022-23 as given in the following Table- 13(b): -

**Table: 13 (b) : UI Charges as admitted**

Sl. No.	Particulars	Derivation	MU	Rs.Lakh	Rate (Rs./ kwh)
1	UI Import and amount Payable for purchase (Rs lakh) (+)	A	<b>171.84</b>	<b>13455.00</b>	<b>7.83</b>
2	UI Export and amount Receivable for sale (Rs lakh)(-)	B	<b>-58.55</b>	<b>-2776.00</b>	<b>4.74</b>
3	Net UI (Import) (+)	C = A+B	<b>113.29</b>	<b>10679.00</b>	
4	UI Export and amount receivable (Rs lakh) @Rs.4.74/ kwh (refer to 'Energy Balance' Table for excess power injected to the Grid )	D	<b>67.94</b>	<b>3221.27</b>	



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Sl. No.	Particulars	Derivation	MU	Rs.Lakh	Rate (Rs./ kwh)
5	UI charges receivables - shared equally between consumers and distribution licensee as per Clause 5.17.3 of WBERC's Tariff Regulations-Notification no. 49	E = 50% of D		1610.63	

3.11.7 DVC has stated that the RE power and Renewable Energy Certificates (RECs) are procured for supply of power in both the states; The cost of renewable power purchase is segregated by DVC between the two states based on the respective renewable purchase obligation (RPO). DVC has claimed Rs 32424.02 Lakh in Form E(B) and Annexure-10 of the petition for the cost of purchase for renewable energy including REC for West Bengal command area of DVC.

**Table-14: Power Purchase Cost of DVC for fulfillment of Renewable Purchase Obligation of DVC for the FY 22-23**

Particulars	Agencies	Amount (Rs. Lakh)
Cost of Solar Power	NTPC & NVVNL	6727.24
Cost of GDAM Solar	Energy Exchange	6246.26
Cost of GDAM Non-Solar	Energy Exchange	16108.53
REC Solar (JH)	Energy Exchange	13167.97
REC Non-Solar (JH)	Energy Exchange	13977.84
REC Solar (WB)	Energy Exchange	6830.17
REC Non-Solar (WB)	Energy Exchange	12349.80



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Particulars	Agencies	Amount (Rs. Lakh)
a) RPO Cost of JH part		42983.79
b) RPO Cost of WB part		32424.02

3.11.8 This Commission has admitted Rs. 32397.60 Lakh as RPO cost in respect of West Bengal area. The detailed computation has been shown in RPO sheet in Annexure-2 for FY 2022-23.

3.11.9 The power purchase cost for sale to consumers of DVC in the command area in West Bengal are shown in Annexure-1 which is summarized below:

**Table-15: Power purchase cost as admitted for sale to consumers in the command area in West Bengal**

Items		Amount admitted (Rs. Lakh)
Power Purchase Cost excluding cost of RE for Share of sale in West Bengal (Rs Lakh) [refer to Annexure-1]	A	56264.15
RE Cost for West Bengal part of DVC (Rs lakh) [refer to Table: 14)	B	32397.61
Total Power Purchase Cost including cost of RE for Share of sale in West Bengal (Rs Lakh)	C= A+B	88661.76

### **3.12. Interest on Working Capital**

3.12.1 DVC has claimed interest on working capital requirement on power purchase and other cost at Rs. 1023.68 lakh for the year 2022-23 in Annexure 1.17(b).

3.12.2 DVC in the instant petition has claimed the interest on working capital as per the regulation 5.6.5.1 of Tariff Regulations. Accordingly, DVC considered



@10% of power purchase cost for computation of working capital for the year 2022-23.

3.12.3 In terms of regulations 5.6.5.1 of the Tariff Regulations working capital requirement shall be assessed on normative basis @ 10%, where Monthly Variable Cost Adjustment (MVCA) exists on the base amount derived by summation of annual fixed charges and fuel and power purchase cost reduced by the amount of depreciation, deferred revenue expenditure, return on equity and other non-cash expenditures such as, the provision for bad-debt, reserve for unforeseen exigencies, special appropriation against any withheld amount of previous year, arrear on account of adjustment due to APR, FPPCA, etc. This Commission, thus, considers the working capital requirement @ 10% as claimed by DVC as per the aforesaid Regulation.

3.12.4 As per Audit Certificate of the petition, the security deposit held by DVC is Rs. 17155.75 lakh as on 01.04.2022. Further, Rs 6163.52 lakh has been added during 2022-23 and Rs 687.19 lakh has been refunded during 2022-23. Thus, security deposit held by DVC as on 31.03.2023 is Rs 23720.02 lakhs. The average balance of security deposit held by DVC is Rs. 20437.89 lakh, which is considered by this Commission while determining the interest on working capital.

3.12.5 Thus, in view of the above consideration, this Commission has admitted the above interest rate on Working Capital for the command area of West Bengal:

**Table-16: Interest on working capital as admitted by this Commission for West Bengal command area.**



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Sl. No	Particular	Unit	Admitted amount
1	Total Power purchase cost for WB part of DVC	Rs. Lakh	88661.76
2	Interest on security deposit payable to West Bengal consumers	Rs. Lakh	1208.42
3	Different petition filing fees to regulators and publication expenses for West Bengal command area	Rs. Lakh	283.07
4A	Cost of AMC charges for ULDC scheme apportioned for West Bengal command area	Rs. Lakh	18.62
4B	ULDC Expense (PGCIL) & ERPC charge	Rs. Lakh	272.32
5	Legal Charges for West Bengal command area	Rs. Lakh	104.29
6	Environmental Protection and Other Cess	Rs. Lakh	0.17
7	<b>Total [SUM (1:6)]</b>	Rs. Lakh	<b>90548.65</b>
8	Rate of Working Capital Requirement (%)	%	10.00%
9	Working Capital Requirement in Rs lakh for West Bengal command area (7x 8)	Rs. Lakh	9054.86
10	Average Security Deposit held by DVC for West Bengal command area	Rs. Lakh	20437.89

The average balance of security deposit is more than Working Capital Requirement for West Bengal command area. Therefore, the interest on working capital is not admissible as per provision 5.6.5.1 of the Tariff Regulations of the Commission.

### **3.13 Interest on Security Deposit to the consumers of West Bengal**

3.13.1 The Petitioner has claimed interest on the Security Deposit for the consumers of West Bengal at Rs 1208.42 lakh for the year 2022-2023 along with auditor's certificate and this Commission allows the above claim of the petitioner.



### **3.14 Different fees to CERC, WBERC and their related publication expenses**

3.14.1 The petitioner has claimed regulatory petition filing fees and publication expenses related to WBERC and CERC is Rs.343.54 Lakh., which comprised of Rs.167.51 Lakh in respect of actual Tariff Filing & APR Fees & Publication Expenses in WBERC and Rs.176.04 Lakh in respect of Tariff Filing Fees & Publication Expenses in CERC.

3.14.2 This Commission considers the fees and the publication expenses related to WBERC, as submitted by DVC, through auditor's certificate to the tune of Rs.167.51 Lakh for the FY 2022-23. This Commission allowed such claim of the Petitioner. The details of the same is given as follows:

**Table – 17: Admitted Regulatory fees and Publication expensed of West Bengal area**

<b>Sl. No.</b>	<b>Item</b>	<b>Admitted Amount Rs. Lakh</b>
1	Tariff filing fees related to WBERC	43.88
2	Licensee Fees	49.09
3	APR filing fees	7.33
4	Publication Expenses related to WBERC	67.21
5	Total fees paid to WBERC and publication expense related to WBERC	167.51

3.14.3 Further, this Commission from the Audited certificate finds that total tariff filling fees and annual license fees paid by DVC to CERC along with the related publication expenses for the year 2022-23 is Rs.461.52 Lakh. Therefore, the Commission finds it prudent to consider the proportionate share of entire tariff filling fees paid to CERC along with the related publication



expenses for the consumers of West Bengal and Jharkhand after deduction of such proportionate cost for bilateral consumers and the sale to Bangladesh and power exchange which is as follows: :

**Table – 18: Admitted regulatory fees and publication expense related to CERC**

Sl. No.	Item	Derivative	Admitted
1	Tariff filing fees paid to CERC in Rs. Lakh	A	454.13
2	Publication Expenses in Rs. Lakh	B	7.39
3	Total Tariff filing fees of CERC in Rs. Lakh	$C = A + B$	461.52
4	Ex Bus Own generation (MU)	D	40321.49
5	Ex Bus Own generation for DVC consumers (MU)	E	18318.51
6	Share of Tariff filing fees of CERC for consumers in Rs. Lakh	$F = C \times E / D$	209.67
7	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	G	55.112
8	Share for above in West Bengal Area	$H = F \times G / 100$	115.56

3.14.4 In forthcoming APR petitions, DVC is directed to submit the details of station wise fees paid to CERC, related publication expenses and recovery of such fees, charges and expenses from beneficiaries outside DVC command area and other details, if any.

### **3.15 Transmission and Distribution expenses**

3.15.1 CERC has determined the tariff for integrated transmission and distribution activities of DVC for the period 2019-20 to 2023–2024 vide their orders dated 02.03.2022, 10.06.2022 (corrigendum dated 23.07.2022) and



19.05.2024 for New and Existing Transmission and Distribution (T&D) System network respectively as shown in table-19 below. DVC has claimed fixed cost for T&D network in their APR petition based on the Tariff orders of CERC and availability of the T&D network and then proportionate cost for West Bengal consumers. Accordingly, the net fixed cost for T&D network has been claimed by DVC Rs. 28568.72 for the year 2022-23 as shown in Table-20.

3.15.2 DVC has not claimed any further expenditure on account of distribution systems. The admitted expenditure of CERC on account of unified transmission and distribution systems of DVC for the year 2022-23 is as follows:

**Table-19: AFC approved by CERC in Tariff orders for T&D system of DVC**

Particulars	Amount (Admitted) Rs. Lakh
AFC of existing elements (vide CERC's Order 482/TT/2020, dated 23.07.2022)	47816.75
AFC of Combined New Assets 1 (vide CERC's Order 713/TT/2020 dated 02.03.2022)	2180.45
AFC of Combined New Assets 2 (vide CERC's Order 12/TT/2020 dated 19.05.2024)	1223.80
<b>Total</b>	<b>51221.00</b>

3.15.3 This Commission considers that to arrive at the admissible amount for sale to consumers in West Bengal area based on admitted utilization of energy during the respective year. This Commission has considered applicable formula vide regulation 46(2) of CERC Tariff Regulations, 2019 on the total approved AFC (including Sinking fund for T&D assets) for integrated T&D system of DVC based on Normative Annual Transmission System Availability Factor (NATAF) in regulation 51 of CERC Tariff Regulations, 2019 and actual availability for the



years.

3.15.4 As stated earlier, it is observed from the letters dated 02.12.2024 and 20.12.2024 of DVC that except for MTPS U#5&6 and CTPS U#7&8, all other generating stations are directly connected to CTU system while supplying power to other licensees situated outside DVC command area. For MTPS U#5&6, it is shown as "CTU Connected (at Kalyanshwari)" and for CTPS U# 7&8, it is shown as "CTU Connected (at Dhanbad)" respectively. Accordingly, it is clear that ex-bus generation of MTPS U# 5&6 and CTPS U#7&8, sold to other licensee situated outside DVC command area, also uses the Composite T&D system of DVC network before getting connected with CTU system at Kalyaneswari and Dhanbad respectively.

3.15.5 Further, from the submission of DVC in the Review petition of APR Order for 2020-21 & 2021-22 before this Commission, it is observed that MTPS-Kalyaneswari lines (134.2 km.) used to connect the Generation bus of MTPS Unit 5 & 6 with CTU at Kalyaneswari Substation of DVC and CTPS-Dhanbad lines (45.6 km.) used to connect the Generation bus of CTPS Unit 7 & 8 with CTU at Dhanbad Substation of DVC. These two lines are 3.76% of Composite T&D network and sufficient capacity is available in those two lines for evacuating the generated power from MTPS #5&6 and CTPS #7&8 units. It is also submitted that Line specific transmission & distribution expense (i.e Average Revenue Requirement (ARR)) is not determined for DVC by CERC

3.15.6 Since asset-wise segregation of expense of Composite transmission & distribution network (T&D) of DVC is not presently available where such expense will depend on various factors, such as voltage grade, type of asset and age, capital investment and its financing cost etc, hence T&D expense of APR Order is admitted based on the existing methodology (i.e proportionate energy usage



through composite T&D network by the beneficiaries located outside DVC command area and the consumers of DVC in Jharkhand & West Bengal) till the final outcome of legal proceedings comes out regarding the methodology of sharing of Composite transmission & distribution network (T&D) of DVC for the consumers of West Bengal part of DVC and subsequent determination / availability of segregated expense of Composite transmission & distribution network (T&D) of DVC in the manner required to comply the Order of legal proceeding.

Accordingly, the proportionate cost of Unified T&D Network of DVC for the consumers of West Bengal by this Commission for FY 2022-23, as per existing methodology (i.e proportionate energy usage through composite T&D network) becomes as follows -

**Table-20: Admitted T&D Cost in West Bengal Command area of DVC**

Sl. No.	Particulars	Unit	Derivation	Admitted
1	Normative Annual Transmission System Availability Factor (NATAF)	%	A	98.50%
2	Actual Yearly Availability (TAFY)	%	B	99.69%
3	Total Annual Transmission charge (ATC) as per CERC Tariff Orders mentioned	Rs. Lakh	C	51221.00
4	[#] Recoverable fixed charge as per CERC formula: AFC x (TAFY/ NATAF)	Rs. Lakh	$D = C \times (B / 98.50\%)$	51839.81
5	Unit Sold to other Licensees through composite T&D system before connected with CTU system	MU	E	3850.66
6	Total annual sale of DVC in their command area in the State of West Bengal	MU	F	10997.44



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Sl. No.	Particulars	Unit	Derivation	Admitted
7	Total annual sale of DVC in their command area in the State of Jharkhand	MU	G	8957.44
8	Total energy through composite T&D system	MU	H = E+F+G	23805.54
9	Share of Sale in WB Command area of DVC (%)	%	I = F/H X100	46.20
10	T&D Cost in WB Command area of DVC	Rs. Lakh	J = DXI /100	<b>23948.43</b>

### 3.16 Rebate on sale of power

3.16.1 DVC has claimed rebate given to consumers on payment of bills in due time and the payment made through online mode in accordance with the directive given in the tariff orders. The petitioner has stated that such payment of rebate is booked in the Annual Accounts of the respective year as an expenditure item and is not included in the Revenue side. Accordingly, in the instant petition the timely payment rebate booked in the Annual Accounts of each year for the consumers of DVC in the state of West Bengal has been claimed with Auditor's Certificate.

3.16.2 This Commission admits such claim of Rebate and discount on sale of power allowed to the consumers for West Bengal area, amounting to Rs 10610.15 lakh for the financial year FY 2022-23.

### 3.17 Legal charges

3.17.1 DVC has claimed Legal charges amounting Rs 445.21 lakh for the year 2022-23 related to distribution activities in the State of West Bengal in accordance with Regulation 5.7.2 (ii) of Tariff Regulations. It is submitted by DVC that they



have incurred substantial legal expenses in relation to the various court cases pertaining to its distribution activity in the states of Jharkhand and West Bengal. In this regard an Auditor's certificate is submitted with the petition. In this regards, this Commission had admitted Rs. 104.29 lakh for West Bengal part of DVC command area in tariff order against the claim of Rs. 105.17 Lakh. The justification submitted by DVC in the present APR petition for such increase in legal charges is not admissible considering this expense being a controllable item as per Tariff Regulation., Thus the legal charge of Rs 104.29 lakh, admitted amount of Tariff Order, is allowed for the consumers of West Bengal command area of DVC as per Regulation 5.7.2 (ii) of Tariff Regulations.

### **3.18 Interest on temporary financial accommodation**

3.18.1 DVC has stated that due to short payment / no payment made by the consumers of both the state i.e. West Bengal and Jharkhand, they had to resort to short term loan ('line of credit') for smooth operation of its generating stations and also for payment of power purchase bill in time to bridge the gap between the Revenue Billed and Revenue realized. The petitioner has also stated that the entire Delayed Payment Surcharge on account of all the Firm consumers of DVC of both the state is adjusted as Non-tariff Income in the instant APR petition.

3.18.2 DVC has submitted that the cost of temporary accommodation has been claimed as per provision of regulation 5.6.5.4 of Tariff Regulations as the financing cost of the principal amount which could not be recovered from the consumers within due time. DVC prays to allow the Temporary Financial Accommodation on notional basis commensurate with the Delayed payment surcharge (DPS) income of the West Bengal part only.



3.18.3 This Commission observes that in the Annual Statement of Account of DVC for the year 2022-23. It has also been observed that 'Short Term Line of Credit' of Rs.5850 Cr. for financing over dues of power Consumers for the financial year 2022-23 where DPS amount as per Audit certificate is Rs. 519.95 Cr.

However, in the Annual Financial statement it is nowhere reflected that the Short-Term Line of Credit or its part is related to sale to consumers of West Bengal. Neither they have submitted any specific document related to their claim in Form-1.17(a) for Temporary accommodation for sale in West Bengal. Since DVC could not substantiate their claim of temporary accommodation with the details of loan actually drawn for the purpose of the consumers of West Bengal, therefore, this Commission finds it prudent not to admit any interest on temporary accommodation.

### **3.19 O&M Expenses on ULDC communication system**

3.19.1 The petitioner has submitted that in terms of the tariff approved by CERC in Order dated 14.12.2017, vide case no. 232/TT/2016 and 181/TT/2018 dated 30th September 2019) the ULDC charges billed by Power Grid Corporation of India Limited (PGCIL) and booked under ULDC charges in Annual Report of DVC. This amount excludes O&M charges related to the communication assets established by PGCIL under ULDC scheme. Since operation & maintenance of the ULDC hardware connected with the system of the utility is the responsibility of the respective utilities as per the aforesaid order, DVC entered into a contract with PGCIL for maintenance of the entire ULDC scheme established by PGCIL for system of DVC. Accordingly, PGCIL prefers separate bills to DVC for O&M charges related to the ULDC scheme, which was paid from Area Load Despatch Centre (ALDC) of DVC at Maithon as booked in Annual Report under O&M expenditure head. Further, the ULDC



tariff claimed by PGCIL from its beneficiaries as approved by CERC, does not include the O&M expenses. Individual utilities are required to operate and maintain the ULDC assets. DVC submits that they incur regular expenditure on the AMC contract of O&M activities, and this is essential to maintain proper operation of the scheme. Hence, DVC has submitted their claim against such expenses, which is uncontrollable in nature.

3.19.2 In this context, DVC has submitted the auditor's certificate along with their petition for a claim of Rs 74.37 Lakh for the year 2022-23. The relevant portion of the CERC order dated 14.12.2017 in the matter of approval of transmission tariff for Main SCADA EMS System-5 assets under project – "Expansion/upgradation of SCADA/EMS System of SLDCs of Eastern Region" filed by PGCIL, is reproduced below:

*"The petitioner (PGCIL) has submitted that Annual Maintenance Contract (AMC) of SCADA/EMS systems established under ULDC Scheme for all the constituents is the responsibility of the respective SLDCs in line with the ER-ULDC project and therefore not claimed O&M charges for the same. Therefore, no O&M Expenses are allowed for the instant assets."*

3.19.3 Since O&M expenses of SCADA/EMS system of ULDC is separately claimed by DVC in the instant petition & such O&M expense is not considered by CERC during determination of the ULDC charges for PGCIL, hence this Commission admits Rs. 18.57 Lakh for the retail Distribution Business under West Bengal part of DVC and the same is computed as follows:

**Table – 21: ULDC Charges as Admitted**



Order on APR of DVC for the year 2022-23

Head	Admitted
ULDC Charge claimed by DVC (Rs Lakh)	74.37
Ex Bus Own generation (MU)	40321.49
Ex Bus Own generation for consumers of DVC (MU)	18318.51
ULDC Charge for consumers of DVC based on proportionate generation (Rs Lakh)	33.79
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	55.112
ULDC charge for consumers of WB part of DVC based on sale ratio (Rs Lakh)	<b>18.62</b>

**3.20 ULDC charges of Power Grid Corporation of India Limited (PGCIL), & ERPC Charge:**

3.20.1 DVC has claimed ULDC charges of Power Grid Corporation of India Limited (PGCIL) & ERPC Charge with power purchase cost for 2022-23. It has already been explained in earlier paragraph related to power purchase that those cost shall be payable by the consumers of DVC of Jharkhand and West Bengal part and also by other sale of DVC beyond its command area.

3.20.2 Accordingly, the Commission admits ULDC charges of PGCIL & ERPC Charge for the Distribution Business under West Bengal part as computed hereunder:.

**Table – 21: ULDC Charge of PGCIL & Other Charges as Admitted**

SI No	Head	Admitted
<u>1</u>	ULDC Charge paid to PGCIL as per CERC order (Rs Lakh)	1071.64
<u>3</u>	ERPC Charge (Rs Lakh)	16.00



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SI No	Head	Admitted
4	Total Other charges including ULDC charge of PGCIL 5=1+2	1087.64
5	Ex Bus Own generation (MU)	40321.49
6	Ex Bus Own generation for consumers of DVC (MU)	18318.51
7	ULDC charge paid to PGCIL & other charges for consumers of DVC based on proportionate generation (Rs Lakh)	494.13
8	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	55.112
9	ULDC charge paid to PGCIL & other charges for consumers of WB part of DVC based on sale ratio (Rs Lakh)	<b>272.32</b>

### 3.21 Environmental Protection Cess:

3.21.1 DVC has claimed the Environmental Protection Cess of Rs. 0.67 Lakh paid to different state authorities in proportion to the energy utilized in the distribution activity. In this regard, an Auditor's certificate is submitted with the petition as per directive given in the Tariff order. Environmental Protection Cess for the consumers under the DVC command area in West Bengal part of DVC is computed below:

**Table-22: Environmental Protection Cess**

Particulars	Derivation	Unit	Admitted
Environmental Protection Cess for own generation of DVC	A	Lakh	0.67
Ex-Bus Own Generation of DVC	B	MU	40321.49
Ex-Bus Own Generation of DVC for Consumers	C	MU	18318.51



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Particulars	Derivation	Unit	Admitted
Cess for consumers of DVC	$D=A \times (C / B)$	MU	0.30
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	E	%	55.112
Cess for consumers of DVC in WB part	$F=D \times E / 100$	Rs. Lakh	0.17

### 3.22 Open Access Charges

3.22.1 DVC submitted that they have adjusted the Open Access Charge of Rs. 9207.93 Lakh received during FY 2022-23 in their petition. As per direction of the CERC at para 17 of the order dated 07.08.2023 in petition no 87/MP/2021, the Commission admits such charges in sale ratio of Jharkhand and WB, for the FY 2022-23, which is shown in the following table.

**Table-23: Open Access Charges received for transmission system**

Financial Year	Open Access Charges Received by DVC (Rs Lakh)	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	Share of open access charges in West Bengal (Rs. Lakh)
FY 2022-23	9207.93	55.112	5074.67

### 3.23 Non-Tariff Income

3.23.1 DVC has considered only the Delayed Payment Surcharge (DPS) amount on account of firm consumers of DVC as Non-Tariff Income (NTI) and deducted it from the gross Aggregate Revenue Requirement of DVC. The petitioner has claimed the DPS amount of Rs. 2398.15 Lakh from consumers of West Bengal



and other licensees as Non-Tariff Income duly certified by the Auditor of the Chartered Account firm is attached with the petition. As per submission of DVC, there is no capital investment and no asset attributed to the distribution activity and there is no profit margin in the distribution tariff of DVC, thus only the delayed payment surcharge related to distribution activity is considered as Non-Tariff Income by the petitioner.

3.23.2 DVC has further submitted that there are no other elements in tariff, which are allowed by this Commission, from where other income can be generated. The elements under 'Other Income', which are not considered by DVC as non-tariff income, are as follows:

- a) Interest from Employees Loan and Advances
- b) Interest on Non-Current Investment
- c) Interest on IT refund
- d) Interest on Security Deposit for Purchase of Power
- e) Interest on Short Term deposit
- f) Interest on CLTD
- g) From Others
- h) Dividend – Non-Current Investment
- i) PMKUSUM Grant: (Rs. 0.49 Cr.)
- j) Income from Service Charge
- k) Profit on Disposal of Fixed Assets
- l) Provision of Written Back Employees Benefits
- m) Provision of Written Back – Fixed Assets



- n) Provision of Written Back against Doubtful Debts
- o) Provision of written back Stock-Current assets
- p) Other Miscellaneous Income

3.23.3 In the Tariff order dated 07.03.2024, DVC was directed to submit clarification against each element of other income of power business of Audited Annual Accounts for 2022-23, which are excluded by them from Non-Tariff Income in the APR petition.

3.23.4 Accordingly, element wise justifications of other income of Annual Accounts, excepting Inter head transfer, Common Service & Capitalized, for non-qualification as non-tariff income is furnished by DVC in the petition.

3.23.5 DVC also submits that in the tariff order dated 31.10.2023 for the period FY 2006-07 to FY 2011-12, JSERC has considered the entire other income booked in the annual report of DVC as the Non-Tariff Income and deducted it from the ARR. Aggrieved with the order dated 31.10.2023, DVC filed appeal before Hon'ble APTEL. The Hon'ble APTEL while disposing the appeal vide order dated 05.02.2024, has held the following,

*"The 1st Respondent Commission's jurisdiction to determine the tariff is confined only to the retail supply business of the Appellant within the State of Jharkhand, and not beyond. Consequently, the 1st Respondent Commission lacked jurisdiction to include the non-tariff income of the Appellant arising from its generation, transmission and other businesses as its non-tariff income with respect of its distribution business. The tariff of the Appellant, with respect to its generation and transmission business, is determined by the CERC in terms of its Regulations; determination of the tariff for its distribution business in the State of West Bengal falls within the jurisdiction of WBERC, and in the State of Jharkhand within the jurisdiction of the 1st Respondent*



*Commission. Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant's distribution business in the State of Jharkhand, would not confer jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual revenue requirement of the Appellant for its distribution business in State of Jharkhand.*

*We consider it appropriate, in such circumstances, to set aside the impugned order and remand the matter to the 1<sup>st</sup> Respondent Commission to ascertain the break-up of the non-tariff income of the Appellant as reflected in the Audited Accounts for FY 2006-07 to FY 2011—12, between its generation, transmission, distribution and other Business: and treat only the non-tariff income, relating to the Appellant's distribution business in the state of Jharkhand as its non-tariff income which is required to be reduced from its ARR for FY 2006-07 to FY 2011—12, and then pass an order afresh in accordance with Law.*

*.....  
Since determination of the non-tariff income of the Appellant will have a bearing on determination of their ARR for FY 2006-07 to FY 2011--12, we request the Commission to undertake the exercise with utmost expedition, and endeavor to pass an order afresh at the earliest, preferably within three months from the date of receipt of a copy of this order. Needless to state that, before passing an order afresh in the light of the aforesaid observations, all the parties to the proceedings shall be afforded a reasonable opportunity of being heard. The appeal is, accordingly, disposed of. All pending IAs, if any, shall stand disposed of."*

3.23.6 DVC in their submission in the petition stated that determination of both generation tariff and transmission tariff of DVC falls under the jurisdiction of CERC. This Commission only adopts the generation and transmission tariff of



DVC as determined by CERC while arriving at the Aggregate Revenue Requirement (ARR) for its distribution activity in the state of West Bengal for the respective years.

So far as generation and transmission tariff of DVC is concerned, applicable CERC Tariff Regulations for 2014-19 period do not envisage any concept of considering Non-Tariff Income. However, in the Tariff Regulation of 2019, there are provisions for consideration of Non-Tariff income. In accordance to the said Regulation, if any income qualifies as Non-Tariff income, it will be considered in the AFC of the Generating Stations and T&D network by CERC in the true-up order of 2019-24 period. Subsequently, AFC so determined by CERC, will be the input cost of the Distribution Activity.

3.23.7 As per submission of DVC regarding element-wise income, it transpires that following elements fall under CERC, not under the distribution business directly in view of justification given by DVC. However, upon admittance of those incomes by CERC, the share of such income should have to be passed on to the consumers of West Bengal served by DVC under Distribution business.

- i. Interest from Employees Loan and Advances: (Rs. 0.13 Cr.):
- ii. Interest from Non-Current Investment: (Rs. 0.18 Cr.)
- iii. Interest on IT Refund (Rs. 1.06 Cr.)
- iv. Profit on Disposal of Fixed Assets (Rs. 19.33 Cr.)
- v. Other Miscellaneous Income: (Rs. 206.01 Cr.)
- vi. Provision written back Stock-Current assets (Rs.0.19 Cr.)
- vii. Provision written back – Fixed Assets (Rs.4.74 Cr.)
- viii Provision for Written Back Employees Benefits (Rs.5.00Cr.)



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ix Income from Service Charges (Rs.19.70 Cr.)

DVC also submitted that following elements of income which do not fall under tariff determination process as DVC has made investment out of own fund.

- i. Interest on Short Term Deposit (Rs. 11.17 Cr.)
- ii. Interest on CLTD (Rs. 0.16 Cr.)
- iii. From Others (Rs. 0.92 Cr.)
- iv. Dividend – Non-Current Investment: (Rs. 236.57 Cr.)

DVC submitted that there is no actual income in following heads

- i. Rs 0.49 Cr was booked as income inadvertently under the head of PMKUSUM grant during the FY 2021-22, which is now rectified through a reverse entry in 2022-23. As such, there is no actual income under the head of PMKUSUM grant.
- ii. Rs. 7.94 Cr provision created for doubtful debt in the past year is now been written back and booked as an income item in the FY 2022-23. The entire revenue billed, irrespective of its realization, is being considered to compute the Revenue Gap/Surplus amount. This is merely a book adjustment. Hence, this provision cannot be construed as the Non-Tariff income.

3.23.8 This Commission has reviewed the submissions made by DVC and considers only Late Payment Surcharge (LPS) or Delayed Payment Surcharge (DPS) as Non-Tariff Income for retail supply in West Bengal part of DVC in the instant APR order. However, admission of Late Payment Surcharge should not be correlated by DVC with interest on temporary accommodation as contended by them in respective para.



3.23.9 This Commission admits Non-Tariff Income for West Bengal part of DVC in the instant APR order at Rs 2398.15 Lakh. Rs 0.02 Cr interest income against security mechanisms in the form of cash deposit to PTC (Power Trading Corporation) for power purchase. Is also considered as Non-Tariff income as Power purchase cost is being paid by the consumers of Jharkhand and West Bengal.

**Table-29: Non-Tariff income**

Particulars	Derivation	Unit	Admitted
Interest against Security deposit of power purchase for consumers of DVC	A	Lakh	2
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	B	%	55.112
Interest against Security deposit of power purchase for consumers of DVC in WB part	C	Rs. Lakh	<b>1.10</b>
DPS for West Bengal	D	Rs. Lakh	2398.15
Total Non-Tariff Income	E = C + D	Rs. Lakh	2399.25

3.23.10 In case of admission of any NTI by CERC, DVC shall pass on such income to the consumers of West Bengal part of DVC. A declaration shall also be provided in APR order whether any NTI is admitted by CERC with detail statement.



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ANNEXURE – 1

**Power Purchase Cost for the FY 2022-23**

Agency	Gross Purchased Energy	Net Purchased Energy	Fixed Charge	Energy Charge	Trans Charge (excl ULDC charge & ERPC Ch)y	Others excluding provision of KBUNL	Total Purchase Cost
	MU	MU	(Rs Lakh)	(Rs Lakh)		(Rs Lakh)	(Rs Lakh)
<b>NHPC</b>							
Rangit	31.63	<b>30.55</b>	639.52	602.56	310.08	170.55	1722.71
Teesta	239.34	<b>231.10</b>	2954.97	2772.99	2346.12	900.94	8975.02
<b>NTPC</b>							
TSTPS-1 (NTPC)	14.30	<b>13.79</b>	133.46	274.73	140.19	164.94	713.32
KhTPS-2(Prior period adjustment)			19.20	0.00		26.32	45.52
NTPC (Talcher, Unchhar) Solar	28.51	<b>28.51</b>		2665.74		1.33	2667.07
NTPC - VVNL Solar	28.80	<b>27.77</b>		3176.68		307.39	3484.07
NVVN Trans. Charge					424.75		424.75
<b>PTC power from Bhutan</b>							
Chukha (PTC)	163.86	<b>158.34</b>		3935.11	1606.26		5541.37
Kurichu (PTC)	9.37	<b>9.05</b>		213.60	91.84		305.44
Tala (PTC)	131.59	<b>127.17</b>		2987.07	1289.92		4276.99
PTC (Tran. Charges)					83.16		83.16
<b>MPL</b>	1081.44	<b>1043.16</b>	15512.79	29606.84	10600.94	1004.39	56724.96
KBUNL	0.00	<b>0.00</b>	478.53			0.00	478.53
JEM Solar Power	3.83	<b>3.83</b>	0.00	127.00		24.35	151.35
<b>Power Exchange (IEX, PXIL)</b>	387.54	<b>374.34</b>	0.00	22798.79			22798.79
<b>Power Exchange (REC)</b>							0.00



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GDAM Purchase - Solar	100.03	96.59	0.00	6246.26			6246.26
GDAM Purchase - Non-Solar	243.25	234.41	0.00	16108.53			16108.53
<b>TOTAL</b>	<b>2463.49</b>	<b>2378.61</b>	<b>19738.47</b>	<b>91515.90</b>	<b>16893.26</b>	<b>2600.21</b>	<b>130747.84</b>
<b>TOTAL excluding RE</b>		<b>1987.50</b>	<b>19738.47</b>	<b>63191.69</b>	<b>16893.26</b>	<b>2267.14</b>	<b>102090.56</b>

Power Purchase Cost excluding cost of RE for DVC (Rs lakh)	A	102090.56
Percentage of share for sale in West Bengal (%)	B	55.112
Power Purchase Cost excluding cost of RE for Share of sale in West Bengal (Rs Lakh)	$C=A \times B\%$	56264.15
RE Cost for West Bengal part of DVC (Rs lakh) as per RPO sheet (Refer to Annexure – 2)	D	32397.61
Power Purchase Cost including cost of RE for Share of sale in West Bengal (Rs Lakh)	$E=C+D$	88661.76



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ANNEXURE – 2

**Renewable Purchase Obligation (RPO) of DVC for FY 2022-23**

SI No.	Particulars	Derivation	Jharkhand	West Bengal	Total
1	Firm sale to DVC Consumers (MU)	A	8957.44	10997.44	19954.88
2	Firm sale to licensees included above in firm mode (MU) #	B	0.00	809.95	809.95
3	Hydro Power Consumption from Own station (based on sales ratio in JH &WB)	B1	105.44	129.45	234.89
4	Hydro Power Consumption from external sources (based on sales ratio in JH &WB)	B2	258.46	317.33	575.79
5	Firm sale considered for RPO(MU)	C = A - B-B1-B2	8593.54	9740.71	18334.25
6	Total firm sale of DVC (MU)	D = TOTAL OF 'A'	19144.93		
7	Sales ratio for Jharkhand & West Bengal part of DVC	E = A/D (%)	46.87%	53.13%	100.00%
8	Quantum of T&D loss of entire DVC (MU)	F	564.28		
9	T&D loss apportioned to Jharkhand & West Bengal part (MU)	G = E x F	253.29	310.98	564.28
10	Total energy for firm sale (MU)	H = C + G	8846.83	10051.69	18898.53
11	Applicable percentage for solar RPO as per the applicable Regulation	I	11.50%	6.00%	----
12	Applicable percentage for Non-solar RPO as per the applicable Regulation	J	11.50%	11.00%	----
13	Quantum of Solar RPO (MU)	K = I x H	1017.39	603.10	1620.49
15	Quantum of Non Solar RPO (MU)	L = J x H	1017.39	1105.69	2123.07
16	Total solar energy purchased to meet solar RPO(MU) [NTPC+NTPC VVNL+GDAM+JEM]	M			161.17
17	Solar RPO met for Jharkhand & West Bengal part (MU)	N1 = M x (RPO of JH or WB) / (Total RPO of DVC)	101.19	59.98	161.17
18	Solar RPO met through Net Metering (CLW) (MU)	N2	0.00	5.94	5.94
19	Solar RPO met through Rooftop Solar Plant at KTPS and MTPS (MU)	N3	0.03	0.02	0.05
20	Solar REC (Nos.) purchased in 2022-23		965491	503108	1468599



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21	Equivalent solar RPO met for 2022-23 (MU)	N4	965.49	503.11	1468.60
22	Shortfall for Solar RPO (MU) in FY-2022-23	$O = K-N1-N3-N4$	-49.32	39.99	-9.33
23	Total Non-solar energy purchased to meet Non-solar RPO(MU) [GDAM]	P	243.25		243.25
24	Non-Solar RPO to be met for Jharkhand & West Bengal part (MU)	$Q = P \times (\text{RPO of JH or WB}) / (\text{Total RPO of DVC})$	116.57	126.68	243.25
25	Non-Solar REC (Nos.) purchased in 2022-23		1161336	1026072	2187408
27	Equivalent Non-solar RPO met for 2022-23 (MU)	R1	1161.34	1026.07	2187.41
28	Non-Solar RPO met through applicable hydro generation (MU)	R2	2.28	0.00	2.28
29	Shortfall for Non-Solar RPO (MU) in FY 2022-23	$S = L-Q-R1-R2$	-262.80	-47.07	-309.87

# Licensee sale to WBSEDCL & IPCL is considered for meeting RPO of DVC

**Power Purchase Cost as admitted for fulfillment of RPO of DVC for FY 22-23**

Particulars	Agencies	Amount (Rs. Lakh)
Cost of Solar Power	NTPC & NRVNL & JEM	6727.24
Cost of GDAM Solar	Energy Exchange	6246.26
Cost of GDAM Non-Solar	Energy Exchange	16108.53
REC Solar (JH)	Energy Exchange	13167.97
REC Non-Solar (JH)	Energy Exchange	13977.84
REC Solar (WB)	Energy Exchange	6830.17
REC Non-Solar (WB)	Energy Exchange	12349.80
RPO Cost of JH		43010.21
RPO Cost of WB		32397.60



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**RE Power Purchase**

<b>Head</b>	<b>RE Purchase (in MU) for WB</b>	<b>RE Purchase (in MU) for JH</b>	<b>RE Purchase (in MU) for WB+JH</b>
Solar purchase in MU (A)	<b>59.98</b>	<b>101.19</b>	<b>161.17</b>
Non-solar purchase in MU (B)	<b>126.68</b>	<b>118.85</b>	<b>245.53</b>
<b>TOAL RE Purchase MU (C= A+B)</b>	<b>186.67</b>	<b>220.04</b>	<b>406.70</b>



## CHAPTER - 4

### AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

4.1 As shown in the previous chapter, the different allowable charges for the year 2022-23 of the generating stations of DVC as well as for its distribution functions including retail selling activities, the net ARR for sale to consumers and licensees in radial mode in West Bengal has been summarised below: -

**Table– 29: Net ARR for sale to Consumers and Licensee in Radial Mode in West Bengal**

Particulars	Derivation	Claim (Rs. Lakh)	Admitted (Rs. Lakh)
Power Purchase Cost (excluding RE power)	A	63072.41	56264.15
Cost of RE power purchase including REC to meet the solar RPO in the state of West Bengal	B	32424.02	32397.61
<b>Total Power Purchase cost</b>	<b>A+B</b>	<b>95496.43</b>	<b>88661.76</b>
Generation cost (without RE cost)	C		522555.87
Incentive amount for MTPS-1-3, MTPS-4, MTPS-7&8, KTPS-1&2, CTPS-7&8, BTPS-A	D	523300.60	236.32
RE Generation cost	E		0.65
<b>Total Generation Cost</b>	<b>C+D+E</b>	<b>523300.60</b>	<b>522792.84</b>
Transmission and distribution cost	F	28568.72	23948.43
Expenses against UI Charges	G	10679.00	
Interest on Temporary Accommodation	H	1678.70	0.00
Interest on Working capital	I	1023.68	0.00



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Particulars	Derivation	Claim (Rs. Lakh)	Admitted (Rs. Lakh)
Different petition filing charges to CERC and its publication fees in West Bengal part	L	176.04	115.56
Filing Fees & Publication Expenses of WBERC	M	167.51	167.51
Legal Charges for West Bengal part	N	445.21	104.29
Environmental Protection and Other Cess	O	0.37	0.17
Interest on security deposit payable to West Bengal consumers	P	1208.42	1208.42
O&M Expenses of communication system under ULDC Scheme	Q	40.99	18.62
ULDC charge of PGCIL & ERPC charge claimed in Power Purchase	Q1	0.00	272.32
Rebate on sale of Power in West Bengal part	R	10610.15	10610.15
Gross Total	S=SUM(A:R)	<b>673395.82</b>	<b>647900.06</b>
Less: Open Access Charge		5074.67	5074.67
Less: Non-tariff income	T	2398.15	2399.25
Less: Amount receivable due to UI export		0.00	1610.63
Net ARR for sale to consumers and Licensees in radial mode in West Bengal	U	665922.99	638815.50

#### 4.2 Revenue from other licensee in radial mode in West Bengal

4.2.1 DVC has submitted the following in relation to revenue from other licensees in radial mode in West Bengal:

4.2.2 The radial supply to WBSEDCL and IPCL was considered in retail consumer



mode till the orders dated 01.03.2019 of this Commission passed in the tariff proceedings of WBSEDCL and IPCL (Case No. OA-272/18-19 & Case No. OA-273/18-19), wherein the supply of power by DVC to them was not considered under retail supply mode. DVC has filed appeals before APTEL vide appeal no. 216 of 2019 and 190 of 2019 in view of non-recovery of the entire Revenue billed to WBSEDCL and IPCL on account of the above orders.

4.2.3 In the tariff order dated 05.05.2022 for 2017 – 18, order dated 17.06.2022 for the FY 2018 – 19 and 2019-20 and Tariff Order dated 07.03.2024 for the year 2020-21 to 2022-23, this Commission has deducted the revenue requirement of DVC from WBSEDCL and IPCL from the approved ARR to arrive at the average cost of supply from which the Tariff was designed for the consumers other than WBSEDCL and IPCL. This has resolved the mismatch in consideration of revenue requirements effective from 01.04.2017.

4.2.4 DVC has prayed before this Commission to consider the revenue realized amount from IPCL and WBSEDCL instead of the billed amount to the said licensees for the purpose of determination of revenue gap / surplus with auditor's certificate as below.

**Table – 30: Revenue recovered from other licensees in radial mode in West Bengal command area of DVC**

Particulars	Amount (Rs. Lakh)
Revenue recovered from IPCL in radial mode in WB command area of DVC	11315.74
Revenue recovered from WBSEDCL in radial mode in WB command area of DVC	25766.48
Total	37082.22

4.2.5 This Commission maintains that DVC's sale of power to other licensees by name



WBSEDCL and IPCL on radial mode cannot be treated as sale of power by a generating company to a consumer and both the parties are at liberty to settle the issues as per the provisions of law now in force, as decided in the Order dated 01.03.2019 in Case No. OA-272/ 18–19 and Order dated 01.03.2019 in Case No. OA-273/ 18–19. This Commission has also noted that the appeals of DVC to APTEL against the above-mentioned orders being Appeal Nos. 190 of 2019 and 216 of 2019 are under scrutiny of the Hon'ble APTEL. In absence of any bilateral settlement between DVC and WBSEDCL as well as DVC and IPCL, the revenue realized from the respective licensees for radial sale have been considered by this Commission as claimed by DVC.

4.3 Accordingly, revenue gaps for the consumers of DVC in the state of West Bengal area are shown as follows:

**Table –31: Revenue gap for the consumers in WB command area of DVC**

Sl. No.	Particulars	Amount (Rs. Lakh)
1	Total revenue to be recovered through tariff in WB command area of DVC	<b>638815.50</b>
2	Revenue realized from IPCL in radial mode	<b>11315.74</b>
3	Revenue realized from WBSEDCL in radial mode	<b>25766.48</b>
4	Net ARR for Sale to consumers excluding Licensees in radial mode in West Bengal [1 – (2+3)]	<b>601733.28</b>
5	Revised Revenue billed to Consumers excluding Licensees (in radial mode) after implementation of Tariff Order dated 07.03.2024	<b>584213.56</b>
6	Revenue Gap (+)/Surplus (-) [4 – 5]	<b>17519.72</b>

5. In terms of regulation 2.6.6 of the Tariff Regulations, the entire recoverable amount or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for any subsequent year or through a separate order as may be decided by this Commission.



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6. After issuance of all True-up order by CERC, DVC shall compute the adjustment amount, if any, based on respective truing up order and submit the same along with the subsequent APR.
7. DVC is to take note of this Order.
8. A copy of the order shall be posted in the website of the Commission.
9. DVC shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

**Sd/-**  
**(DR. MALLELA VENKATESWARA RAO)**  
**CHAIRPERSON**

**Dated: 19.01.2026**

**Sd/-**  
**DEPUTY DIRECTOR, WBERC**