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

**IN CASES NO.:  
FPPCA – 91/ 18–19 AND  
APR – 71 / 18–19**

**IN REGARD TO THE APPLICATION SUBMITTED BY THE  
DURGAPUR PROJECTS LIMITED FOR FUEL AND POWER  
PURCHASE COST ADJUSTMENT AND ANNUAL  
PERFORMANCE REVIEW FOR THE FINANCIAL YEAR 2017-18**

**PRESENT:**

**SRI MALLELA VEKATESWARA RAO, CHAIRPERSON**

**SRI PULAK KUMAR TEWARI, MEMBER**

**DATE: 17.08.2023**



## CHAPTER – 1 PREAMBLE

- 1.1 In terms of the provisions contained in regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), the generating companies or the licensees, as the case may be, are subject to an Annual Performance Review (in short 'APR'). The Durgapur Projects Limited (hereinafter referred to as 'DPL') submitted their application for Fuel and Power Purchase Cost Adjustment (in short 'FPPCA') and Annual Performance Review (APR) for 2017-18 on 31.01.2019 in terms of the provision contained in Tariff Regulations. The applications were registered as APR-71/18-19 and FPPCA-91/18-19.
- 1.2 The annual performance review application on the basis of the audited annual report and accounts of DPL for 2017-18 with reference to the tariff order dated 03.08.2020 of West Bengal Electricity Regulatory Commission (in short 'Commission') in Case No. TP-66/16-17 will resultant into adjustment on different heads. The net adjustment arises out of such review on different heads will be considered for giving effect to while determining the amount of revenue adjustable through tariff order for further ensuing year or through separate order as specified in regulation 2.6.6 of the Tariff Regulations.
- 1.3 The APR covers the areas of permissible annual fixed charges determination, permissible incentives and the effect of gain sharing as per Schedule-9B and Schedule 10 to the Tariff Regulations respectively. In the APR for the year 2017-18, therefore, the review of the different elements of fixed charges, categorized as controllable and uncontrollable has been done to find out the amounts to be permitted to DPL against each head of elements vis-à-vis the amount allowed under tariff order for 2017-18.
- 1.4 In the application of APR and FPPCA for 2017-18, DPL submitted the required data and information and also a copy of its audited Annual Report and Accounts for 2017-18. Both, the applications of APR and FPPCA for 2017 - 18 of DPL had been admitted by the Commission on 08.09.2021. On admission of the FPPCA and APR applications, DPL was directed to publish the gist of the APR application 2017-18, as approved by the Commission. Accordingly, the gist was published in 'Aajkal', 'Sangbad Pratidin', 'Bartaman' and 'The Times of India' on 10.10.2021. The said gist was also hosted in the website of the DPL. The publication requested for submission of suggestions and



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objections on the application to the Commission within twenty-one (21) days (inclusive the day of publication) from date of publication.

- 1.5 No comment, suggestion, objection on applications for APR for the year 2017-18 of DPL has been received during the stipulated time.



## CHAPTER – 2 COMPUTATIONS OF THE ALLOWABLE FUEL AND POWER PURCHASE COST

- 2.1 In this part of the order, the Commission takes up the determination of fuel and power purchase cost allowable to DPL on the quantum of power sold by it to the consumers and other licensees during the financial year 2017-18.
- 2.2 The Fuel and Power Purchase Cost (FPPC) during the referred adjustment period, i.e., financial year 2017-18, is to be admitted in terms of the formula as specified by the Commission in schedule 7A to the Tariff Regulations.
- 2.3 DPL is a multi-unit company fully owned by the Government of West Bengal. Besides functioning as a distribution licensee, it runs a thermal generating station, a coke oven plant and water work. Part of the generation of electricity at the generating station is being utilized by other sister units. The energy balance for the year 2017-18 is as follows:

Table 2.1

SI No	Particulars	Energy in MU
<b>SUPPLY SIDE</b>		
1	Gross Generation	2524.46
2	Auxiliary consumption	228.47
3	Net Ex-Bus Generation (1-2)	2295.99
4	Purchase during the year including UI	195.37
5	Total energy available (3 + 4)	2491.36
<b>UTILISATION SIDE</b>		
6	Sale of power to WBSEDCL at 220/132/33 kV	545.57
7	Sale of power to others (IEX)	0.02
8	Total Energy Available (5-6-7)	1945.77
9	Inter Plant Transfer	10.31
10	Consumption at own premises	15.00
11	Sale to Consumers including sale to WBSEDCL at 11 kV	1843.72
12	Distribution Loss (8-9-10-11)	76.74
13	Distribution loss in % (12÷8)	3.94
14	Total Utilisation (6+7+9+10+11+12)	2491.36

- 2.4 The schedule – 9B to the Tariff Regulations, contains provisions for sharing the gains derived by the licensee, if any, on account of its better performances over the operating and fuel consumption norms set by the Commission for the concerned year. The operational parameters which are to be considered for such sharing gains are:



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- i) Oil consumption rate,
  - ii) Rate of Auxiliary Consumption,
  - iii) Gross Station Heat Rate.
- 2.5 The referred schedule 9B to the Tariff Regulations also provides that in case availability of a generating station of licensee falls below the availability norm, then the total gains meant to be passed on to the consumers under the items (i) to (iii) above, is first to be used to compensate the deficit in the recovery of the fixed charges, if any, by the licensee.
- 2.6 Before ascertaining the amount of admissible fuel and power purchase cost as well as the amount of gains to be shared with the consumers and other licensees under the provisions of the Tariff Regulations explained in earlier paragraphs, the actual performances of DPL is required to be viewed in comparison to the operational and fuel efficiency norms set by the Commission in the Tariff Order for the concerned year. Such comparisons are made in the subsequent paragraphs.
- 2.7 Unit wise actual quantum of oil consumption in KL , energy generated in MU and rate of oil consumption in ml/kWh during the year 2017-18 are tabulated below: .

2017-18	Unit-VI	Unit-VII	Unit-VIII	
Oil Consumption (kL)	475.54	1748.60	936.79	
Energy Generation (MU)	1.994	1517.092	1005.377	
Oil Consumption Rate (ml/kWh)	238.49	1.15	0.93	

It is observed from the above that the rate of oil consumption, , came to 238.49 ml/kWh, 1.15 ml/kWh and 0.93 ml/ kWh for Unit VI, VII and VIII respectively. Thus, oil consumption for Unit VIII had been lower than the normative oil rate of 1 ml/kWh. Gain sharing needs to be computed for better oil rate for Unit-VIII.

Unit wise actual rate of auxiliary consumption are 9.73%, 9.07% and 9.02% for Unit VI, VII and VIII respectively as tabulated below. Thus, actual auxiliary consumption rate is lower than normative auxiliary consumption of 10% for Unit-VI, whereas actuals are higher than normative auxiliary consumption rates of 8.5% and 9.0% for Unit-VII and Unit-VIII respectively. Therefore, gain sharing is required to be computed for better auxiliary consumption for Unit-VI.



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2017-18	Unit-VI	Unit-VII	Unit-VIII
Actual Rate of Auxiliary Consumption (%)	9.73	9.07	9.02
Normative Rate of Auxiliary Consumption (%)	10.00	8.50	9.00

As per the computations shown in the Annexure 2A, actual station heat rate of Unit VI, VII and Unit VIII achieved during the year came to be 5779.50 kCal/kWh, 2509.21 kCal/kWh and 2466.59 kCal/kWh respectively against norms of 3100 kCal/kWh, 2345 kCal/kWh and 2425 kCal/kWh as shown below. Thus, no gain sharing is required for performance in respect of heat rate.

2017-18	Unit-VI	Unit-VII	Unit-VIII
Actual Station Heat Rate (kCal/kWh)	5779.50	2509.21	2466.59
Normative Station Heat Rate (kCal/kWh)	3100.00	2345.00	2425.00

- 2.8 The norm for distribution loss of DPL for the year 2017-18 was considered 5.20%. As it comes out from the energy balance drawn under paragraph 2.3 above, the actual rate of distribution loss experienced by it on the quanta of sales to consumers works out to 3.94%. Thus, there is need to compute gain to be shared with consumers and distribution licensees.
- 2.9 FPPCA formula provides for adjustment of allowable fuel and power purchase cost for the gain sharing, if any, in accordance with Schedule – 9B to the Tariff Regulations.
- 2.10 The values of different factors in the FPPCA formula referred to are worked out and admitted as under:
- 2.10.1 **FC (FUEL COST):**

Fuel cost of own generation is to be allowed as per normative parameters fixed by the Commission, or on actual basis in absence of any norms, and heat value of coal as may be allowed under regulation 5.8.1 of the Tariff Regulations, commensurate with actual level of energy sales to own consumers and / or licensees during the adjustment period. The fuel costs allowed to DPL for the year 2017-18 for its generating stations were based on the norms in respect of Unit-VI, Unit-VII and Unit-VIII as under. Unit-VI of DPL remained inoperative during the year 2017-18.



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Table 2.2

Particulars	Unit	Norms		
		Unit VI	Unit VII	Unit VIII
Station Heat Rate	Kcal/Kwh	3100.00	2345.00	2425.00
Specific Oil Consumption	MI/Kwh	2.75	1.00	1.00
Auxiliary Consumption	%	10.00	8.50	9.00
Transit and handling loss of Coal	%	0.50	0.50	0.50

The weighted average calorific values of coal and oil are variable factors for assessing the quantity of coal and oil requirements and depend on the actual grade mix of their use in the power stations. Moreover, the declared Heat Value of each grade of coal varies between ranges. The weighted average heat value of coal for generating station consisting of three units of DPL, as considered in the tariff order for the year 2017-18, was based on declared minimum heat value of the proposed grade mix of use. As per submission of DPL, the minimum average heat value of coal computed in terms of regulation 5.8.1 of the Tariff Regulations with actual grade mix of coal consumed as per audited data comes at 3894.71 kCal/Kg. The Commission noted that DPL has determined weighted average UHV of different grades of coal consumed, certified by auditor, considering minimum UHV of the respective coal band with reference to specific mid-level 'GCV' of the respective grades of coal. The Commission goes by the provisions of the regulation 5.18.15 of the Tariff Regulations for determination of UHV by the process of interpolation considering lowest GCV of respective grades of coal. The weighted average useful heat value of the coal consumed, determined as per Regulation 5.8.15, is 3740.30 kCal/Kg. The computations shown in Annexure – 2B in this regard may be referred to. Since, the actual audited heat values as mentioned above (3894.71 kCal/kg) being higher than the computed heat value of 3740.30 kCal/kg, the actual audited heat values of coal have been admitted considering regulation 5.8.1 (i) of the Tariff Regulations. The Gross Calorific Value (in short "GCV") of oil, as claimed by DPL based on actual consumption as per technical particulars in audited statement of accounts of power plant, is 9533.00 Kcal/lit and the same is admitted.

The weighted average price of coal and oil, as computed from Note 13 of Annual Accounts 2017-18 of DPL, came to Rs.3434.61 per M.T. and Rs. 42440.67 per K.L. respectively. The above prices are inclusive of transportation charges.

The unit wise and overall admissible amount of fuel cost for generation has been computed and shown in Annexure – 2C. The computations therein are based on



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normative rate of auxiliary consumption, station heat rate, oil consumption rate and transit loss of coal. The weighted average heat value of coal and GCV of oil are considered on the basis as stated above. The average price of Coal and that of Oil are considered on the basis of actuals. The computed overall fuel cost of generation of electricity for sales to own consumers, WBSEDCL and others (IEX) including inter plant transfer works out to Rs.53849.05 Lakh.

**2.10.2 PPC (POWER PURCHASE COST):**

The actual quanta of power purchase and the cost incurred as per data submitted by DPL and as also seen from the audited accounts for the year 2017-18 are 188.49 MU and Rs.8320.09 Lakh respectively with an average rate of purchase of 441.41 paise/kWh. The power purchases were made from WBSEDCL, IEX and SI IPL. The breakup of such purchase is given below:

**Table 2.3**

	Source	Quantity (in MU)	Amount (Rs. in Lakh)
2.10.3 DPL clai	WBSEDCL	80.50	3657.29
	SI IPL (Solar Power)	6.04	948.10
	PTC through IEX	101.95	3714.70
	<b>Total</b>	<b>188.49</b>	<b>8320.09</b>

med Rs 7.34 lakh as reactive energy charge in their power purchase cost. DPL, however, did not give any detail for such claim in power purchase cost. Commission considers it to be dealt with in subsequent chapter.

**2.10.4 TREATMENT OF SURPLUS SALE:**

DPL has sold 0.02 MU of surplus power to IEX during 2017-18. It is observed that the consumer demand of DPL is mainly catered from its own generation along with occasional purchase from WBSEDCL and short-term power purchase as and when required. Thus, it becomes evident that DPL sold the surplus power from its generating stations during surplus condition. Accordingly, the Commission finds it prudent to adjust the cost of such surplus power with the fuel cost of the generating units at the variable cost of generation as given in tabulated form below:

Sl No.	Particulars	Unit	Value
1	Variable cost of generating station (As per Annexure 2C)	Paise/kwh	234.53
2	Surplus energy sold to person other than consumer & licensee	MU	0.02
3	Cost of Surplus power sold	Rs. Lakh	0.47





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Thus, the fuel cost attributable to the consumers and licensees comes to Rs. 53848.58 lakh (Rs.53849.05 Lakh as per Annexure- 2C minus Rs.0.47 Lakh cost of surplus power sold).

2.10.4 FUEL AND POWER PURCHASE COST:

In terms of the FPPCA formula as referred to in paragraph 2.3, the admissible fuel and power purchase cost of DPL works out as under. This admissible amount is subject to further scrutiny on account of excess auxiliary consumption in the power plant.

Table 2.4

Sl No	Factor Notation	Nomenclature	Unit	Value
1	T	Norms of Transmission and Distribution loss considered for sale of power to licensee and for interplant transfer	%	0
2	D	Norms of distribution loss for sale to consumers	%	5.20%
3	E <sub>o</sub>	Energy for own consumption	MU	15
4	E <sub>SL</sub>	Energy sale to licensee and interplant transfer [refer table in paragraph 2.3]	MU	555.88
5	E <sub>SC</sub>	Energy sale to consumer	MU	1843.72
6	Fuel Cost	Fuel cost for generation on normative parameters (Refer Annexure - 2C and paragraph 2.9.4)	Rs. in Lakh	53848.58
7	FC <sub>IUC</sub>	Per unit Fuel Cost at distribution input for sale to consumers (Refer A(v) below)	Paise/kWh	216.74
8	FC <sub>Adm_d</sub>	Admissible Fuel Cost for sale to WBSEDCL and inter plant transfer (Refer B(ii) below)	Rs. in Lakh	12048.14
9	FC <sub>Adm_C</sub>	Admissible Fuel Cost for sale to consumer and for own consumption [Refer B(i) below]	Rs. in Lakh	42495.67
10	FC	Admissible fuel cost [(8) + (9)]	Rs. in Lakh	54543.81
11	PPC	Power Purchase Cost including net UI charges (vide para 2.9.2)	Rs. in Lakh	8320.09
12	FC + PPC	Admissible Fuel and Power Purchase Cost [(10) + (11)]	Rs. in Lakh	62863.90

Table 2.5

A. Fuel Cost per Unit (kWh) at Distribution Input			
(i)	Fuel Cost for sale to consumers (As per Annexure - 2C and paragraph 2.9.4)	Rs. in Lakh	53848.58
(ii)	Energy sent out from own generation for the consumers and licensee (2295.99 - 0.02)	MU	2295.99
(iii)	Power Purchase (vide paragraph 2.9.2)	MU	188.49
(iv)	Total energy available for sale [(ii)+(iii)]	MU	2484.48
(v)	FC <sub>IUC</sub> [(i)/(iv)]	Paise/kWh	216.74

Table 2.6

B. Admissible Fuel Cost for sale to Consumers and Licensee			
(i)	$E_{SC} + E_o \times FC_{IUC}$	$= (1843.72 + 15) \times 216.74$	Unit
	$(1-d \times 0.01)$	$(1-.052)$	Amount
			Rs. In Lakh
			42495.67



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B. Admissible Fuel Cost for sale to Consumers and Licensee		Unit	Amount
(ii)	$\frac{E_{SL} \times FC_{IUC}}{(1-t \times 0.01)}$	Rs. In Lakh	12048.14
	= 555.88 X 216.74		

2.10.5 **C<sub>D</sub>: Cost Disallowable:**

Factor C<sub>D</sub>, as referred to in the FPPCA formula mentioned in paragraph 2.2 in the earlier chapter, stands for cost as to be found disallowable by the Commission as per methodology specified in the FPPCA formula. In accordance with methodologies, as specified in FPPCA formula, the amount of cost disallowable works out as under:

Table 2.7

Sl. No.	Factor Notation	Nomenclature	Unit	Value
1	E <sub>SC</sub>	Quanta of energy sold to consumers	MU	1843.72
2	E <sub>O</sub>	Energy allowable for own consumption	MU	15.00
3	d	Normative distribution loss	%	5.20%
4	-	$\frac{E_{SC} + E_O}{(1 - d \times 0.01)}$	MU	$\frac{1843.72+15.000}{0.948}$ 1960.68
5	E <sub>SL</sub>	Quanta of energy sold to licensee and interplant transfer	MU	555.58
6	t	Normative T&D loss for E <sub>SL</sub>	%	0.00
7	-	$\frac{E_{SL}}{(1 - t \times 0.01)}$	MU	555.58
8	E	Auxiliary consumption in excess of norms \$	MU	0
9		Energy sent out from own generating station excluding export [refer Table 2.5, Sl. No. (ii)]	MU	2295.97
10	E <sub>Adm</sub>	Purchase of energy admitted [(4)+(7)-(8)-(9)]	MU	220.59
11	E <sub>P</sub>	Total energy purchased	MU	188.49
12	E <sub>E</sub>	Excess energy purchased (E <sub>P</sub> – E <sub>Adm</sub> – Grid Loss)	MU	(32.10)
13	EP <sub>Avg</sub>	Average power purchase cost (refer paragraph 2.9.2)	Paise/kWh	441.41
14	C <sub>D</sub>	Cost disallowed (E <sub>E</sub> x EP <sub>Avg</sub> )	Rs. in Lakh	-

\$ - Since the excess auxiliary energy consumption over the norms has already been disallowed while determining fuel cost on the basis of normative generation based on sent out generation thus further disallowance for excess auxiliary consumption has not been considered here.

The cost disallowable thus derived above is nil and thus no further adjustment is required with power purchase cost/Fuel cost.

2.10.6 **A (PRIOR PERIOD ADJUSTMENTS):**

Factor A in the referred FPPCA formula signifies the adjustment, if any, to be made in the current period to account for any excess / shortfall in the recovery of fuel and power purchase cost for the past period. As per the financial statements for the year ended



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31<sup>st</sup> March, 2018, it is observed that no income / expenditure has been accrued to DPL on account of purchase of power relating to prior period purchase.

**2.11 Computations of the aggregate allowable amount of fuel and power purchase cost:**

Based on the analyses done in the foregoing paragraphs, the amount of allowable fuel and power purchase cost for DPL for the year 2016-17 works out as under:

**Table 2.8**

SI No	Particulars/Factors	As admitted
1	FC: Fuel cost (SI No. 10 in Table in para 2.9.4)	54543.81
2	PPC: Power purchase cost (SI No. 11 of table in para 2.9.4)	8320.09
3	C <sub>D</sub> : Cost disallowable (para 2.9.5)	0.00
4	±A: Prior period adjustment	0.00
5	Allowable fuel and purchase cost = FC+(PPC - C <sub>D</sub> )+(± A)	62863.90

**2.12 Benefits due to savings in oil rate:**

As mentioned in paragraph 2.7, oil rate achieved in unit VIII was better than norm. Savings due to better oil rate is Rs. 29.87 lakhs of which 40%, i.e., Rs. 11.95 lakhs is to be compensated with the deficit in fixed charge recovery of DPL in terms of paragraph D of Schedule 9B to the Tariff Regulations before sharing with consumers and distribution licensees as per the Tariff Regulations. Relevant computations are placed below.

**Table-2.9**

Particulars	Unit	Unit VIII
Specific Consumption of Oil as per Norms	ml/kWh	1.00
Actual Oil Consumption	ml/kWh	0.93
Category		Category A
Sharing Ratio as per SI No. 1 of Category A		60% : 40%
Total Gross Generation	in MU	1005.38
Price of Oil	Rs/ KL	42440.67
GAIN	in Rs Lakh	29.87
Share % of Consumers and Licensees	%	40
Share of Consumers and Licensees	in Rs Lakh	11.95

**2.13 Benefits due to savings in auxiliary consumption:**

As mentioned in paragraph 2.7, auxiliary achieved in unit VI was better than norm. Savings due to better auxiliary consumption is Rs. 0.19 lakhs of which 30% i.e., Rs. 0.06 lakhs is to be compensated with the deficit in fixed charge recovery of DPL in



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terms of paragraph D of Schedule 9B to the Tariff Regulations before sharing with consumers and distribution licensees as per the Tariff Regulations. Relevant computations are placed below.

Table-2.10

Particulars	Unit	Unit VI
Normative Auxiliary Consumption	%	10.00%
Actual Auxiliary Consumption	%	9.73%
Category		SI NO. 1 of Category A
Normative Auxiliary Consumption	in MU	0.20
Actual Auxiliary Consumption	in MU	0.19
Savings in Auxiliary Consumption	in MU	0.01
Cost of Generation	in Rs/kWh	3.16
Annual Capacity Charge per unit	in Rs/kWh	
GAIN	in Rs Lakh	0.19
Share % of Consumers and Licensees	%	30
Share of Consumers and Licensees	in Rs Lakh	0.06

2.14 Benefits for savings in Distribution Loss:

As referred in paragraph 2.8, DPL could achieve gains from distribution loss. As against normative distribution loss of 5.2%, DPL could achieve distribution loss of 3.94%. The allowable quantum of distribution loss (5.20%) on actual quanta of sales to consumers as well as the actual own consumption comes to 102.52 MU  $[(10.31+15+1843.72)/(1-0.052)] - (10.31+15+1843.72)$  as against actual distribution loss of 76.74 MU. The savings in this regard comes to 25.78 MU (102.52 MU – 76.74 MU). As provided in paragraph C of Schedule – 9B to the Tariff Regulations, 2011 DPL is entitled to retain the gains accruing to it in this regard.

Particulars	Quantum (MU)	Cost (Rs. Lakhs)
Sent out from Generation	2295.99	53848.58
Power Purchase	188.49	8320.09
Total	2484.48	62168.67
Average Rate per Unit (Paise per unit)		250.23
Savings in cost	25.78	645.09
Savings shared with Consumers@ 25%		161.27
Savings for DPL		483.82

2.15 A total amount of Rs. 695.23 lakh (Rs. 54543.81 lakh - Rs. 53848.58 lakh) being greater than Rs. 483.82 lakh, since has already been passed on by way of adopting normative rate of distribution loss as denominator in computing admissible fuel cost for sale to Licensee and consumers, no further benefit is to be passed on.



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- 2.16 Summing up the findings stated above, the amount of fuel and power purchase cost allowed to DPL for the year 2017-18 is as under.

Table 2.11

Particulars	As Admitted
Fuel Cost For Generation Function	54543.81
Power Purchase Cost For Distribution Function	8320.09
Additional amount on account of savings in the rate of Distribution loss net off consumer share	-
<b>Total</b>	<b>62863.90</b>



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## Annexure 2A

### COMPUTATION OF ACTUAL AVERAGE STATION HEAT RATES ACHIEVED IN 2017 -2018

SI No	Particulars	Unit	Unit	Unit	Unit
			VI	VII	VIII
1	Generation (Actual)	MU	1.994	1517.092	1005.377
2	Consumption of Oil (As per Form 1.11 of APR Petition)	KL	475.54	1748.60	936.79
3	Consumption of Coal (As per Audited Accounts)	MT	1795	973122	634431
4	GCV of Oil	Kcal/Lit	9533	9533	9533
5	Heat value of Coal (Actual as per fourth page under Annexure E of FPPCA Petition Volume-1)	Kcal/Kg	3894.71	3894.71	3894.71
6	Heat from Oil (2X4/1000)	M.Kcal	4533.32	16669.40	8930.42
7	Heat from Coal (3X5/1000)	M.Kcal	6991.00	3790027.98	2470924.76
8	Total Heat used (6+7)	M.Kcal	11524.33	3806697.39	2479855.18
9	Station Heat Rate achieved (8/1)	Kcal/kWh	5779.50	2509.21	2466.59



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Annexure 2B

COMPUTATION OF HEAT VALUE OF COAL  
BASED ON MINIMUM OF DECLARED HEAT VALUE

Source	Grade of Coal	Quantity consumed	GCV	UHV min	GCV max	GCV min	UHV max	UHV min	Interpolated UHV	UHV	Wt. Ave. UHV admitted by the Commission 12= 11 / 3
1	2	3	4	5	6	7	8	9	10	11=3 X 10	
ECL	G3	488.56	6400	5600	6454	6049	6200	5600	6120.00	2989987.20	1.85
	G4	108434.57	6100.00	5600.00	6454.00	6049.00	6200.00	5600.00	5675.56	615426426.18	380.22
	G5	111737.45	5800.00	4940.00	6049.00	5597.00	5600.00	4940.00	5236.42	585103763.07	361.48
	G6	34633.83	5500.00	4200.00	5597.00	5089.00	4940.00	4200.00	4798.70	166197387.29	102.68
	G7	67353.85	5200.00	4200.00	5597.00	5089.00	4940.00	4200.00	4361.69	293776810.23	181.50
	G8	47801.87	4900.00	3360.00	5089.00	4324.00	4200.00	3360.00	3992.47	190847560.04	117.91
	G3	7221.07	6400.00	5600.00	6454.00	6049.00	6200.00	5600.00	6120.00	44192948.40	27.30
	G5	11826.06	5800.00	4940.00	6049.00	5597.00	5600.00	4940.00	5236.42	61926168.96	38.26
BCCL	G6	103445.03	5500.00	4200.00	5597.00	5089.00	4940.00	4200.00	4798.70	496401746.91	306.68
	G7	94980.36	5200.00	4200.00	5597.00	5089.00	4940.00	4200.00	4361.69	414275163.12	255.94
	G8	96216.49	4900.00	3360.00	5089.00	4324.00	4200.00	3360.00	3992.47	384141506.43	237.33
	G9	36303.02	4600.00	3360.00	5089.00	4324.00	4200.00	3360.00	3663.06	132980097.73	82.16
	G10	24182.89	4300.00	2400.00	4324.00	3865.00	3360.00	2400.00	3309.80	80040624.16	49.45
	W-II	62977.45	5800.00	4940.00	6049.00	5597.00	5600.00	4940.00	5236.42	329776122.36	203.74
	W-III	187249.98	5400.00	4200.00	5597.00	5089.00	4940.00	4200.00	4653.03	871280054.58	538.29
	W-IV	170028.87	4600.00	3360.00	5089.00	4324.00	4200.00	3360.00	3663.06	622825752.51	384.79
	G10	4702.67	4300.00	2400.00	4324.00	3865.00	3360.00	2400.00	3309.80	15564915.61	9.62
	G11	12364.43	4000.00	2400.00	4324.00	3865.00	3360.00	2400.00	2682.35	33165765.18	20.49
MCL	G12	70944.12	3700.00	1300.00	3865.00	3113.00	2400.00	1300.00	2158.64	153143071.80	94.61
	G13	203540.44	3400.00	1300.00	3865.00	3113.00	2400.00	1300.00	1719.81	350051663.63	216.27
	G14	162187.07	3100.00		3865.00	3113.00	2400.00	1300.00	1294.57	209962702.25	129.72
	TOTAL	1618620.0								6054070237.64	3740.30



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**Annexure 2C**  
**COMPUTATION OF FUEL COST OF**  
**GENERATING STATIONS**

Sl No	Particulars	Unit	Unit	Unit	Unit
			VI	VII	VIII
1	Ex-Bus Generation	MU	1.80	1379.50	914.70
2	Rate of Auxiliary Consumption	%	10.00%	8.50%	9.00%
3	Auxiliary consumption on ex-bus generation [(1)/(1-Aux consumption)-(1)]	MU	0.20	128.15	90.46
4	Admissible Generation for sale [(1)+(4)]	MU	2.00	1507.65	1005.16
5	Station Heat Rate	Kcal/kWh	3100.00	2345	2425.00
6	Total Heat Required (5×6)	M.Kcal	6200.00	3535439.25	2437513.00
7	Heat value of Oil	Kcal/lit	9533	9533	9533
8	Specific Oil consumption	ml/kWh	2.75	1	1.00
9	Oil consumption (5×8)	KL	5.50	1507.65	1005.16
10	Heat from oil (9×10)/1000	M.Kcal	52.43	14372.43	9582.19
11	Heat from coal (7-11)	M.Kcal	6147.57	3521066.82	2427930.81
12	Average UHV of coal	K.cal/Kg	3894.71	3894.71	3894.71
13	Coal consumption (12/13) ×1000	MT	1578.44	904063.93	623391.94
14	Coal requirement at 0.50% transit loss	MT	1586.37	908606.96	626524.56
15	Average price of oil	Rs/KL	42440.67	42440.67	42440.67
16	Average price of coal	Rs/MT	3434.61	3434.61	3434.61
17	Cost of oil (9×16)/100000	Rs in lakh	2.33	639.86	426.60
18	Cost of coal (15×17)/100000	Rs in lakh	54.49	31207.11	21518.68
19	Cost of Fuel (18+19)	Rs in lakh	56.82	31846.96	21945.27
20	Cost of fuel per unit [(20)/((1-2))*10]	Paise/kWh	315.67	230.86	239.92
21	Average Cost of Fuel per unit for DPL	Paise/kWh		234.53	





## CHAPTER – 3 FIXED COST DETERMINATION UNDER APR

3.1 The Tariff Regulations specifies the classification of different fixed charge elements under controllable and uncontrollable head and also deals with the treatment of variation between projected expenditure and actual expenditure of such fixed charge elements during reconsideration of ARR at APR stage. In its order dated 03.08.2020 in respect of the tariff application of DPL for the years 2017 - 18, the Commission considered some specific principle of calculation for determination of some elements of fixed charge during projection of ARR. The basic premises of such principles of calculation are:

- (i) Wholesale price Index (WPI) and consumer price Index (CPI),
- (ii) Business volume change namely Distribution line length and number of consumers, and
- (iii) Sensitivity of expenditure elements to business volume change.

### 3.2 Growth rate issues:

3.2.1 The values considered during projection for business volume data and inflation in the MYT application, are now compared with actual inflation indices as available from websites of Economic Advisor Govt. of India and Labour Bureau and the data provided by DPL in its APR application, in Table 3.1 below.

**Table 3.1**

Particulars	Inflation %			Business volume	
	CPI	WPI	Combined (40:60)	Line length increase %	Consumer increase %
Considered during MYT projection of 5th Control Period	4.45	2.88	3.51	0.20	3.63
Actual in 2017 – 18	3.08	2.92	2.98	0.26	3.60
Note : Detail Computation is shown in Annexure-3C					

3.2.2 It may be seen from Table 3.1 above that, the business volume parameters and inflation have not shown any significant growth as compared to MYT projections. Further, business volume growth in percentage is not more than 5% and inflation indexes have also not increased more than projected in the MYT Order, hence the 2nd amendment of tariff



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regulation 2.6.10 of Tariff Regulations is not applicable for controllable item which is included in the working capital base.

3.3 Now, the Commission proceeds to review each of such fixed charge elements claimed by DPL in line with Tariff Regulations.

**3.4 Project Cost of Unit VII and VIII**

3.4.1 In the tariff order for the fifth control period the Commission withheld 5% of the provisional project cost of units VII and VIII of DPL amounting to Rs 6750.00 lakh and Rs 8498.00 lakh respectively and did not allow any capital cost beyond 95% of the provisional project cost. Such amount was withheld due to the reason that the report as per regulation 2.8.1.4.13 of the Tariff Regulations has not yet been submitted by DPL. In their application in volume 1 para 21 (1) & (2) Page 23-24 of the APR application, DPL has reported that the issues are still not finalized.

3.4.2 The Commission decides to continue with the principle of withholding such amount in the present APR considering submission of DPL as stated in para (3.4.1) above. Such withholding would affect the admitted amount as decided by Commission in the Tariff Order. In case of any disallowance in the project cost of Unit VII and VIII by the Commission after submission of the final project cost, the amount withheld above shall be adjusted with the reduction in project cost, if any, and corresponding impact on tariff shall accordingly be adjusted in subsequent APR / truing up exercise.

3.4.3 The Commission in paragraph 8.9 of the MYT Order dated 04.03.2015 had directed DPL to provide all the expenditure or cost element separately for Generation and Distribution function in their Annual Accounts or through auditors' certificate from 2014 – 15 onwards for regulatory requirements. However, DPL has neither submitted auditors' certificate nor properly segregated the elements of expenditure in their claim between generation and distribution functions. It is further observed that in form E(B), no separate claim for distribution function is shown. Accordingly, the Commission proceeds to determine the admissibility of elements of cost to Distribution and Generation function based on the characteristics of the expenditure and details to the extent available in the specified forms and annexures submitted with their petition.



### 3.5 Expense Allocation of Service Department and Central Workshop

3.5.1 The Commission observes that the figures given in Page 9 of volume – I of the petitions (Rs 10909.95 lakhs for service department and Rs 75.58 lakhs for CWS) are different from the figures of audited accounts (Rs 10652.84 lakhs for service department and Rs 75.53 lakhs for CWS). In absence of proper justification of such difference, the Commission decides to proceed with the figures of audited accounts and allocates the same in proportion to their claim.

**Table: 3.2**  
**Expense Allocation of Service Department and Central Workshop**

Head of expense	Claimed service Dept Amount	Claimed CWS Amount
R&M	114.12	0.87
A&G	4391.04	10.07
Audit	3.35	0
Insurance	0.20	0
Employee	3387.91	64.59
Depreciation	28.88	0
Interest	278.11	0
IPT water	530.90	0
IPT power	25.26	0
Rent Rates & taxes	1893.07	0
<b>Total</b>	<b>10652.85</b>	<b>75.53</b>

### 3.6 Employee Cost:

3.6.1 In the Tariff order for 2017-18, DPL was allowed a total amount of Rs. 10534.29 lakh towards employee cost which included

- i. Employee cost for Generation business Rs 7344.79 lakhs and Distribution business Rs 3189.50 lakhs.



- ii. Actual employee cost of service department and central workshop relating to power business for 2015-16 works out to 56.18% and 17% respectively of the total employee cost of these two functions. Considering a hike of 28% on this, the admitted amount for 2017-18 works out to Rs. 4303.56 lakhs and Rs. 76.12 lakhs (total Rs. 4379.68 lakhs). Allocated amounts for generation and distribution functions are Rs. 3053.63 lakhs and Rs. 1326.05 lakhs respectively.

3.6.2 In paragraph 5.3.3.(iii) of the MYT order of fourth control period Commission has observed that the surplus manpower of unit III, IV & V, already decommissioned, shall be deployed in unit VIII first and the balance in other units VI, VII and distribution. The Commission directed that DPL shall give details of the manpower employed / engaged in the units from the surplus employees arising out of decommissioning of unit III to V in their APR applications. DPL was also directed to submit break-up of the employees engaged both in regular services and contractual services for their different generating units as per the format 1.17(h) of the Tariff Regulations and the basis of apportionment of employee cost of centralized services in order to justify their claim under this head. The Commission considers proportionate allocation based on revised amount of service department and central workshop amount.

3.6.3 In their APR Application DPL has submitted that

- i. DPL has taken action towards compliance of directive of the Commission regarding redeployment of the manpower from the surplus employees arising out of decommissioning of unit III to V and no new recruitment has been made.
- ii. DPL had already taken action to minimize the size of the service department like Finance and Accounts, Personnel and Administration, Materials Management etc.
- iii. The employees cost of service departments viz Traffic, Loco Workshop, Chemical Laboratory, Central workshop, Hospital, Corporate Office, personnel & Administration which provide service to the power station and other business segments viz coke oven and waterworks is allocated in a proportionate manner in a predetermined ratio of 63.04% of total expenses based on the report of cost accounting firm submitted with their APR Petition of previous year.



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iv. DPL's overall claim on employee cost head as per form E (B) and form 1.17 (h) is Rs 13300.44 lakhs. However total of form 1.12, 1.15 and 1.17 is Rs 13323.89 lakhs which is inclusive of director's fee of Rs. 23.45 lakhs.

3.6.4 The Commission noted that the action taken by DPL towards redeployment of employees is corroborated by the fact that the employee cost shows a declining trend over the years. Also, DPL has furnished a copy of the report of cost accounting firm for 2013-14 with their APR application indicating the allocation logic which the Commission has already concurred in the APR order 2013-14. In absence of current year report, Commission relies on the past years report of cost accounting firm for allocation of expenses.

3.6.5 As against the amount allowed in Tariff order, DPL has claimed the actual expenditure as per audited accounts (and also as per form 1.17(h) of the petition ) for a total amount of Rs. 13323.89 lakh including cost for service departments, centrally maintained workshops and Directors' fees. The Admitted amount under the head Employee cost including share of employee cost of service department and CWS as per revised amounts as considered in Table 3.3 below comes to Rs 13242.09 lakhs with Rs 9766.14 lakhs as direct employee cost and Rs 3475.95 employee cost centrally maintained (including directors fees) as shown below:

**Table 3.3**

(Rs in Lakh)

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

The Employee Cost for Generation has been apportioned based on DPL's claim and is tabulated below:

Unit	Amount (in Rs Lakh)
Unit VI	2959.47



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Unit VII	3730.67
Unit VIII	3339.73
<b>Total</b>	<b>10029.87</b>

Centrally maintained includes Rs 3387.91 lakhs allocation from service department added with Rs 64.59 lakhs allocation from Central Workshop as mentioned in Table 3.2.

### 3.7 Water Charge

3.7.1 In the Tariff order of fifth control period Commission admitted Rs 2913.73 lakhs for the year 2017 - 18 considering rate of inter-plant transfer @ Rs. 6.50 per KL for the projected generation level in respect of Units VI, VII & VIII and directed DPL to submit details of calculation of inter-plant transfer rate of water at Rs. 15.00 per KL, along with the APR petition of 2016 – 17.

3.7.2 The Commission has already decided on this issue in the APR order of 2014 – 15 and proceeded with determination of water charges based on the value as considered from past i.e. the rate is continued as Rs 6.50 per KL. In APR order 2017 - 18 also the rate for water charges have been continued with Rs 6.50 per KL.

3.7.3 The water charges are categorized as uncontrollable. The Commission observed that during 2017-18, the actual generation fell short of targeted generation projected by DPL. The Commission decides to disallow the proportionate cost of water charges based on actual generation and the targeted generation in the Tariff Order 2017-18 as highlighted hereunder in Table 3.4:

**Table 3.4**  
**Admitted Water charges for 2017-18**

DPL Unit No	Gross Generation projected in Tariff Order 2017-18	Actual Gross Generation	Water Charges admitted in Tariff Order 2017-18	Proportionate Water charges for actual generation (Lakh Rs) \$	Water Charges claimed (Lakh Rs)	Water Charges admitted in APR
	(MU)	(MU)	Lakhs Rs	Lakh Rs	Lakh Rs	Lakh Rs
VI	578.160	1.994	533.64	1.84	1.24	1.24
VII	2102.400	1517.092	1298.23	936.80	946.36	936.80
VIII	1752.000	1005.377	1081.86	620.82	627.15	620.82
<b>Total</b>	<b>4432.560</b>	<b>2524.46</b>	<b>2913.73</b>	<b>1559.46</b>	<b>1574.75</b>	<b>1558.86</b>



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DPL Unit No	Gross Generation projected in Tariff Order 2017-18	Actual Gross Generation	Water Charges admitted in Tariff Order 2017-18	Proportionate Water charges for actual generation (Lakh Rs) \$	Water Charges claimed (Lakh Rs)	Water Charges admitted in APR
\$ proportionate with respect to admitted amount of 2017-18 Tariff Order						

3.7.4 The amount as above is admitted under Generation function.

### 3.8 Coal and Ash Handling Expenses

3.8.1 An amount of Rs. 1681.53 lakh was allowed in the tariff order for 2017 – 18 towards coal and ash handling expenses. DPL claimed an amount of Rs. 229.26 lakh on this account. In the Page 5 of the audited annual accounts of the power plant (Annexure A), expense on account of ash disposal is shown as Rs 229.26 lakhs.

3.8.2 Considering the above claimed amount of Rs 229.26 lakhs as the total amount for actual generation, the proportionate allocation to Unit VI, Unit VII and Unit VIII is made as per the unit wise generation based on actual generation for the year and admissible amount for APR of 2017-18 on head of coal & ash handling expenses are given in the Table 3.5 below:

**Table 3.5  
Admitted Ash charges for 2017-18**

DPL Unit No	Gross Generation projected in Tariff Order 2017-18	Actual Gross Generation	Ash Charges admitted in Tariff Order 2017-18	Proportionate Ash charges for actual generation (Lakh Rs)	Ash Charges claimed (Lakh Rs)	Ash Charges admitted in APR
	(MU)	(MU)	Lakhs Rs	Lakh Rs	Lakh Rs	Lakh Rs
VI	578.160	1.994	219.20	0.76	0.18	0.18
VII	2102.400	1517.092	797.56	575.52	137.78	137.78
VIII	1752.000	1005.377	664.77	381.48	91.30	91.30
<b>Total</b>	<b>4432.560</b>	<b>2524.46</b>	<b>1681.53</b>	<b>957.76</b>	<b>229.26</b>	<b>229.26</b>

3.8.3 The Commission admits the claim of DPL for Rs 229.26 lakh under this head under generation function.

### 3.9 O&M Expenses for Distribution:



3.9.1 Operation & Maintenance (O&M) expenses comprise of repairs and maintenance including cost of consumables for that purpose and other administrative and general expenses. A total amount of Rs. 1035.00 lakh was allowed to DPL in MYT order in this regard for the year 2017-18 with following break up:

**Table 3.6  
O&M Expenses for Distribution**

Expense Item	Admitted in ARR 2017-18 (Rs Lakh)
R&M Distribution	349.00
Audit expenses	1.00
Other A&G Distribution	685.00
<b>Total</b>	<b>1035.00</b>

3.9.2 In their APR application DPL has submitted statements showing breakup of A&G expense in their APR application. DPL in their application has claimed Repair and Maintenance Expenses (R&M Expenses) and different element of Administrative and General (A&G Expenses) separately but as a composite amount for both Generation and Distribution function.

3.9.3 As per form E(B) total claim of DPL under the head "O&M expenses", inclusive of generation and distribution, is Rs 17042.42 lakh (R&M 5994.57 + A&G 11046.16 + Audit 1.69) whereas Rs. 14605.24 lakh is shown in Audited Annual Accounts of power business (as detailed in Annexure 3A). In absence of justification for such difference (Rs. 2437.18 lakh), the Commission considers the Audited Figures as the claimed amount. Accordingly, the claimed amount has been tabulated as below:

**Table 3.7**

Particulars	Total claim	As per Form 1.12				Distribution
		Unit VI	Unit VII	Unit VIII	Total Generation	
		2	3	4	(5) = (2) + (3) + (4)	
Repair & Maintenance	5994.57	0	3409.87	1941.53	5351.40	(6) = (1) - (5) 643.17





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including Stores						
Administrative and General Expenses	11046.16	501.94	3693.02	3206.36	7401.32	3644.84
Audit	1.69	0	0	0	0	1.69
Less: Difference from Audited Statement (Rs 17042.42 lakh - Rs 14605.24 lakh)	2437.18	83.76	1185.26	859.03	2128.05	309.13
<b>Total</b>	<b>14605.24</b>	<b>418.18</b>	<b>5917.63</b>	<b>4288.86</b>	<b>10624.67</b>	<b>3980.57</b>

3.9.4 Now the claimed and admitted value for R&M Expenses, Audit Fee and Other Administrative & General Expenses are as per Table 3.8 below:

**Table 3.8**  
**Admitted Amount for R&M Expenses and A&G Expenses in Distribution**

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

**3.10 O&M Expenses for Generation.**

3.10.1 The Commission in the Tariff Order of 2017 – 18 has allowed Rs. 6006.60 Lakh as O&M expenses for the generating stations of DPL in accordance with the norms specified in Schedule 9A of the Tariff Regulations as applicable for 2016 – 17 in absence of any norms specified for the year 2017 – 18. The Commission in the aforesaid order has stated that during APR of 2017 - 18, the O&M expenditure for 2017 – 18 for the generating stations will be reviewed applying the average inflation rate for the year over the norms specified for 2016 – 17, if no norms for 2017 – 18 are specified in Tariff Regulations.

3.10.2 The O&M expenditure for 2017 – 2018 for the generating units is now reviewed by applying the average of hybrid inflation index for 2017-18 over the norms of 2016-17. The hybrid



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index (HI) considered consists of 60% and 40% weightage on WPI (Wholesale Price Index) and CPI (Consumer Price Index) respectively as depicted below:

Unit No	Unit Size	O&M Expenses Rs Lakh Per MW as per norms specified in 2016 - 17	O&M Expenses for 2017 – 18 in Rs Lakh Per MW considering inflation rate @ 2.98%
VI	110	19.71	20.30
VII	300	7.92	8.16
VIII	250	5.85	6.02

3.10.3 Therefore, the allowable O&M Expenses for the year 2017 – 18 is given below:

**Table: 3.9  
O&M Expenses Computation for Generation Function**

Unit No	Unit Size	O&M Expenses Rs Lakh Per MW	Normative O&M Expenses for 2017 - 18	Claim (As per para 3.9.3)	Admitted O&M Expenses
VI	110	20.30	2233	501.94	501.94
VII	300	8.16	2448	7102.89	2448.00
VIII	250	6.02	1505	5147.89	1505.00
<b>Total</b>			<b>6186</b>	<b>12752.72</b>	<b>4454.94</b>

**3.11 Insurance:**

As per Tariff Order of 2017 – 18, insurance premium approved was Rs 16 Lakhs on the head of generation function. In APR petition for 2017 – 18, DPL has claimed an amount of Rs 17.49 Lakhs (Rs.17.29 Lakhs (Form E(B)) + Rs. 0.20 Lakhs (Table 3.2)) on generation only and the same is admitted in proportion of the claim of DPL for different generating plants.

**3.12 Rates & Taxes:**

As per MYT order for 2017-18 rates and taxes approved was Rs 49 Lakhs on the head of generation function. In APR petition for 2017-18 they have claimed an amount of Rs 57.68 lakhs in Form E(B) on the head of generation function. Since this head is an uncontrollable item and statutory in nature thus Commission admits such expenses of Rs 57.68 Lakhs on generation head for APR of 2017-18 in proportion of the claim of DPL for different generating plants.



### 3.13 Depreciation:

3.13.1 Total depreciation admitted in the MYT order of the Commission for the year 2017-18 considering a 5% reduction of provisional project cost of unit VII and Unit VIII on the ground as explained in paragraph 3.4 above is Rs 12860.24 lakhs. Against such amount DPL has claimed Rs 13359.21 lakhs towards depreciation in their application and provided a breakup of the depreciation in form 1.12, 1.15 and Form B of Volume I of APR Petition for 2017-18.

3.13.2 The Commission observed that there is no parity in the amount so claimed in Form E(B), Form 1.12, Form 1.15 and copy of Asset Register submitted by DPL as shown below:

Particulars	As per Form 1.12 and Form 1.15	As per Form E (B)	As per Asset Register (Pg 98 to 103)
Unit VI	1240.82	1377.99	0
Unit VII	4526.92	5027.37	5027.37
Unit VIII	6261.63	6953.85	6953.85
Generation Total	12029.37	13359.21	11981.22
Distribution	1329.84	0	0
Total	13359.21	13359.21	11981.22

3.13.3 The Commission also observes that through its letter dated 27.07.2020, it had communicated that in view of COD of Unit VI being on 1<sup>st</sup> January 1987, and the Unit being already included in the primary list of thermal power plants aging more than 25 years as per ERPC requires to be phased out. Further, it had also been communicated that related fixed assets are supposed to have depreciated upto the level of statutory limit of residual value and hence no further depreciation of such assets will be allowed.

3.13.4 The Commission further observes that DPL has also not submitted any Asset Register details for Unit VI.

3.13.5 Now, in view of the above and in absence of any justification/ clarifications on the disparity between the claim of DPL in their application vis-à-vis their Asset Register, the Commission considers Rs. 1377.99 Lakh (Rs. 13359.21 Lakh – Rs. 11981.22 Lakh) as pertaining to Distribution function.



3.13.6 Further, in line with the principle decided by the Commission in paragraph 5.2.1 (iii) of the MYT Order for the fourth control period, 5% of the admissible amount of depreciation is withheld.

**Table 3.10**

Head	Depreciation considered as claimed in para 3.13.2 and 3.13.5 above	Allowable Depreciation	Withheld as per para 3.4.2	Admitted Depreciation
	(1)	(2)	(3)	(4) = (2) - (3)
Unit VI	0	0	0	0
Unit VII	5027.37	5027.37	251.37	4776.00
Unit VIII	6953.85	6953.85	347.69	6606.16
Generation Total	11981.22	11981.22	599.06	11382.16
Distribution	1377.99	1377.99	0	1377.99
<b>Total</b>	<b>13359.21</b>	<b>13359.21</b>	<b>599.06</b>	<b>12760.15</b>

3.13.7 Thus Rs 12760.15 lakh is admitted towards depreciation for 2017 – 18 and the function wise allocation of the admitted depreciation is as under:

Generation: Rs 11382.16 lakh  
Distribution: Rs 1377.99 lakh  
 Total: Rs 12760.15 lakh

**3.14 Interest on Borrowed Capital:**

3.14.1 In the Tariff order of fifth control period, Commission allowed Rs. 26326.21 in the ARR of DPL for 2017-18 towards Interest on borrowed capital, of which Rs. 23731.52 lakh was allocated for Generation function and Rs 2594.69 lakh was for distribution function. DPL in their APR application (Vol I - page 10-11) has submitted that the total interest charged in annual accounts for power business is Rs 34714.90 lakh, which does not include working capital interest. It is observed that interest expense shown in Volume III statement IV Page 46 of the audited annual accounts of power plant is Rs. 34714.90 lakhs, which tallies with the total interest amount stated by DPL in their application. DPL has claimed Rs. 34528.02 lakh as Interest on Borrowed Capital.

3.14.2 The breakup of claim of DPL on account of Interest on Borrowed Capital vis-a-vis as depicted in Audited Accounts is as follows:

**Table 3.11**

**Detail of Interest claimed by DPL**

Interest on Loan from	As per Audited Accounts (Rs in lakh)	Claim (Rs in lakh)
CEA	186.88	-
GoWB	1768.21	1768.21
PFCL	32759.81	32759.81
<b>Total</b>	<b>34714.90</b>	<b>34528.02</b>

DPL in paragraph 10 of their APR submission of 2016-17 had stated that an amount of Rs. 22179.23 lakhs pertain to FITL (ie. Funded Interest Term Loan). On scrutiny of the claim in Form C of 2017-18, it is observed that further amount of Rs. 15410.87 lakhs have been added to FITL during 2017-18 before total repayment of Rs. 263235.30 lakhs from the New Term Loan availed from PFCL. Interest on FITL has been included in their total claim of Rs. 34528.02 lakhs. The Commission decides not to admit any amount of interest on FITL. Accordingly, in absence of details of the actual interest paid, an amount of Rs. 3849.83 lakhs being the interest for the year 2017-18 considering the rate of interest on FITL as submitted in computation sheet is not admitted. The details of FITL are as below:

Table 3.12

## Computation of FITL Interest

Figures in Rs Lakh

SI No	PFC Loan No	Amount of FITL as on 31.03.2017	Additions to FITL DURING 2017-18 as per Form C	Total FITL as on 31.03.2018	Average FITL for 2017-18	Rate of Interest	FITL Interest
A	B	C	D	E=C + D	F= (C+E)/2	G	H=F * G
1	50403001	810.13	769.93	1580.06	1195.10	12.75%	152.38
2	50401001	4545.05	3156.75	7701.8	6123.43	13.00%	796.05
3	50401004	3511.19	4013.5	7524.69	5517.94	12.88%	710.71
4	50401003	13312.86	7470.69	20783.55	17048.21	12.85%	2190.69
<b>Total</b>		<b>22179.23</b>	<b>15410.87</b>	<b>37590.10</b>	<b>29884.68</b>		<b>3849.83</b>

3.14.3 Accordingly, the admitted amount comes to Rs. 30678.19 lakhs as tabulated below:

Table 3.13

**Interest Payable for DPL in 2017-18**

SI No	PFC Loan Claim	Normal	Penal (+) /Rebate (-)	Total	FITL Interest from Table 3.12	Amount Admissible
		A	B	C = A + B	D	E = C - D
1	50403001	1479.17		1479.17	152.38	1326.79
2	50401001	5848.63		5848.63	796.05	5052.58
3	50401004	7716.04		7716.04	710.71	7005.33
4	50401D04	56.17	-1.03	55.14		55.14
5	50401003	13749.07		13749.07	2190.69	11558.38
6	50424001	262.51	-4.79	257.72		257.72
7	GoWB	1768.21	-	1768.21	-	1768.21
<b>Total</b>				<b>34528.02</b>	<b>3849.83</b>	<b>30678.19</b>

3.14.4 Function wise admitted amount towards interest on borrowed capital of DPL for 2017 – 18 is allocated in proportion to their claimed amount as follows in the Table 3.14.

**Table 3.14**  
**Interest Payable for DPL in 2017-18**

Generation function	Claimed Amount	Amount Admissible	In Rs Lakh	
			Amount with held as per para 3.4.2	Amount Admitted
Unit VI	0	0		0
Unit VII	7585.52	6739.74	336.99	6402.75
Unit VIII	25174.29	22367.39	1118.37	21249.02
Distribution function	1768.21	1571.06		1571.06
Total Interest on Borrowed Capital	34528.02	30678.19	1455.36	29222.83

3.14.5 DPL is being directed to submit necessary details, justification and documentary evidence through future APR petition with respect to the actual interest paid along with the details of interest on FITL for examination of the Commission and further necessary action, if any.

**3.15 Other Finance Charges:**



3.15.1 The actual amount of other finance charge claimed by DPL as per form 1.17(c) of the APR application is Rs 2220.02 lakhs which includes Guarantee fees of Rs. 2219.09 lakhs and Rs. 0.73 lakhs as Bank Charges which is shown under Generation Function. The Commission accordingly admits Rs. 2220.02 lakhs and allocates the same to generation and distribution function as per their claim as tabulated below

**Table 3.15**  
**Admitted Amount for Other Finance Charges**

Unit	Claimed	Admitted
VI	0	0
VII	0.44	0.44
VIII	2219.58	2219.58
Total Generation	2220.02	2220.02
Distribution	0	0
Licensee Total	<b>2220.02</b>	<b>2220.02</b>

**3.16 Advance against Depreciation:**

3.16.1 DPL in their APR application has not claimed any amount under this head as per calculation shown in form 1.17 (e). The allowable amounts under depreciation for 2017 – 18 is Rs 13359.21 lakhs and there has been no actual repayment as per DPL's submission under paragraph 5 of their APR petition. Thus, no amount is being admitted as advance against depreciation.

**3.17 Reserve for Unforeseen Exigencies:**

3.17.1 In the Tariff order of 2017 – 18, the Commission has allowed an amount of Rs 797.24 Lakh towards Reserve for unforeseen exigencies in response to the prayer of DPL for providing such reserve. DPL through paragraph 14 of their APR submission has claimed an amount of Rs. 930.45 lakhs being 0.25% of the value of their gross fixed asset in 2017 – 18. DPL further stated that they have failed to invest the amount admitted in the MYT Order as required in terms of the Tariff Regulations.

3.17.2 The Commission finds that regulation 5.11.1 read with 5.24.1 of the Tariff Regulations have not been complied with by DPL. Accordingly, the Commission in line with the regulation



5.11.2 of the Tariff Regulations decides to withhold double the amount allowed in the Tariff Order, i.e., Rs. 1594.08 lakhs (797.24 x 2).

**3.18 Interest on Consumer's Security Deposit:**

3.18.1 DPL has claimed Rs 143.54 lakh under the head Interest on Consumers' Security Deposit for the year 2017 – 18 against the admitted expenditure of Rs 122.34 lakhs in the Tariff Order.

3.18.2 DPL further communicated that at present they are only providing for the interest in accounts and there is no actual pay out. Therefore, in line with the directive in Tariff Order for 2017 – 18, the Commission does not allow any amount under this head for 2017 – 18.

**3.19 Bad Debts:**

3.19.1 No amount was considered by the Commission under this head in the tariff order for 2017-18. DPL has claimed an amount of Rs 2199.05 lakh under this head in APR application but, it is observed from the Note-18 of audited annual accounts for the year 2017 – 18 that though provisioning of bad debts has been done but that has not been written off. Thus, no amount is admitted in the APR for 2017-18 under this head.

**3.20 Income Tax:**

3.20.1 DPL has claimed an amount of Rs. 3535.03 lakh in their application under form E (B) towards income tax. The Commission observes from the statement of 'Profit and Loss for the Year ended on 31<sup>st</sup> March, 2018' and from the 'Cash Flow Statement' of the Audited Annual Accounts that no amount has been either provided for or actually paid on account of Income Tax. Accordingly, no amount has been considered by the Commission.

**3.21 Return on Equity:**

3.21.1 In terms of regulations 5.6.1.1 and 5.6.1.2 of the Tariff Regulations, DPL is entitled to have returns on equity base deployed in its generation and distribution functions @ 15.5% and 16.5% respectively.

3.21.2 In the APR order of 2013-14, the Commission had given certain direction as follows:





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"It is observed from the Balance Sheet of the power plant unit of DPL, as submitted with the APR application for the year 2013 – 2014 that the shareholders' fund in liability side has not been shown separately. In order to justify different element of fixed charge components including return on equity, DPL is directed to submit duly audited balance sheet and profit and loss account year-wise for the years 2007 – 2008 to 2011 – 2012 and 2012 – 2013 onwards in respect of the power plant unit as a whole separately incorporating therein shareholders' funds viz., (i) authorized capital, (ii) paid up capital, (iii) capital reserve, (iv) reserves & surplus and (v) reserve for the unforeseen exigencies along with respective schedules under the major head 'sources of fund' including the Auditor's comments instead of present practice of reflecting inter-unit current accounts under shareholder's fund. The amount under reserves & surplus schedule should include amounts of surplus separately brought forward from profit & loss account of the respective year / previous year besides capital reserves, etc. It is also directed to forward the respective Government orders issued from time to time towards equity infusion / participation by the Government in the power plant business of DPL unit-wise. "

In response to such direction DPL has mentioned that State Government is in the process of restructuring of the organization where all the business segment will be separated. As the process has not been completed thus the separation of power business could not be completed. Considering the above fact, the Commission has undertaken the ROE computation on the following basis.

3.21.3 As it transpired from the submission of APR application volume I and Note 1 the annual audited accounts of DPL in volume II that in FY 2017-18 there is no fresh equity infusion. DPL does not have any free reserves for deployment in power business either.

3.21.4 The computations of the amount of such capital base, following the methods prescribed above amount of total allowable return come as under:

**Table 3.16**

**Return On Equity for FY 2017-18**

SI No	Particulars	Generation Unit			Total Generation	Distribution
		VI	VII	VIII		
1	Actual equity base at the beginning of the year	16753.31	36256.00	34000.00	87009.31	18517.77
2	Admissible Opening Balance of the year	9277.56	36256.00	29659.04	75192.60	15936.92
3	Actual addition/withdrawal/deleted to Equity Base for the year	-3566.68	0.00	0.00	-3566.68	0.00



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SI No	Particulars	Generation Unit			Total Generation	Distribution
		VI	VII	VIII		
4	Actual Equity Base at the end of the year(1+3)	13186.63	36256.00	34000.00	83442.63	18517.77
5	Amount transferred to Fixed Assets	0.00	5.90	0.00	5.90	0.00
6	Normative Equity % on (5)	30.00%	30.00%	30.00%	30.00%	30.00%
7	Normative addition to Equity Base	0.00	1.77	0.00	1.77	0.00
8	Addition to Equity base considered for the year in ARR (Minimum of 3 & 7)	-3566.68	0.00	0.00	-3566.68	0.00
9	Admissible Equity Base at the year end	5710.88	36256.00	29659.04	71625.92	15936.92
10	Average Equity Base for the year (2+9) ÷ 2	7494.22	36256.00	29659.04	73409.26	15936.92
11	Rate of Return in %	15.50%	15.50%	15.50%		16.50%
12	Allowable return	1161.60	5619.68	4597.15	11378.43	2629.59
13	Withheld for non-submission of project cost detail	0.00	280.98	229.86	510.84	0.00
14	<b>Return allowed in ARR (12-13)</b>	<b>1161.60</b>	<b>5338.70</b>	<b>4367.29</b>	<b>10867.59</b>	<b>2629.59</b>

3.21.5 Thus, the amount of ROE admitted for generation function comes to Rs 10867.59 lakh and for Distribution function it is Rs 2629.59 lakh. The overall computed ROE thus stands to Rs 13497.18 lakh.

### 3.22 Unscheduled Interchange (UI)/DSM Charges:

The Commission observed that DPL has claimed an amount of Rs. 286.99 lakhs for drawal of 6.75 MU of power as net UI charges. In terms of regulation 5.17.2 of the Tariff Regulations, the net UI/ DSM charges payable by a distribution licensee will be considered as an expenditure limited to 5% of the total power purchase cost. The net UI charge payable by DPL during 2017 – 18 is only 3.45% of its total power purchase cost during the year. Hence, the net UI charge of Rs. 286.99 lakh is admitted under the distribution function.

### 3.23 Interest on Working Capital

3.23.1 On the basis regulation 5.6.5.1 and 5.6.5.2 of the Tariff Regulations Commission allowed interest on working capital for DPL in its tariff order for the year 2016-17. The Commission



vide Paragraph 7 of its order dated April 6, 2022 in Case No SM-30/21-22 has ordered that “ The interest on working capital which has already been determined for the period effective on and from 01.04.2016 in the tariff orders issued by the Commission considering the SBI PLR/MCLR without any float will be tried up based on actual working capital interest paid, subject to the ceiling of the interest on working capital assessed on normative basis at the rate of one-year MCLR of SBI, as on 1<sup>st</sup> April of the concerned year, plus 350 basis points.” The one-year Marginal Cost of Lending Rates (MCLR) of the State Bank of India as on 1st April, 2017 was 8.00%. The Commission thus has considered normative Interest on working capital at the rate of 11.50 % (8.00 % + 3.50 %) for interest calculation.

3.23.2 Now, in terms of regulation 5.6.5.1 of the Tariff Regulations, the Commission proceeds to determine the normative amount of interest on working capital as in Table-3.17 below:

**Table 3.17  
Interest on Working Capital**

Sl. No.	Particulars	Amount in Rs. in lakh		
		Generation	Distribution	Total
1	Annual Fixed charges now arrived excluding interest on working capital	66340.25	8636.48	74976.73
2	Fuel Cost / power purchase cost as admitted	54543.81	8320.09	62863.90
3	<b>Sub Total (1+2)</b>	<b>120884.06</b>	<b>16956.57</b>	<b>137840.63</b>
	Less:			
4	Depreciation	11382.16	1377.99	12760.15
5	Advance against depreciation	0.00	0.00	0.00
6	Deferred revenue expenditure	0.00	0.00	0.00
7	Return on Equity	10867.59	2629.59	13497.18
8	Bad and doubtful Debt	0.00	0.00	0.00
9	Reserve for Unforeseen Exigencies	0.00	0.00	0.00
10	<b>Sub Total (4 to 9)</b>	<b>22249.75</b>	<b>4007.58</b>	<b>26257.33</b>
11	Allowable Charges for working capital (3-10)	98634.31	12948.99	111583.30
12	Normative requirement of Working Capital (10% of 11)	9863.43	1294.90	11158.33
13	Security deposit held as on 31.03.2017		2613.41	2613.41
14	<b>Requirement of working capital after utilizing the security deposit (12-13)</b>	<b>9863.43</b>	<b>0.00</b>	<b>9863.43</b>
15	Interest allowable @11.50% on 14	1134.29	0.00	1134.29
16	Interest on Working Capital Actually Paid (As per Form C - excluding Cash credit for Coke Oven plant)			46.54



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Sl. No.	Particulars	Amount in Rs. in lakh		
		Generation	Distribution	Total
16	Interest on working capital allowed (Minimum of 15 and 16)	46.54	0.00	46.54

The Commission admits Rs. 46.54 lakh as Interest on Working Capital.

**3.24 Interest Credit:**

3.24.1 In terms regulation 5.5.3 of the Tariff Regulations, where the actual amount of loan repayment in any year falls short of the depreciation allowable during the year, then interest credit of such excess depreciation charges at the rate of weighted average cost of debt is admissible.

3.24.2 The Commission admitted Rs. 1031.70 lakhs as interest credit during determination of ARR for tariff order of 2017-18. DPL has considered interest credit of Rs. 1369.32 lakh in the APR application in Form 1.17(g). Based on the admitted depreciation and repayment of loans considered for admitting borrowing cost interest credit is worked out as follows:

**Table 3.18**

Details	Unit VI	Unit VII	Unit VIII	Distribution	Total
Depreciation	0.00	4776.00	6606.16	1377.99	12760.15
Actual Repayment	0.00	0.00	0.00	0.00	0.00
Additional fund created	0.00	4776.00	6606.16	1377.99	12760.15
Rate of interest	12.58%	12.58%	12.58%	12.58%	
interest credit	0.00	600.82	831.05	173.35	1605.22

3.24.3 The amount of Rs. 1605.22 Lakh is admitted as interest credit in APR 2017 – 18 of DPL with breakup of Rs 1431.87 lakh for generation function and Rs 173.35 lakh for distribution as shown in the Table 3.18 above.

3.24.4 In terms of the Tariff Regulations, depreciation is primarily used for repayment of capital loan. Where, the amount of depreciation falls short of amount of loan repayment such shortfall is allowed under Advance against Depreciation (AAD) limited to 1/10 of original amount of allowable loan. Similarly, when amount of loan repayment in a year is more than allowed depreciation, an interest credit at the rate of weighted average cost of debt for the



corresponding year needs to be adjusted on such excess depreciation charged. Further, in terms of the Tariff Regulations, it is required to be ensured that the depreciation allowed should not go beyond 90% of the original cost of Asset and after repayment of entire loan the resulting depreciable amount shall be spread over the balance useful life of the fixed asset. Thus, the Commission directs DPL to provide an audited statement specifying the details of cumulative depreciation and/ or advance against depreciation allowed in all previous APR Orders vis-à-vis the actual repayment of loan by them in those years within one month from the date of issuance of this order.

**3.25 Income from other Sources / Non-Tariff income:**

The income from other non-tariff sources, as per Form 1.26 submitted by DPL is Rs 2001.92 lakh against admitted amount of Rs 984.15 lakh in Tariff Order for 2017-18. The same is accordingly considered for determination of ARR in the APR order for 2017-18. The income from Rental of meters and other apparatus, Surcharge for late payment, and wheeling charge is attributed to distribution function and the rest income of Rs. 800.47 lakh is allocated to Generation and Distribution function in the ratio of Gross ARR without working capital interest. The total admitted income from other / non-tariff sources is Rs. 2001.92 lakh with functional segregation of Rs. 1303.02 lakh for Distribution and Rs. 699.10 lakh for Generation.

**3.26 Interest On Electricity duty:**

DPL has claimed Rs 2081.24 lakhs as interest on electricity duty in form E(B) without any justification. The Commission does not consider the same in terms of regulation 4.16 of the Tariff Regulations.

**3.27 Benefits to be passed on to consumers and other licensees:**

- 3.27.1 DPL in their APR application for 2017 – 18 (Form 1.24) has showed no benefits to be passed on to consumers and licensees.
- 3.27.2 It is noted from the FPPCA petition that DPL has sold 0.02 MU of power to persons other than consumers and licensees. From Form 3.1 the income from sale to IEX comes to Rs 0.46 lakhs. Based on the submissions, provisions of regulation 5.15.2 (iv) of the Tariff Regulations and variable cost of generating station at 234.53 paise/ kWh as arrived in



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FPPCA computation, the Benefits to be passed on to consumers and other licensees is found to be nil as calculated below:

1	Share of benefit from sale to others	50%
2	a) Sale of power to person other than consumer and licensee (MU)	0.02
	b) Notional sale of power against Swap Out (MU)	0
	c) Total Sale (MU): A=a+b	0.02
3	a) Sale of power to person other than consumer and licensee (Rs. Lakhs)	0.46
	b) Notional sale of power against Swap Out (Rs. Lakhs)	0
	Total Sale (Rs. Lakhs): B=a+b	0.46
4	a) Variable Cost of Generation (Paise/ unit)	<b>234.53</b>
	b) Cost of power of sale in 2 (a) above (Rs Lakhs)	0.47
	c) Cost of power of sale in 2 (b) above (Rs Lakhs)	0.00
	d) other charges for such sale (Rs Lakhs) **	0
	Total cost of sale (Rs in lakhs) (b+c+d)	0.47
5	Amount of gain (+) / loss (-) derived from such sale (Rs in Lakhs) (3-4)	-0.01
6	Share of benefit from sale to others (50% of 5)	0

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

3.28.1 In terms of regulation 6.4.2 of the Tariff Regulations, the recovery of capacity charge for the generating station of DPL shall be against the normative availability and shall be computed as per PAF achieved during the year 2017 – 18 following the provisions of the Tariff Regulations.

SI No	Particulars	Unit 6	Unit 7	Unit 8
1	Allowable Fixed Charges for generating station at normative PAF level	4630.2 9	22817.7 6	38938.7 4
2	Cost admitted under the head 'Water charges'	1.24	936.8	620.82
3	Cost admitted under the head 'Coal & Ash Handling Expenses'	0.18	137.78	91.30
4	Fixed Charge to be considered for disallowance (4=1-2-3)	4628.8 7	21743.1 8	38226.6 2
5	Normative PAF	69	85	85
6	PAF Achieved	0.18	59.54	47.46
7	Proportionate capacity charge of item 6 (For Unit 7 and 8)	12.08	16862.2 9	23630.8 0



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8	Capacity Charge admitted on the basis of PAF achieved (8=2+3+7)	13.50	17936.8 7	24342.9 2
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3.28.2 Therefore, the allowable Capacity Charge on the basis of actual PAF for Unit 6, Unit 7 and Unit 8 comes to Rs. 13.50 lakh, Rs. 17936.87 lakh and Rs. 24342.92 lakh respectively.

**3.29 Sharing of Gains with Consumers and Licensees:**

The Commission in paragraph 2.12 and 2.13 has already decided to pass the shareable amount of Rs. 11.95 lakh and Rs. 0.06 lakh derived for gains on account of improved specific oil consumption and auxiliary consumption subject to the condition that the gain is first to be compensated with the deficit in fixed charge recovery of the units in terms of paragraph D of Schedule 9B to the Tariff Regulations. From the table in para 3.28 above, it is seen that there is a deficit in fixed charge recovery. Thus, the amount of Rs. 11.95 lakh and Rs. 0.06 lakh is compensated with the fixed charge recovery of Unit 8 and Unit 6 respectively and no amount is shared with the consumers and licensees.

**3.30 Reliability Incentive:**

DPL has claimed that it has achieved system reliability of 99.42% as against 98%, as specified in Paragraph 11 of Schedule 10 of the Tariff Regulations and prayed for allowing Incentive. DPL has submitted 'Monthly Feeder and Cumulative Reliability Index' in support of their claim. However, it is observed that the details submitted by DPL is not as per the format specified in regulation 9.7 of West Bengal Electricity Regulatory Commission (Standards of Performance of Licensees Relating to Consumer Services) Regulations, 2010, as amended from time to time. In absence of such details, the Commission does not allow any incentive as claimed by DPL during 2017 – 18.

**3.31 Reactive energy charge:**

DPL Claimed Rs 7.34 lakh as reactive energy charge alongwith the power purchase cost. DPL, however, did not give any detail for such claim in power purchase cost. Thus, the Commission does not consider the claim of DPL for Rs 7.34 lakh as reactive energy charge. DPL is directed to submit the claim of reactive energy charges for subsequent years, if any, in their APR petitions with detail reasoning.

**3.32 Fixed Charges:**



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Based on the foregoing analyses, the amounts of fixed charges/ capacity charges allowable under different heads in respect of DPL is shown below:

Particulars	Amount in Rs Lakh
Unit VI	13.50
Unit VII	17936.87
Unit VIII	24342.92
Total Generation	42293.29
Distribution	8636.48
<b>Total Fixed Charges</b>	<b>50929.77</b>





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**Annexure-3A**

O&M and other small expense	Form E(B)	Application Vol 3		
		Statement IV Direct (Gen + Dist)	Page 9 Allocation (Gen + Dist)	Total audited account
Stores		1757.10		1757.10
R&M	5994.57	4238.38	114.99	4353.37
<b>Sub Total R&amp;M</b>	5994.57	5995.48	114.99	6110.47
Travelling Expense				0
Vehicle Maintenance				0
postage & security				0
Other Management & Administrative Expenses				0
Legal Charges	0.54			0
Computer maintenance				0
General Establishment Charges	11045.62	4088.62	4401.11	8489.73
Advertisement				
<b>Sub Total A&amp;G</b>	11046.16	4088.62	4401.11	8489.73
Audit	1.69	1.69	3.35	5.04
<b>Sub Total O&amp;M</b>	<b>17042.42</b>	<b>10085.79</b>	<b>4519.45</b>	<b>14605.24</b>



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**Annexure-3B  
SUMMARY OF FIXED CHARGE**

Sl No	Head of expense	Admitted					Total
		Unit VI	Unit VII	Unit VIII	Generation	Distribution	
1	Employee Cost	2959.47	3730.67	3339.73	10029.87	3212.22	13242.09
3	Coal and Ash Handling Expenses	0.18	137.78	91.30	229.26	0.00	229.26
4	Water charges	1.24	936.80	620.82	1558.86	0.00	1558.86
5	O&M Expenses for Generation	501.94	2448	1505	4454.94	0.00	4454.94
6	A&G for Distribution	0	0	0	0.00	686.00	686.00
7	R&M for Distribution	0	0	0	0.00	349.00	349.00
8	Insurance	0.00	15.75	1.74	17.49	0.00	17.49
9	Rates & taxes	0.05	34.66	22.97	57.68	0.00	57.68
10	Reserve for Unforeseen exigencies	0.00	0.00	0.00	0.00	0.00	0.00
11	Depreciation	0	4776	6606.16	11382.16	1377.99	12760.15
12	Advance against Depreciation	0	0	0	0.00	0.00	0.00
13	Interest on Borrowed Capital	0	6402.75	21249	27651.77	1571.06	29222.83
14	Other Finance Charges	0	0.44	2219.58	2220.02	0.00	2220.02
15	Bad Debts	0	0	0	0.00	0.00	0.00
16	Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
17	Interest on Consumers' Security Deposits	0.00	0.00	0.00	0.00	0.00	0.00
18	Return on Equity	1161.60	5338.7	4367.29	10867.59	2629.59	13497.18
19	Interest on Working Capital	6.36	16.21	23.97	46.54	0.00	46.54
20	Net UI Charge	0	0	0	0.00	286.99	286.99
21	Interest on Electricity Duty	0	0	0	0.00	0.00	0.00
22	<b>Gross Fixed Cost (Sum 1 to 21)</b>	<b>4630.84</b>	<b>23837.76</b>	<b>40047.58</b>	<b>68516.18</b>	<b>10112.85</b>	<b>78629.03</b>
23	Less: Income from other sources	0.55	419.18	277.79	697.52	1303.02	2000.54
24	Less: Interest Credit	0	600.82	831.05	1431.87	173.35	1605.22
25	Less: Expenses attributable to sale to person other than consumers and licensees	0	0	0	0.00	0.00	0.00
26	<b>Net Fixed Charge (26 = 22 - 21 - 22 - 23 - 25)</b>	<b>4630.29</b>	<b>22817.76</b>	<b>38938.74</b>	<b>66386.79</b>	<b>8636.48</b>	<b>75023.27</b>



## CHAPTER – 4 AMOUNT ADJUSTABLE ON APR & FPPCA

- 4.1 Based on the forgoing analyses and admissions of the adjustments under different uncontrollable factors / elements of fixed charges and fuel and power purchase cost, the re-determined allowable fixed charges for generation and distribution functions as well as fuel and power purchase cost of DPL during the year 2016-17 came as under Table 4.1 below:

Table 4.1

Particulars	Amount(Rs. Lakh)		
	Generation	Distribution	Total
Recoverable Fixed Charge	42293.29	8636.48	50929.77
Total fuel and power purchase cost	54543.81	8320.09	62863.90
Less: Withheld for reserve for unforeseen exigencies		1594.08	1594.08
<b>Total</b>	<b>96837.10</b>	<b>15362.49</b>	<b>112199.59</b>

- 4.2 The Commission is now to see how much revenue had been earned by DPL from sale of power to its consumers and licensees including inter-plant transfer. The amount of total sales revenue comes as under Table 4.2 below:

Table 4.2

Sl. No.	Particulars	Amount (Rs. Lakh)
1	Sales of power as per Annual accounts 2017 – 2018	109939.00
2	Add: Inter-plant transfer of Energy as per Note 11 (a)	507.00
3	Total Sales revenue during 2017-18 (1+2)	110446.00

- 4.3 Based on the analysis as done in the foregoing paragraphs, the amount adjustable on the instant case of APR for the year 2017 – 18 works out as under Table 4.3 below:

Table 4.3

Sl. No.	Particulars	Total (Rs. Lakh)
1	Total sales revenue realizable in 2017 – 2018 (Table 4.1)	112199.59
2	Sales Revenue for 2017 – 2018 (As per Para 4.2)	110446.00
3	<b>Net amount (+) recoverable / (-) refundable [(3) = (1)-(2)]</b>	<b>1753.59</b>

- 4.4 The recoverable amount of DPL for 2016 – 17 comes to Rs. 1753.59 lakh.



सत्यमेव जयते



**Order on FPPCA and APR of DPL for the year 2017-18**

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- 4.5 DPL is directed to file separate petition before the Commission regarding the treatment of over/ under recovery, if any, as directed by the Commission in para 4.6 of the order dated 30.05.2022.
- 4.6 DPL is to take a note of this order.
- 4.7 A copy of the order shall be posted in the website of the Commission.
- 4.8 DPL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

**Sd/-**  
**(PULAK KUMAR TEWARI)**  
**MEMBER**

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

**DATED: 17.08.2023**

**Sd/-**  
**SECRETARY**