



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION

IN CASES NO.:
FPPCA – 92/ 18 – 19 AND
APR – 72 / 18 – 19

IN REGARD TO THE APPLICATIONS OF THE WEST
BENGAL POWER DEVELOPMENT CORPORATION
LIMITED FOR FUEL COST ADJUSTMENT (FCA)
AND ANNUAL PERFORMANCE REVIEW (APR) FOR
THE FINANCIAL YEAR 2017 – 2018

DATE: 22.09.2022



CHAPTER – 1 PREAMBLE

1.1 The regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), mandates that the generating companies are required to go through an Annual Performance Review (in short 'APR'). Accordingly, West Bengal Power Development Corporation Limited (hereinafter referred to as 'WBDCL') submitted their application for Annual Performance Review for 2017 – 2018 on 05.02.2019. Prior to submission of APR 2017 – 18, WBDCL has also submitted Fuel Cost Adjustment (hereinafter referred to as "FCA") application for 2017 – 18 on 29.01.2019 separately for each of the following generating stations for the financial year 2017 – 18. The Commission admitted the FCA and APR application and numbered them as FPPCA – 92/18 – 19 and APR – 72/18 – 19 respectively.

- A) Kolaghat Thermal Power Station (KTPS),
- B) Bakreswar Thermal Power Station (BkTPS),
- C) Bandel Thermal Power Station (BTPS),
- D) Santaldih Thermal Power Station (STPS),
- E) Sagardighi Thermal Power Station Stage I (SgTPS Stg I)
- F) Sagardighi Thermal Power Station Stage II (SgTPS Stg II)

1.2 On admission of the APR and FCA applications, WBDCL was directed to publish the gist of the APR and FCA applications of 2017-18, as submitted by WBDCL and approved by the Commission. Accordingly, the gist was published on 29.09.2021 simultaneously in the 'Ei Samay', the 'Aajkal', the 'The Times of India', and the 'Sanmarg'. The publication requested for submission of suggestions and objections from the stake holders, if any, on the application to the Commission within 21 days from the date of publication. The approved gist along with the APR petition for 2017-18 was also published in the website of WBDCL. Opportunities were also afforded to all to inspect the application and take copies thereof.

1.3 Against such gist publications of APR of WBDCL for the year 2017 – 2018, no objection and suggestions have been received from any person within last date of submission.



CHAPTER – 2

COMPUTATIONS OF THE ALLOWABLE FUEL COST

- 2.1 In this part of the order, the Commission takes up the determination of fuel cost allowable to WBPDCCL on the quantum of power sold by it to WBSEDCL during the financial year 2017 – 2018 along with any gain that arises from the performance of different generating stations of WBPDCCL which is better than the operating norms.
- 2.2 The Fuel and Power Purchase Cost Adjustments (in short “FPPCA”) during the referred adjustment period, i.e., financial year 2017 – 2018, are to be ascertained by following the formula as enunciated by the Commission in Part – B of Schedule – 7A to the Tariff Regulations.
- 2.3 Further, paragraph A of Schedule 9B to the Tariff Regulations, contains provisions for sharing the gains for coal fired thermal power stations, if any, on account of its better performances over the operating norms set by the Commission. The operational parameters which are to be considered for such sharing the gains accrued to the generating stations are:
- (i) Gain Sharing for Better Oil Consumption Rate;
 - (ii) Gain Sharing for Better Auxiliary Consumption Rate;
 - (iii) Gain Sharing for Better Gross Station Heat Rate

Further, in terms of paragraph D of Schedule 9B to the Tariff Regulations, the total gains meant to be passed on to the consumers/ beneficiaries, which shall represent the sum of the sharable gains shall be used first to compensate the deficit in fixed charge recovery of the concerned generating station of the generating company, in case the availability of the generating station falls below the availability norm and only thereafter the balance, if any, shall be passed on to the consumers/ beneficiaries.

- 2.4 Before ascertaining the amount of admissible fuel cost as well as the amount of gains, if any, to be shared with the beneficiary (WBSEDCL) under the provisions of the Tariff Regulations explained in paragraph 2.3 above, the actual performances of WBPDCCL in



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comparison to the operational norms set by the Commission in the Tariff Order for the concerned year needs to be reviewed. Such comparisons are made hereunder:

Sl No	Generating Station	Particulars	Unit	As per Tariff Order / Norms	As per Actual
1	Kolaghat	Rate of Auxiliary Consumption	%	9.60	11.39
		Specific Consumption of Oil	ml/kWh	2.00	1.59
		Station Heat Rate	kCal/kWh	2700	2730
2	Bakreswar	Rate of Auxiliary Consumption	%	9.00	9.39
		Specific Consumption of Oil	ml/kWh	1.30	0.31
		Station Heat Rate	kCal/kWh	2470	2506
3	Bandel	Rate of Auxiliary Consumption	%	9.70	11.04
		Specific Consumption of Oil	ml/kWh	2.15	3.18
		Station Heat Rate	kCal/kWh	2725	2855
4	Santalidih	Rate of Auxiliary Consumption	%	9.00	8.40
		Specific Consumption of Oil	ml/kWh	1.00	0.32
		Station Heat Rate	kCal/kWh	2425	2454
6	Sagardighi Stg I	Rate of Auxiliary Consumption	%	9.00	12.15
		Specific Consumption of Oil	ml/kWh	1.00	1.53
		Station Heat Rate	kCal/kWh	2345	2438
7	Sagardighi Stg II post stabilization period #	Rate of Auxiliary Consumption	%	9.00	7.69
		Specific Consumption of Oil	ml/kWh	1.00	3.90
		Station Heat Rate	kCal/kWh	2424	2755

Note:

- 1) The Commission in the Tariff Order dated 07.07.017 of Sagardighi Stg II for 2016 – 17 has provisionally considered the Auxiliary Power Consumption rate as 5.25% as set by CERC for the same standard and capacity of generating station, since the necessary technical parameters for determination of APC rate have not been submitted by WBPDC. However, for computation of FCA, the Commission considered the APC rate as per the norms set in the Tariff Regulations.
- 2) The Commission in its Order dated 12.04.2022 in Case No. OA – 362/ 20 – 21 has directed that the Station Heat Rate of SgTPP Stg II will be considered as 2424 kCal/kWh instead of 2276 kCal/kWh as mentioned in Schedule 9A to the Tariff Regulations with effect from the date of COD of SgTPP II and the effect of the enhanced station heat rate will be given by the Commission at the time of determination of FCA for the years from 2016 – 17. Accordingly, the same has been considered for computation of FCA in this order.

The computations of actual Rate of Auxiliary Consumption, Specific Consumption of Oil and Station Heat Rate achieved are shown in Annexure – 2A.

- 2.4.1 As observed from above, actual performances of Kolaghat generating station relating to specific oil consumption, Bakreswar generating station relating to specific oil consumption, Santaldih generating station relating to the auxiliary energy consumption and specific oil consumption and Sagardighi Stage II generating station relating to the



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auxiliary energy consumption qualify for deriving gains for sharing subject to the condition stipulated in paragraph D of Schedule 9B to the Tariff Regulations.

WBPDCCL in their APR application has submitted the actual availability vis-à-vis the normative availability of the following stations as tabulated below:

SI No	Generating Stations	Normative Availability	Actual Availability
1	Kolaghat TPS	75.00%	43.96%
2	Bakreswar TPS	85.00%	85.23%
3	Santaldih TPS	85.00%	69.13%
4	Sagardighi TPS Stg II	85.00%	37.52%

Therefore, from the above, it transpires that the gains on improved performance of Bakreswar TPS will be shared with WBSEDCL. However, the sharable gains on improved performance of Kolaghat TPS, Santaldih TPS and Sagardighi TPS Stage II shall be used to compensate the deficit in fixed charge recovery of the concerned generating stations as stipulated in paragraph D of Schedule 9B to the Tariff Regulations. The amount of gain and its share shall be determined in the subsequent paragraphs.

2.5 Determination of Allowable Fuel Cost:

2.5.1 The consumption of fuel and costs thereon submitted by WBPDCCL for its different generating stations in operation for the year 2017 – 2018 is tabulated below:

SI No	Particulars	Unit	Generating stations					
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi-I	Sagardighi-II
(i)	Station Heat Rate (Normative)	kCal/kWh	2700	2470	2725	2425	2345	2322
(ii)	Rate of Oil Consumption (Normative)	ml/kWh	2.00	1.30	2.15	1.00	1.00	1.00
(iii)	Weighted Average Actual Calorific Value of Oil	kCal/lit	9330.78	9675.35	9150.68	9536.42	9237.26	9237.26
(iv)	Weighted Average Actual Heat Value of Coal (Annexure - IVB)	kCal/kg	3478.225	4204.49	3732.75	3934.02	4179.07	4179.07
(v)	Weighted Average Actual Price of Oil	Rs/kl	42527.89	42434.62	42590.18	47586.47	43219.52	42840.05
(vi)	Weighted Average Actual Price of Coal	Rs/MT	3429.92	4140.57	4220.23	3880.84	4467.05	4531.36



2.5.2 The first two of the above factors, i.e., the station heat rate and the rate of consumption of oil will be considered based on the norms specified by the Commission. The weighted average calorific value of oil and the weighted average heat value of coal are the variable factors depending upon the actual mix of different grades of fuel used in operation. The declared heat value of each grade of coal varies within a range. The weighted average heat value of coal considered at the tariff fixation level was based on the minimum value of the range of each projected grade of coal and is subject to adjustments in terms of regulation 5.8.1(i) of the Tariff Regulations.

2.5.3 Generation:

Gross generation of each of the stations has been estimated by taking into consideration the ex-bus injection schedule and normative auxiliary consumption.

2.5.4 Auxiliary Consumption:

The quantum of auxiliary consumptions at the generating station as per the norms fixed by the Commission is as under:

Generating station	Scheduled Injection (MU)	Normative Rate (%)	Normative Auxiliary Consumption (MU)	Admissible Gross Generation (MU)
	(1)	(2)	(3) = ((1) / (1 - (2)) - (1)	(4) = (1) + (3)
Kolaghat	4179.56	9.60%	443.85	4623.41
Bakreswar	6784.55	9.00%	671.00	7455.55
Bandel	1724.95	9.70%	185.29	1910.24
Santalidih	2690.25	9.00%	266.07	2956.32
Sagardighi Stg I	2636.81	9.00%	260.78	2897.59
Sagardighi Stg II	3119.05	9.00%	308.48	3427.53
Total	21135.17			23270.64

2.5.5 Weighted Average GCV of Oil:

WBPDCCL has presented their detailed audited computations of the weighted average calorific value of oil for each of the generating stations with reference to the month-wise supplies received by them. As this is a variable factor depending on the grades of oil used, the Commission has considered the same for working out the amount of allowable fuel cost.



2.5.6 Heat Value of Coal:

On basis of data submitted by WBPDCCL in their FCA application, the Commission has decided to determine and admit UHV of coal received in the process as outlined in Regulation 5.8.15 of the Tariff Regulations. However, conversion from GCV to UHV, in terms of regulation 5.8.15 of the Tariff Regulations, is not required for imported / washed coal. Such coals contain lesser ash and are of -50 mm in size and is not categorized under different grades of coal of Coal India Limited. The Commission proceeds to determine and admit the heat value of coal received in the process as per the provisions of Regulation 5.8.15 of the Tariff Regulation. Detailed computations are shown in Annexure – 2C1 to 2C6 to this chapter. The Heat Values so determined are 3118.52 kCal/kg, 3847.18 kCal/kg, 3411.40 kCal/kg, 3832.75 kCal/kg, 4001.03 kCal/kg and 4001.03 kCal/kg for Kolaghat, Bakreswar, Bandel, Santaldih, Sagardighi Stg I and Sagardighi Stg II respectively. The actual audited heat values as mentioned in paragraph 2.5.1 above being higher than the computed heat values as mentioned above. The actual audited heat values of coal have been admitted considering regulation 5.8.1 (i) of the Tariff Regulations, as below:

Generating station	Heat Value of Coal (kCal/kg)
Kolaghat	3478.23
Bakreswar	4204.49
Bandel	3732.75
Santaldih	3934.02
Sagardighi Stg I	4179.07
Sagardighi Stg II	4179.07

2.5.7 Permitted Transit & Handling Loss of Coal:

As specified in Part A of the Schedule 9A to the Tariff Regulations, transit and handling losses of coal allowable to WBPDCCL is 0.80% for Kolaghat, Bandel, Santaldih, Sagardighi Stg I and Sagardighi Stg II generating stations. The same is 0.50% for Bakreswar generating station. The allowable quantum of coal requirement at such provision of loss in different generating stations is shown in item no. 15 of the statement at Annexure – 2B.



2.5.8 Average Price of Oil and Coal:

The Commission observes that WBPDCCL has purchased coal from CIL Subsidiaries. The cost prices are as per the basic price of coal as notified by Coal India Limited along with royalty, taxes and duties. From the submission of WBPDCCL, the Commission observes that the coal is transported through rail mode only and thus only railway freight charges are applicable as per the freight rate of Indian Railways.

The prices of coal and oil as submitted in paragraph 2.5.1 above are inclusive of freight / transportation charges. The Commission admits the price of coal and oil as determined based on the figures as per Notes on Accounts under note 71 to the Annual Accounts for 2017 - 18.

2.5.9 Excess Cost of Oil claimed on account of forced backdown:

2.5.9.1 WBPDCCL submitted in its application that part of the consumption of oil (Light Diesel Oil) at Bandel and Sagardighi Stg I Generating Stations was due to forced back-down on several occasions when State Load Despatch Centre (in short "SLDC") issued instruction to de-synchronize the generating units. The re-synchronization of the units could be done only on obtaining clearance from SLDC.

2.5.9.2 As such, since the de-synchronization and re-synchronization involving additional quantity of oil consumption were beyond the control of the generating station, WBPDCCL prayed for allowing the recovery of an amount of Rs. 106 lakh and Rs. 34 lakh against Bandel and Sagardighi Stg I Generating Stations respectively in this regard through energy charges for the year 2017 – 2018. Apart from above amount of Rs. 140 lakh for the year 2017 – 2018, WBPDCCL has further submitted the claim for Rs. 4134.90 lakh as balance claim for the years 2010 – 11, 2011 – 12, 2012 – 13 and 2013 - 14 and sought for review of those FCA Orders. The details of such instances where WBPDCCL had to desynchronize its unit has been tabulated below:

Sl No	Plant	No. of Instances where Units were desynchronized as per direction of SLDC	Oil Consumption (in Kl)	Cost of such Oil Consumption (in Rs Lakh)
1	Bandel TPS	6	249	106.04
2	Sagardighi TPS Stg I	2	79.02	34.22
Total Oil Consumption due to desynchronization of Unit				140.26



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2.5.9.3 The Commission has observed from the documents submitted by WBPDCCL that the generating units of Bandel and Sagardighi TPS Stage I which had to be de-synchronized as per the instruction from SLDC are due to low system demand in normal condition. This has already been taken into consideration during fixation of norms. Thus, the Commission does not consider the claim of expenses for excess consumption of oil for the generating stations for 2017 – 18. Further, WBPDCCL's claims for expenses for excess consumption of oil during 2010 – 11, 2011 – 12, 2012 – 13 and 2013 - 14 which have been disallowed by the Commission, are not required to be dealt with in the instant FCA application of 2017 – 18.

2.5.10 Gains on account of better performances over the operating norms:

2.5.10.1 As detailed in para 2.4.1 above, gain for Kolaghat TPS due to improved specific oil consumption is given below:

Particulars	Unit	Bakreswar TPS
Specific Consumption of Oil as per Norms	ml/kWh	2.00
Actual Oil Consumption	ml/kWh	1.59
Category		Category B
Sharing Ratio as per SI No. 2 of Category B		60% : 40%
Total Gross Generation	in MU	4623.41
Price of Oil	Rs/ KL	42527.89
GAIN	in Rs Lakh	806.16
Share % of WBSEDCL	%	40
Share of WBSEDCL	in Rs Lakh	322.46

2.5.10.2 As detailed in para 2.4.1 above, gain for Bakreswar TPS due to improved specific oil consumption is given below:

Particulars	Unit	Bakreswar TPS
Specific Consumption of Oil as per Norms	ml/kWh	1.30
Actual Oil Consumption	ml/kWh	0.31
Category		Category B
Sharing Ratio as per SI No. 4 of Category B		70% : 30%
Total Gross Generation	in MU	7455.548
Price of Oil	Rs/ KL	42434.62
GAIN	in Rs Lakh	3132.10
Share % of WBSEDCL	%	30
Share of WBSEDCL	in Rs Lakh	939.63



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2.5.10.3 Similarly, the gain for Santaldih TPS due to improved specific oil consumption is given below:

Particulars	Unit	Santaldih TPS
Specific Consumption of Oil as per Norms	ml/kWh	1.00
Actual Oil Consumption	ml/kWh	0.32
Category		Category A
Sharing Ratio as per SI No. 3 of Category A		70% : 30%
Total Gross Generation	in MU	2956.32
Price of Oil	Rs/ KL	47586.47
GAIN	in Rs Lakh	956.63
Share % of WBSEDCL	%	30
Share of WBSEDCL	in Rs Lakh	286.99

2.5.10.4 The gain for Santaldih TPS due to improved auxiliary energy consumption is given below:

Particulars	Unit	Santaldih TPS
Normative Auxiliary Consumption	%	9.00%
Actual Auxiliary Consumption	%	8.40%
Category		Category B
Sharing Ratio as per SI No. 2 of Category B		70% : 30%
Normative Auxiliary Consumption	in MU	266.07
Actual Auxiliary Consumption	in MU	247.19
Savings in Auxiliary Consumption	in MU	18.88
Cost of Generation	in Rs/kWh	2.69
GAIN	in Rs Lakh	508.12
Share % of WBSEDCL	%	30
Share of WBSEDCL	in Rs Lakh	152.44

2.5.10.5 Similarly, the gain for Sagardighi TPS Stg II due to improved auxiliary energy consumption is given below:

Particulars	Unit	Sagardighi TPS Stg II
Normative Auxiliary Consumption	%	9.00%
Actual Auxiliary Consumption	%	7.69%
Category		Category B
Sharing Ratio as per SI No. 4 of Category B		80% : 20%
Normative Auxiliary Consumption	in MU	308.48
Actual Auxiliary Consumption	in MU	257.54
Savings in Auxiliary Consumption	in MU	50.95
Cost of Generation	in Rs/kWh	2.95
GAIN	in Rs Lakh	1501.65
Share % of WBSEDCL	%	20
Share of WBSEDCL	in Rs Lakh	300.33



- 2.5.10.6 The share of WBSEDCL on account of improved specific oil consumption of Kolaghat TPS is Rs. 322.46 lakhs and is to be compensated with the deficit in fixed charge recovery of the Kolaghat TPS in terms of paragraph D of Schedule 9B to the Tariff Regulations. The treatment of sharing of gain, if any shall be given in subsequent chapter.
- 2.5.10.7 The share of WBSEDCL on account of improved specific oil consumption of Bakreswar TPS is Rs. 939.63 lakhs. The treatment of sharing of gain shall be given in subsequent chapter.
- 2.5.10.8 The share of WBSEDCL out of total gain on account of improved specific oil consumption and auxiliary energy consumption of Santaldih TPS is Rs. 439.43 lakh (Rs. 286.99 lakh + Rs. 152.44 lakh). The treatment of sharing of gain, if any shall be given in subsequent chapter.
- 2.5.10.9 The share of WBSEDCL on account of improved auxiliary energy consumption of Sagardighi TPS Stg II is Rs. 300.33 lakhs and is to be compensated with the deficit in fixed charge recovery of the Sagardighi TPS Stg II in terms of paragraph D of Schedule 9B to the Tariff Regulations. The treatment of sharing of gain, if any shall be given in subsequent chapter.
- 2.5.11 **Cost on account of Stabilization Period i.r.o Sagardighi TPS Stage II:**
- 2.5.11.1 Sagardighi TPS Stage II consisting of Unit III and Unit IV achieved COD during 2016 – 17 on 01.07.2016 and 20.12.2016 respectively. WBPDCCL vide letter dated 03.09.2021 has submitted that the Stabilization Period of Unit III was till 27.12.2016 and that of Unit IV was till 17.06.2017. Therefore, Unit IV was in stabilization period from 01.04.2017 to 17.06.2017 during 2017 - 18. From the submission of WBPDCCL, it is observed that the actual rate of oil consumption during the stabilization period was 4.28 ml/kWh and the actual Station Heat Rate achieved during the said period was 2585 kCal/kWh. Therefore, as per Note (iii) and (ix) to Paragraph A of the Schedule 9A of the Tariff Regulations, the additional gross Station Heat Rate of 50 kCal/kWh and oil consumption of 3.5 ml/kWh is allowable.



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2.5.11.2 WBPDCCL vide letter dated 03.09.2021 submitted that the sent out scheduled generation during the stabilization period of Unit IV is 231.10 MU. Now, considering the additional Station Heat Rate and Oil Consumption along with other generating parameters considered above, the additional allowable Fuel Cost due to relaxed norms as computed in Annexure 2D is Rs. 429.84 lakhs.

2.5.12 **C_D: Cost Disallowable:**

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

2.5.13 On careful consideration of all the related facts and factors as stated above, the Commission worked out the amount of fuel cost that can be allowed to WBPDCCL for each of its referred generating stations in commercial operation for the actual level of sale of energy to WBSEDCL during 2017 – 2018 as shown hereunder:

Generating station	Admissible Cost of Fuel
	(Rs. in Lakh)
Kolaghat	127165.95
Bakreswar	185448.44
Bandel	60647.60
Santaldih	72418.43
Sagardighi Stg I	74180.51
Sagardighi Stg II	91935.94
Total	611796.87

2.6 The Commission now views the actual performance of different generating stations of WBPDCCL with reference to admitted parameters and cost allowed in the tariff order of WBPDCCL for 2017 – 2018. Summarized details are given in the table below:



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Generating Stations	Admissible Fuel Cost		Ex-bus Generation sold to Licensee		Average Fuel Cost per unit of sales to Licensee	
	As per Tariff Order (Rs. in lakh)	As allowed in FCA (Rs. in lakh)	As per Tariff Order (MU)	As allowed in FCA (MU)	As per Tariff Order (Paise/kWh)	As allowed in FCA (Paise/kWh)
Kolaghat	171450.73	127165.95	6984.59	4179.56	245.47	304.26
Bakreswar	144849.80	185448.44	6695.78	6784.55	216.33	273.34
Bandel	70043.44	60647.60	2591.61	1724.95	270.27	351.59
Santaldih	69209.43	72418.43	3188.64	2690.25	217.05	269.19
Sagardighi Stg I	83120.24	74180.51	3826.37	2636.81	217.23	281.33
Sagardighi Stg II	149620.92	91935.94	6640.08	3119.05	225.33	294.76
Total	688294.56	611796.87	29927.07	21135.17	229.99	289.47

2.7 Summing up the findings as explained in the earlier paragraphs, the amount of admissible fuel cost for different generating station of WBPDCCL for the year 2017 – 2018 comes as under:

Particulars	Unit	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi Stg I	Sagardighi Stg II	Overall
Total admissible fuel cost as per norms (FC as per Annexure 2B)	Rs. in lakh	127165.95	185448.44	60647.60	72418.43	74180.51	91935.94	611796.87
C _D (Cost disallowed)		0	0	0	0	0	0	0
A (±) Adjustment		0	0	0	0	0	0	0
Add: Additional Fuel Cost on account of Stabilization Period of Sagardighi TPS Stage II (as per para 2.5.11)		0	0	0	0	0	429.84	429.84
Fuel Cost admitted		127165.95	185448.44	60647.60	72418.43	74180.51	92365.78	612226.71

2.8 As per the findings narrated in the preceding paragraphs, WBPDCCL is to recover Rs. 35957.11 lakh in respect of Kolaghat, Bakreswar, Bandel, Santaldih, Sagardighi Stg I and Sagardighi Stg II thermal power stations towards Fuel Cost Adjustments (FCA) during the year 2017 – 2018 from its energy recipient i.e., WBSEDCL as per the generating station wise break-up given below:

Generating Station	Sales (MU)	Energy charges recovered as per Tariff Order (Rs. in lakh)	Amount of MFCA recovered in addition to energy charges recovered as per tariff order of 2017-18 (Rs. in lakh)	Amount of fuel cost recovered during 2017-18 (Rs. in lakh)	Amount of fuel cost admitted in FCA for 2017-18 (Rs. in lakh)	Balance amount recoverable for 2017-18 (Rs. in lakh)
(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (6) – (5)
Kolaghat	4179.56	102595.65	32253.00	134848.66	127165.95	-7682.71
Bakreswar	6784.55	146770.13	33757.12	180527.26	185448.44	4921.18
Bandel	1724.95	46620.27	6766.39	53386.66	60647.60	7260.94



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Generating Station	Sales (MU)	Energy charges recovered as per Tariff Order (Rs. in lakh)	Amount of MFCA recovered in addition to energy charges recovered as per tariff order of 2017-18 (Rs. in lakh)	Amount of fuel cost recovered during 2017-18 (Rs. in lakh)	Amount of fuel cost admitted in FCA for 2017-18 (Rs. in lakh)	Balance amount recoverable for 2017-18 (Rs. in lakh)
(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (6) - (5)
Santaldih	2690.25	58391.88	9402.53	67794.40	72418.43	4624.03
Sagardighi Stg I	2636.81	57279.47	9019.03	66298.49	74180.51	7882.02
Sagardighi Stg II	3119.05	70281.55	3132.58	73414.13	92365.78	18951.65
Total	21135.17	481938.95	94330.65	576269.60	612226.71	35957.11

2.9 The decision of the Commission regarding recovery of the amount of Rs. 35957.11 lakh by WBPDCCL from its energy recipients i.e., WBSEDCL will be given in subsequent chapter.



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ANNEXURE 2A

COMPUTATION OF ACTUAL STATION HEAT RATES ACHIEVED IN 2017 – 18

Sl No.	Particulars	Unit	Generating Stations					
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi-I	Sagardighi-II
1	Gross Generation (Actual)	MU	4749.846	7486.545	1926.043	2941.562	2993.884	3347.759
2	Consumption of Oil (Actual)	KL	7528.96	2333.87	10839.00	954.00	4577.95	13061.28
3	Consumption of coal (Actual)	MT	3770633.35	4503212.83	1461349.16	1841759.78	1765785.18	2209632.05
4	GCV of Oil (Actual)	Kcal/Lit	9330.780	9675.354	9150.683	9536.420	9237.261	9237.261
5	Heat Value of Coal (Actual)	Kcal/Kg	3419.754	4160.716	3694.405	3914.847	4110.114	4119.562
6	Heat from Oil(2X4/1000)	M.Kcal	70251.07	22581.02	99184.25	9097.74	42287.72	120650.45
7	Heat from Coal(3X5/1000)	M.Kcal	12894623.40	18736589.67	5398815.64	7210207.75	7257578.39	9102716.23
8	Total Heat used (6+7)	M.Kcal	12964874.47	18759170.69	5497999.90	7219305.49	7299866.11	9223366.68
9	Station Heat rate achieved (8/1)	Kcal/kWh	2730	2506	2855	2454	2438	2755
10	Normative Station Heat rate	Kcal/kWh	2700	2470	2725	2425	2345	2322

COMPUTATION OF ACTUAL AUXILIARY CONSUMPTION ACHIEVED IN 2017 – 18

Sl No.	Particulars	Actual Gross Generation (in MU)	Actual Sent Out Generation (in MU)	Auxiliary Consumption (in MU)	% of Actual Auxiliary Consumption	% of Normative Auxiliary Consumption
1	Kolaghat	4749.846	4208.658	541.19	11.39%	9.60%
2	Bakreswar	7486.545	6783.687	702.86	9.39%	9.00%
3	Bandel	1926.043	1713.363	212.68	11.04%	9.70%
4	Santaldih	2941.562	2694.368	247.19	8.40%	9.00%
5	Sagardighi Stg I	2993.884	2630.127	363.76	12.15%	9.00%
6	Sagardighi Stg II	3347.759	3090.224	257.54	7.69%	9.00%

COMPUTATION OF SPECIFIC OIL CONSUMPTION ACHIEVED IN 2017 – 18

Sl No.	Particulars	Actual Gross Generation (in MU)	Actual Oil Consumption (in Kl)	Specific Oil Consumption (in ml/kWh)	Normative Oil Consumption (in ml/kWh)
1	Kolaghat	4749.846	7528.96	1.59	2.00
2	Bakreswar	7486.545	2333.87	0.31	1.30
3	Bandel	1926.043	6131.01	3.18	2.15
4	Santaldih	2941.562	954.00	0.32	1.00
5	Sagardighi Stg I	2993.884	4577.95	1.53	1.00
6	Sagardighi Stg II	3347.759	13061.28	3.9	1.00



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ANNEXURE 2B

COMPUTATION OF FUEL COST

Sl No.	Particulars	Unit	Stations					
			Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi Stg I	Sagardighi Stg II
1	Energy sold to licensee from Generating Station	MU	4179.56	6784.55	1724.95	2690.25	2636.81	3119.05
2	Rate of Auxiliary consumption (Normative)	%	9.60	9.00	9.70	9.00	9.00	9.00
3	Aux. Consumption (Normative)	MU	443.85	671.00	185.29	266.07	260.78	308.48
4	Admissible Gross Generation (1+3)	MU	4623.41	7455.55	1910.24	2956.32	2897.59	3427.53
5	Station Heat Rate (Normative)	Kcal/k Wh	2700.00	2470.00	2725.00	2425.00	2345.00	2424.00
6	Total Heat Required (4X5)	M.Kcal	12483207.00	18415203.56	5205409.45	7169076.00	6794853.24	8308332.72
7	Specific Oil Consumption (Normative)	ml/kWh	2.00	1.30	2.15	1.00	1.00	1.00
8	Oil Consumption (4X7)	KL	9246.82	9692.21	4107.02	2956.32	2897.59	3427.53
9	Average GCV of Oil (Actual)	Kcal/lit	9330.78	9675.35	9150.69	9536.42	9237.26	9237.26
10	Heat from Oil $\{(8) \times (9) / 1000\}$	M.Kcal	86280.04	93775.56	37582.08	28192.71	26765.80	31660.99
11	Heat from Coal (6-10)	M.Kcal /kg	12396926.96	18321428.00	5167827.37	7140883.29	6768087.44	8276671.73
12	Heat Value of Coal	Kcal/kg	3478.23	4204.49	3732.75	3934.02	4179.07	4179.07
13	Coal Consumption $\{(11) / (12) \times 1000\}$	MT	3564153.26	4357586.29	1384455.80	1815161.92	1619520.00	1980505.65
14	Permissible Transit Loss	%	0.80	0.50	0.80	0.80	0.80	0.80
15	Coal Requirement with permissible transit loss	MT	3592896.43	4379483.71	1395620.77	1829800.32	1632580.65	1996477.47
16	Average Price of Oil	Rs/KL	42527.89	42434.62	42590.18	47586.47	43219.52	42840.05
17	Average Price of Coal	Rs/MT	3429.92	4140.57	4220.23	3880.84	4467.05	4531.36
18	Cost of Oil $\{(8) \times (16) / 100000\}$	Rs.in Lakh	3932.48	4112.85	1749.19	1406.81	1252.32	1468.36
19	Cost of Coal $\{(15) \times (17) / 100000\}$	Rs.in Lakh	123233.47	181335.59	58898.41	71011.62	72928.19	90467.58
20	Cost of Fuel (18+19)	Rs.in Lakh	127165.95	185448.44	60647.60	72418.43	74180.51	91935.94
21	Average fuel cost per unit sold to licensee	Paise/k Wh	304.26	273.34	351.59	269.19	281.33	294.76



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ANNEXURE 2C1

**Computation of UHV of Coal based on Minimum of declared Heat Value
Kolaghat Thermal Power Station**

Grade	Quantity (MT)	Minimum GCV of coal received (x)	Max GCV of band (X2)	Min GCV of band (X1)	Max UHV of band (Y2)	Min UHV of band (Y1)	Mean UHV Interpolation	Qty x Mean UHV	Wtd Avg UHV
G3	31161.31	6401	6454	6049	6200	5600	6121	190753336	
G4	187470.25	6101	6454	6049	6200	5600	5677	1064276108	
G5	86879.80	5801	6049	5597	5600	4940	5238	455065967	
G6	139041.40	5501	5597	5089	4940	4200	4800	667420967	
G7	81527.41	5201	5597	5089	4940	4200	4363	355716319	
G8	175734.73	4901	5089	4324	4200	3360	3994	701808946	
G9	86323.90	4601	5089	4324	4200	3360	3664	316304581	
G10	162972.87	4301	4324	3865	3360	2400	3312	539749848	
G11	603583.66	4001	4324	3865	3360	2400	2684	1620284120	
G12	561300.53	3701	3865	3113	2400	1300	2160	1212470888	
G13	568018.89	3401	3865	3113	2400	1300	1721	977719555	
G14	146666.54	3101	3865	3113	2400	1300	1282	188092504	
G15	7649.53	2801					1170	8951721	
G16	3933.72	2501					1045	4110322	
W-II	3731.71						4247.13	15849057	
W-III	91234.80						4247.13	387486056	
W-IV	573928.95						3909.155	2243577225	
	3511160.00							10949637520	3118.52



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ANNEXURE 2C2

Computation of UHV of Coal based on Minimum of declared Heat Value Bakreswar Thermal Power Station

Grade	Quantity (MT)	Minimum GCV of coal received (x)	Max GCV of band (X2)	Min GCV of band (X1)	Max UHV of band (Y2)	Min UHV of band (Y1)	Mean UHV Interpolation	Qty x Mean UHV	Wtd Avg UHV
G3	15789.91	6401	6454	6049	6200	5600	6121	96657618	
G4	637598.28	6101	6454	6049	6200	5600	5677	3619670939	
G5	652962.16	5801	6049	5597	5600	4940	5238	3420137439	
G6	332713.41	5501	5597	5089	4940	4200	4800	1597077602	
G7	488665.08	5201	5597	5089	4940	4200	4363	2132119044	
G8	364270.00	4901	5089	4324	4200	3360	3994	1454737744	
G9	158650.43	4601	5089	4324	4200	3360	3664	581320560	
G10	121395.96	4301	4324	3865	3360	2400	3312	402051280	
G11	490923.27	4001	4324	3865	3360	2400	2684	1317854063	
G12	355007.93	3701	3865	3113	2400	1300	2160	766856180	
G13	244553.81	3401	3865	3113	2400	1300	1721	420945582	
G14	195075.97	3101	3865	3113	2400	1300	1282	250175178	
G15	99284.90	2801					1170	116186321	
G16	45875.55	2501					1045	47935103	
G17	7431.46	2201					920	6833652	
W-III	31194.05						3993.09	124560649	
W-IV	209228.59						3666.80	767199394	
	4450620.76							17122318347	3847.18



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ANNEXURE 2C3

Computation of UHV of Coal based on Minimum of declared Heat Value Bandel Thermal Power Station

Grade	Quantity (MT)	Minimum GCV of coal received (x)	Max GCV of band (X2)	Min GCV of band (X1)	Max UHV of band (Y2)	Min UHV of band (Y1)	Mean UHV Interpolation	Qty x Mean UHV	Wtd Avg UHV
G3	15934.15	6401	6454	6049	6200	5600	6121	97540581	
G4	218374.60	6101	6454	6049	6200	5600	5677	1239721339	
G5	116498.68	5801	6049	5597	5600	4940	5238	610206106	
G6	77947.61	5501	5597	5089	4940	4200	4800	374161000	
G7	35458.51	5201	5597	5089	4940	4200	4363	154710798	
G8	80943.37	4901	5089	4324	4200	3360	3994	323253014	
G9	78883.42	4601	5089	4324	4200	3360	3664	289041472	
G10	90344.88	4301	4324	3865	3360	2400	3312	299213208	
G11	230690.06	4001	4324	3865	3360	2400	2684	619273625	
G12	101533.44	3701	3865	3113	2400	1300	2160	219323399	
G13	131575.51	3401	3865	3113	2400	1300	1721	226478294	
G14	55561.43	3101	3865	3113	2400	1300	1282	71254756	
G15	76324.54	2801					1170	89317384	
G16	18463.83	2501					1045	19292752	
G17	23025.95	2201					920	21173677	
W-IV	6471.83							5011.28	
	1358031.81							4632787726	3411.40



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ANNEXURE 2C4

Computation of UHV of Coal based on Minimum of declared Heat Value Santaldih Thermal Power Station

Grade	Quantity (MT)	Minimum GCV of coal received (x)	Max GCV of band (X2)	Min GCV of band (X1)	Max UHV of band (Y2)	Min UHV of band (Y1)	Mean UHV Interpolation	Qty x Mean UHV	Wtd Avg UHV
G3	0.00	6401	6454	6049	6200	5600	6121	0	
G4	0.00	6101	6454	6049	6200	5600	5677	0	
G5	1605.60	5801	6049	5597	5600	4940	5238	8409940	
G6	7634.27	5501	5597	5089	4940	4200	4800	36645717	
G7	46529.56	5201	5597	5089	4940	4200	4363	203015450	
G8	163441.42	4901	5089	4324	4200	3360	3994	652714752	
G9	206163.26	4601	5089	4324	4200	3360	3664	755415171	
G10	35047.70	4301	4324	3865	3360	2400	3312	116074478	
G11	42888.84	4001	4324	3865	3360	2400	2684	115132518	
G12	66327.89	3701	3865	3113	2400	1300	2160	143275538	
G13	36672.43	3401	3865	3113	2400	1300	1721	63123520	
G14	8535.32	3101	3865	3113	2400	1300	1282	10946121	
G15	6623.62	2801					1170	7751169	
G17	10602.64	2201					920	9749734	
NO GRADE	3455.42						912.88	3154384	
W-III	312036.82						4327.96	1350482875	
W-IV	687948.43						4085.98	2810943526	
WP	107992.47						3663.06	395582897	
	1743505.69							6682417790	3832.75



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ANNEXURE 2C5

**Computation of UHV of Coal based on Minimum of declared Heat Value
Sagardighi Thermal Power Station**

Grade	Quantity (MT)	Minimum GCV of coal received (x)	Max GCV of band (X2)	Min GCV of band (X1)	Max UHV of band (Y2)	Min UHV of band (Y1)	Mean UHV Interpolation	Qty x Mean UHV	Wtd Avg UHV
G3	38519.76	6401	6454	6049	6200	5600	6121	235797940	
G4	646887.16	6101	6454	6049	6200	5600	5677	3672404283	
G5	540879.52	5801	6049	5597	5600	4940	5238	2833062020	
G6	242971.90	5501	5597	5089	4940	4200	4800	1166303996	
G7	369094.10	5201	5597	5089	4940	4200	4363	1610412922	
G8	347677.47	4901	5089	4324	4200	3360	3994	1388474314	
G9	326353.47	4601	5089	4324	4200	3360	3664	1195811331	
G10	279498.01	4301	4324	3865	3360	2400	3312	925669459	
G11	281769.34	4001	4324	3865	3360	2400	2684	756392887	
G12	238933.47	3701	3865	3113	2400	1300	2160	516122578	
G13	207172.88	3401	3865	3113	2400	1300	1721	356602535	
G14	100418.89	3101	3865	3113	2400	1300	1282	128782205	
G15	76228.50	2801					1170	89204995	
G16	27599.43	2501					1045	28838488	
G17	0.00	2201					920	0	
W-II	1733.12						4363	7561863	
W-III	27734.30						4158	115305630	
W-IV	57900.76						3846	222674164	
	3811372.08							15249421609	4001.03



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ANNEXURE 2D

COMPUTATION OF FUEL COST DURING STABILIZATION OF SAGARDIGHI TPS STAGE II

Sl No.	Particulars	Unit	Sagardighi Stg II - Stabilization
1	Energy sold to licensee from Generating Station	MU	231.10
2	Rate of Auxiliary consumption (Normative)	%	9.00
3	Aux. Consumption (Normative) including UI (out)	MU	22.86
4	Admissible Gross Generation (1+3)	MU	253.963
5	Station Heat Rate (Normative)	Kcal/kWh	50.00
6	Total Heat Required (4X5)	M.Kcal	12698.15
7	Specific Oil Consumption (Normative)	ml/kWh	3.50
8	Oil Consumption (4X7)	KL	888.87
9	Average GCV of Oil (Actual)	Kcal/lit	9237.26
10	Heat from Oil {(8)X(9)/1000}	M.Kcal	8210.72
11	Heat from Coal (6-10)	M.Kcal/kg	4487.43
12	Heat Value of Coal	Kcal/kg	4179.07
13	Coal Consumption {(11)/ (12)X1000}	MT	1073.79
14	Permissible Transit Loss	%	0.80
15	Coal Requirement with permissible transit loss	MT	1082.45
16	Average Price of Oil	Rs/KL	42840.05
17	Average Price of Coal	Rs/MT	4531.36
18	Cost of Oil {(8)X(16)/100000}	Rs.in Lakh	380.79
19	Cost of Coal {(15)X(17)/100000}	Rs.in Lakh	49.05
20	Cost of Fuel (18+19)	Rs.in Lakh	429.84



CHAPTER – 3

FIXED COST DETERMINATION UNDER APR

3.1 The fixed cost elements are analyzed as below:

3.2 Project Cost of Units III and IV of Sagardighi and Bandel Generating Stations:

The Commission vide paragraph 5.3.2 and 5.3.4 of the Tariff Order dated 13.09.2018 had decided to reduce the submitted project cost of Rs. 6029.50 Crores for Sagardighi Units III & IV and Rs. 652.20 Crores for Energy Efficient Renovation & Modernization (EERM) of unit no V of Bandel generating station @ 5% for the purpose of tariff determination due to non-submission of final project cost. Accordingly, the Commission had considered the effect of such reduction on fixed cost components viz. Depreciation and Return on Equity (RoE) by determining the ARR for the year 2017 – 18. As WBPDCCL, has not submitted the required report as per regulation 2.8.1.4.13 of the Tariff Regulations, the Commission decides to continue with the principle of Tariff Order and admit Depreciation and RoE by reducing 5% from the admissible amount.

3.3 Employee Cost:

3.3.1 Employee cost include mainly salary and wages, expenditure on account of terminal benefits to the employees and welfare expenses viz. medical expenses and centrally maintained employee cost apportioned to the generating stations. The total employee cost considered in the said Tariff Order relating to 2017-18 for each of the generating stations and the same as per the audited accounts for 2017-18 with reason thereof based upon the data submitted by WBPDCCL are found as under:

Sl. No.	Generating Station	Amount in Rs. Lakh	
		As per Tariff Order/ Review Order of 2017-18	Actual 2017-18
1	Kolaghat	16955.00	14108.26
2	Bakreswar	12147.56	13074.61
3	Bandel	7003.75	7176.83
4	Santaldih	10530.17	9015.30
5	Sagardighi -I	7702.93	6988.96
6	Sagardighi -II		4636.24
	Total	54339.41	55000.20



3.3.2 From the documents submitted by WBPDCCL and written submission, the Commission's findings are as follows:

- a) The total number of employees in each operating generating station under review is as per the specified norms of Man/MW ratio.
- b) There is no cost on the account of employees on contract in regular establishment.
- c) The Employee Cost as per Form 1.17(h) in APR 2017-2018 is Rs. 55000.20 lakh (inclusive of Director's Sitting Fees of Rs. 4.39 lakh). This is in line with the Tariff Regulations where Director's fee and remuneration are part of employee cost. It is observed that in the Audited Accounts (Note 39), 'Directors' Sitting Fees & Other Expenses' is shown as Rs. 4.24 lakhs. Hence, Commission decides to consider the figure as per audited Accounts while admitting the employee expenses.
- d) WBPDCCL has submitted that the claim of employees' terminal benefits of Rs. 16100.69 lakhs consisting of gratuity, pension, leave encashment and actuarial loss is in line with the mandatory requirement under provision of AS – 15. Further in compliance to Section 417 of the Companies Act, 1956, aggregate of General Provident Fund, Pension Fund, Gratuity Fund and Leave Encashment Fund balances are invested in term deposits with scheduled banks. The amount of Rs. 118487.49 lakhs submitted to have been invested in term deposits are stated to include an amount of Rs. 92457.87 lakhs pertaining to GPF, Pension, Gratuity and Leave Encashment Fund Balances as on 31.03.2018. However, these are not part of actuarial valuation considerations. Further, it is noted from Note 48 of the annual accounts 2017 – 18 of WBPDCCL that, the Company does not have separate funds for General Provident Fund, Pension Fund, Gratuity Fund and Leave Encashment Fund. Interests on term deposits with scheduled banks are credited to Statement of Profit & Loss of the Company in absence of separate Trust Fund. The same fact is reiterated in audit certificate provided in Appendix C of Annexure IX of Volume II of application.
- e) In absence of any specific funds, it could not be ascertained from the submitted documents as to whether the amount admitted through tariff under the heads of



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terminal benefit expenses have been utilized for the sole purpose for which they had been admitted. The utilization of interest earned on the equivalent amount parked in Fixed Deposits is also not available from the submission.

- 3.3.3 The employee cost, however, includes Rs. 16100.29 lakh claimed as mandatory requirement under AS – 15 on account of terminal benefit. The details of amount actually disbursed vis-à-vis the amount recognized under Other Comprehensive Income under AS 15 in respect of terminal benefit is as below:

Particulars for Terminal Benefits	Audit Certificate Vol 3 Appendix C of Annexure IX		
	Disbursed	AS 15	Total
Gratuity	942.60	-226.73	715.87
Pension	5198.42	5152.56	10350.98
Leave encashment	2310.86	3352.06	5662.92
Terminal Benefits	8451.88	8277.89	16729.77

- 3.3.4 Employee cost being uncontrollable in nature, the Commission decides to admit the actual expenditure of employee cost of Rs. 55000.20 lakh in APR 2017 – 2018. The station wise allocation of the employee cost is as below:

Table-3A
Employee Cost Admitted (in Rs. Lakhs)

Sl. No.	Generating Station	Total employee cost as per application (Table 3 Para 5.1 of Volume 1)	Salaries and wages other than terminal benefit expenses admitted	Terminal benefit expenses admitted	Total Employee cost admitted
1	Kolaghat	14108.26	10924.25	3183.97	14108.26
2	Bakreswar	13074.61	7906.13	5168.44	13074.61
3	Bandel	7176.83	5862.75	1314.06	7176.83
4	Santaldih	9015.30	6966.01	2049.42	9015.30
5	Sagardighi Stg I	6988.96	4352.84	2636.10	6988.96
6	Sagardighi Stg II	4636.24	2887.53	1748.70	4636.24
Total		55000.20	38899.51	16100.69	55000.20

- 3.3.5 WBPDCCL is directed to comply with the directions given in paragraph 3.1.7 of the APR Order for 2015 – 16 dated 30.05.2022.



3.4 Coal and Ash Handling Charges:

- 3.4.1 WBPDCCL has claimed a sum of Rs 6360.61 lakh on the account of Coal and Ash handling Charges which is also booked in their Annual Accounts for 2017 - 2018. The amounts of Coal, Ash Handling and fuel related costs for different generating stations, as claimed by WBPDCCL in 2017 - 2018, are furnished below in Table -3B-1.

Table-3B-1

Sl. No.	Generating Station	Amount in Rs. Lakh
1	Kolaghat	2242.76
2	Bakreswar	1950.79
3	Bandel	170.23
4	Santaldih	1575.28
5	Sagardighi – I	253.43
6	Sagardighi – II	168.12
	Total	6360.61

In the claim of WBPDCCL they have considered railway staff cost posted at generating stations as part of the Coal and ash handling expenses.

- 3.4.2 The actual expenditure of Sagardighi-I generating stations, in respect of all generating stations is higher than what has been provided in the tariff order. It is noted that the generation of all generating stations, except Bakreswar, has gone down from targeted generation as per tariff order. The reasons for increase in coal and ash handling charges, as stated by WBPDCCL are deterioration in coal quality arising out of high ash content. Thus, while projecting the cost for fifth control period in its tariff petition, WBPDCCL is supposed to consider these problems. In tariff petition, they have not indicated anything that their projection has been done considering improved situation based on certain changed scenario. Moreover, in five power stations WBPDCCL has succeeded in containing the cost within the approved amount in tariff order for 2017-18. Thus, the Commission is not convinced of the argument put forward by WBPDCCL.
- 3.4.3 After careful analysis of these aspects, the Commission considers the actual generation with respect to targeted generation to determine the admissible amount for the actual generation based on the reference to the target set for generation. The quantum of actual generation achieved during 2017 – 2018 at the stated generating stations of



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WBPDCCL is compared with the targeted generation based on normative PLF specified in the Tariff Regulations to arrive at proportionate expenses allowable. The admitted amount for different generating stations is shown in the Table-3B-2.

Table-3B-2
Admitted Coal & Ash Handling Expenses

Generating Station	Target Generation (MU)	Approved amount in Tariff Order (Rs Lakhs)	Actual Generation (MU)	Expenses Proportionate to Actual Generation (Rs Lakhs)	Actual Expenses (Rs Lakhs)	Expenses admitted in APR for 2016 – 17 (Rs Lakhs)
Kolaghat	7726.32	2630.39	4749.85	1617.06	2242.76	1617.06
Bakreswar	7358	2024.28	7486.55	2059.64	1950.79	1950.79
Bandel	2870	888.21	1926.04	596.07	170.23	170.23
Santalalih	3504	2679.91	2941.56	2249.75	1575.28	1575.28
Sagardighi – I	4204.8	197.39	2993.88	140.54	253.43	140.54
Sagardighi – II	7296.79	517.14	3347.76	237.26	168.12	168.12
Total	32959.91	8937.32	23445.639	6900.32	6360.61	5622.02

3.4.4 The Commission admits the actual expenses incurred in respect of all Bakreswar, Bandel, and Sagardighi Stage II generating stations since their actual expenses are lower than the proportionate expenditure with reference to the actual generation. For Kolaghat and Sagardighi Stage I Generating Stations, proportionate expenditure is allowed. The power station wise admitted amount is thus being provided in the last column of the Table-3C-2, i.e., Rs. 5622.02 lakhs.

3.5 Water Charges:

3.5.1 The actual amount of total expenditure incurred by WBPDCCL under this uncontrollable head of water charges in 2016-17 is Rs. 574.32 lakh against Rs. 953.11 lakh allowed in the tariff for the concerned year. The annual audited accounts for 2017 - 2018 of WBPDCCL also show this figure.

3.5.2 The Commission admits an amount of Rs. 574.32 lakhs related to the water charges inclusive of water cess paid to statutory authorities and water charges paid to DVC in



respect of Santaldih TPS by WBPDCCL. The admitted amount for different generating stations is shown in the Table-3C.

Table-3C
Admitted Water Charges

Generating Station	Actual Expenses Claimed in Rs Lakhs	Admitted in APR for 2016 – 17 in Rs Lakhs
Kolaghat	0.00	0.00
Bakreswar	1.67	1.67
Bandel	206.79	206.79
Santaldih	365.86	365.86
Sagardighi Stg I	0.00	0.00
Sagardighi Stg II	0.00	0.00
Total	574.32	574.32

3.6 Operation & Maintenance (O&M) Expenses:

- 3.6.1 The operation and maintenance (O&M) expense, viz. repairs and maintenance including cost of consumables, legal and professional charges, audit fees, administrative and general (A&G) expenses are categorized as controllable items in terms of the Tariff Regulations.
- 3.6.2 WBPDCCL has claimed total O& M expense of Rs. 50235.75 lakhs for the year 2017-18 under table 23 in paragraph 18 of the written submission in Volume-1 of APR application. It is also observed that WBPDCCL has claimed an amount of Rs. 57.84 lakh as 'License and Registration' fees under the head 'Rates and Taxes' in Form E(B) which is a part of A&G expenses. Similarly, WBPDCCL has also claimed Rs. 89.08 lakh as 'Bank Charges' under 'Other Finance Charges' which is shown under 'Generation, Administration and Other Expenses' in Unit Wise Accounts (Schedule 11). The same is also considered under A&G expenses. The O&M expenses is controllable cost in terms of Tariff Regulations and the normative value of O& M expense is to be determined as per the norms set out in paragraph B of Schedule-9A of Tariff Regulations. Accordingly in Tariff order for 2017-18 the O&M expenses has been provided on the normative basis. The O&M expenditure for 2017 – 2018 for the generating stations is now reviewed by applying the average of hybrid inflation index for 2017-18 over the norms of 2016-17. The hybrid index (HI) considered consists of 60% and 40% weightage on WPI



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(Wholesale Price Index) and CPI (Consumer Price Index) respectively as depicted below:

Particulars	Actual Value of 2017-18
WPI in %	2.92%
CPI in %	3.08%
Inflation in hybrid index [WPI : CPI (60 : 40)] in %	2.98%

3.6.3 The admitted amount for each generating station is provided in the last column of the Table-3D along with the actual expenses for the year.

**Table-3D
Admitted O&M Expenses**

Generating Stations	Installed Capacity	2016-17 Norms	2017-18 norms applying escalation	Normative O&M Expenses	O&M Expenses claimed#	Admitted Expenses
	MW	Rs Lakh/ MW	Rs Lakh/ MW	Rs Lakh	Rs Lakh	Rs Lakh
Kolaghat	1260	14.94	15.39	19391.40	13472.42	13472.42
Bakreswar	1050	12.03	12.39	13009.50	13120.45	13009.50
Bandel	455	15.61	16.08	7316.40	7970.04	7316.40
Santaldih	500	9.31	9.59	4795.00	6595.1	4795.00
Sagardighi I	600	7.92	8.16	4896.00	5183.16	4896.00
Sagardighi II	1000	5.85	6.02	6020.00	4041.49	4041.49
Total	3865			55428.30	50382.66	47530.81

The O&M expenses claimed is inclusive of the claim of Rs. 57.84 lakhs on account of 'License and Registration Fees' and Rs. 89.08 lakhs on account of 'Bank Charges' booked under Administrative Charges

3.7 Interest on Borrowed Capital:

3.7.1 WBPDCCL claimed an amount of Rs 78184.13 Lakh as interest on borrowed capital. For Kolaghat generating station there was no capital borrowing. WBPDCCL submitted the computations in prescribed Form C of Annexure-I of the APR petition for the amounts of interest actually paid for Bakreswar, Bandel, Santaldih and Sagardighi-I and Sagardighi-II generating stations in 2017-18, which stands at Rs 12563.68 Lakhs, Rs 564.76 Lakhs, Rs 10956.13 Lakhs, Rs 7228.02 Lakhs and Rs 46871.54 Lakhs respectively.



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- 3.7.2 As per Note 38 to the audited annual accounts 2017-18, a total amount of Rs. 97842.41 lakh has been charged in P&L account towards interest expenses on term loans and interest on working capital loans. It has been mentioned in the APR application that the interest charges on capital account, for Rs. 78184.13 Lakhs, excludes the interest on working capital (Rs. 10722.38 Lakhs) and the interest on temporary accommodation (Rs. 8935.90 Lakhs). It is however noted from the Audited Annual Accounts (Note 38) that Rs. 16650.66 lakhs have been actually booked as interest on working capital.
- 3.7.3 The interest amount of Rs 12563.68 lakh on borrowed capital for Bakreswar (Units I to V), does not include any amount pertaining to the construction of associated transmission system of Bakreswar Thermal Power Stations as shown in Appendix to Form E.
- 3.7.4 Regarding Sagardighi transmission system, WBPDCCL has stated in their supplementary petition for APR 2012-13 that the Sagardighi – Gokarna 220 kV Double Circuit transmission line asset, a part of the transmission systems, has already been handed over to WBSETCL on 02.06.2009. For the other two parts i.e., Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line, WBPDCCL has entered into a renewed agreement with PGCIL on 28.06.2017 for operation and maintenance of Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line and associated bays at Parulia (Durgapur) and Sagardighi TPP. Agreements executed on 28.06.2017 have been furnished by WBPDCCL vide reply dated 10.12.2021 for validity period covering 2017-18.
- 3.7.5 As per direction of the Commission in APR order of 2012-13, WBPDCCL has submitted the interest component of Rs 698.38 lakh in Appendix to Form E of APR petition of 2017-18 related to transmission systems for Units V and VI of Santaldih generating station. As the transmission system has not been handed over to WBSETCL and the system is not put into commercial operation, the said amount is neither to be recovered from WBSETCL by WBPDCCL nor to be admitted as interest cost for 2017-18. Interest on capital borrowing for Santaldih generating station is thus admitted to the extent of Rs. 10259.75 lakh (Rs. 10956.13 lakh – Rs. 696.38 lakh).



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3.7.6 It is observed that the Commission in Paragraph 5.11.1 of its Tariff Order dated 07.07.2017 in Case No. TP – 73/ 16 – 17 had considered the loan amount of Rs. 420902 lakhs for Sagardighi Stage II submitted by WBPDCCL as total drawal of loans for that project in their relevant petition. It is noted that, WBPDCCL in its petition of 2016-17 (Form C), had bifurcated the closing balance of loan of Sagardighi Stage I as per their APR Petition for 2015 – 16 amounting to Rs. 459881.03 lakhs and shown the opening balance of loan for Sagardighi Stage I and II as Rs. 86054.03 lakhs and Rs. 373827 lakhs respectively. WBPDCCL has considered the closing balance of 2017-18 as Rs. 400527.68 lakhs. The Commission, however, considers this amount as claimed in Form C as the same is within 70% of the provisional project cost considered in the Tariff Order of Sagardighi Stage II dated 07.07.2017.

3.7.7 In view of above, the admitted amount for interest on borrowed capital of the said three generating stations for APR of 2016 – 17 are thus as per Table- 3E:

Table-3E
Admitted interest on Capital

Sl. No.	Generating Station	Amount Claimed in APR for 2017-18 in Rs Lakhs	Disallowed Portion in Rs Lakhs	Amount admitted in APR for 2017-18 in Rs Lakhs	Allocated Interest on Transmission Project in Rs Lakhs (2017-18)
1	Bakreswar	12563.68		12563.68	
2	Bandel	564.76		564.76	
3	Santaldih	10956.13	696.38	10259.75	
4	Sagardighi – I	7228.02		7228.02	74.25
5	Sagardighi – II	46871.54		46871.54	
	Total	78184.13	696.38	77487.75	74.25

The interest expense on associated transmission system of each generating station has been considered as reflected in Appendix to Form E for each generating station under the petition.

3.8 Interest on Normative Loan:

WBPDCCL has claimed interest on normative loan for the year 2017-18 only for Bakreswar and Sagardighi generating stations to an amount of Rs. 232.87 lakh, and Rs. 95.99 lakh respectively. WBPDCCL has also mentioned that in the APR for 2010 –



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2011, 2011 – 2012, 2012 – 2013, 2013-14, 2014-15, 2015-16 and 2016-17 the Commission had also not considered the interest on normative debt though the same was admitted in tariff order. As per Tariff Regulations, the equity contribution considered in the APR for any year is based on the actual addition to original cost of fixed asset. Accordingly, it is found that the actual addition of equity to original cost of fixed asset is less than the actual equity contributed. Such difference of equity contributed and actual addition of equity to original cost of fixed asset cannot be considered as normative loan. Thus, the Commission has decided to not allow interest on normative loan as claimed by WBPDCCL in APR for 2017-18. In future, if such excess equity is utilized for addition to original cost of fixed assets, WBPDCCL may claim for the same.

3.9 Interest on Temporary Accommodation:

- 3.9.1 WBPDCCL claimed interest on temporary accommodation for an amount of Rs. 8935.90 lakh during 2017 – 18 on the ground of liability of carrying the burden of additional fuel cost amounting to Rs. 95288.57 lakh as determined in Fuel Cost Adjustment (FCA) order for the Year 2012-13 dated 06.06.2014. It is submitted that in order dated 11.12.2014, the Commission directed to recover the same amount (Rs. 95288.57 lakh) in 38 equal monthly installments. Thus, WBPDCCL had to avail of fund by way of Temporary Accommodation to cover the unrealized amount.
- 3.9.2 Regulation 5.6.5.4 states “*The Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company / licensee from any source to a reasonable extent of unrealized arears from consumers / beneficiaries.*”
- 3.9.3 The Loan balance as per audited accounts as on 31.03.2018 vis-à-vis their claim in Form C is as below:

Particulars	Loan Balance as per Audited A/cs	Loan Balance as shown in Form C
Capital Borrowings	Rs in lakh	Rs in lakh
Long Term Borrowings	617990.31	705420.16
Current Maturities of Long-Term Loans	71749.51	
Total	689739.82	705420.16
Short Term Borrowings		
Working Capital Loan	277049.95	177541.37
Short Term Loan		111345.87
Total	277049.95	288887.24



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Since, figures in Form C varies with that of Accounts, in absence of convincing clarification with respect to the amount of loan drawn for the purpose of Temporary accommodation, the balance loan remains after adjusting the Working Capital Loan from the total of Short-Term Borrowings as depicted in audited accounts i.e., Rs. 49868.58 lakhs [Rs. (227049.95 – 111345.87) lakhs] is considered as their loan availed of for temporary accommodation.

- 3.9.4 It is observed that out of the total realizable amount of Rs 95288.57 lakhs as per order dated 11.12.2014, 18 numbers of installments @ Rs 2507.59 lakhs p.m. amounting to Rs. 45136.69 lakhs had already been realized upto March, 2017. Balance amount of Rs. 50151.88 lakhs (= 95288.57 – 45136.69) were further realizable. Considering realization of monthly installments during April, 2017 to March, 2018 on the balance realizable amount of Rs. 50151.88 lakhs, the average of the month wise balances of unrealized arrear during the year from April 2017 to March 2018 comes to Rs 35106.32 lakhs as shown below:

Figures in Rs lakh		
Month	Instalment recovered	Balance after recovery
Mar-17		50151.88
Apr-17	2507.59	47644.28
May-17	2507.59	45136.69
Jun-17	2507.59	42629.10
Jul-17	2507.59	40121.50
Aug-17	2507.59	37613.91
Sep-17	2507.59	35106.32
Oct-17	2507.59	32598.72
Nov-17	2507.59	30091.13
Dec-17	2507.59	27583.53
Jan-18	2507.59	25075.94
Feb-18	2507.59	22568.35
Mar-18	2507.59	20060.75
Average outstanding Balance at the end of FY 2017-18		35106.32

- 3.9.5 The Commission observes that the average outstanding unrealizable amount during 2017 – 18 of Rs. 35106.32 lakhs is less than the short-term loan amounting to Rs. 49868.58 lakhs availed of during the year as mentioned in paragraph 3.9.3 above. The Commission therefore considers Rs. 35106.32 lakhs as admissible amount of temporary accommodation. Accordingly, the Commission admits Rs. 2826.07 lakhs as interest on



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temporary accommodation considering interest at the weighted average rate of their claim for temporary accommodation (8.05%) on Rs 35106.32 lakhs.

- 3.9.6 The total amount of Rs. 2826.07 lakhs admitted under the head interest on temporary accommodation has been allocated in proportion to their claim against the respective generating stations as below:

Table-3F
Admitted Interest on Temporary Accommodation

Generating Station	Interest on Temporary Accommodation claimed In Rs lakhs	Interest on Temporary Accommodation admitted in Rs lakhs
Kolaghat	1767.08	558.86
Bakreswar	2868.50	907.19
Bandel	729.31	230.65
Santaldih	1137.44	359.73
Sagardighi – I	1114.84	352.58
Sagardighi – II	1318.73	417.06
Total	8935.90	2826.07

3.10 Other Finance Charges:

In their APR application for 2017-18 for all the generating stations WBPDCCL has claimed a total amount of Rs. 1168.49 lakh on the head of other finance charges. As per the audited annual accounts of WBPDCCL for the year 2017-18, an amount of Rs. 1079.40 lakh was booked in the accounts under 'other borrowing cost' towards loan processing charges as per note 38 of Annual Accounts 2017-18. Generating station wise breakup of the same has been taken from annual accounts. According to submission of WBPDCCL the finance charges include bank charge, loan processing charges, LC commission charges, etc. In accordance with 5.6.4.2 of the Tariff Regulations, bank charges related to capital borrowing are only admissible under the head 'Other Financing Charges' and 'Bank Charges' booked under Administrative Charges are already considered under O&M expenses. Accordingly, the Commission decides to admit the total amount of Rs. 1079.40 lakh towards other finance charges in line with the annual accounts for 2017-18. The admitted amount of other finance charges is as under in Table-3G.



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Table-3G
Admitted Other Finance Charges

Generating Station	Admitted in APR for 2017 – 18 in Rs Lakhs
Kolaghat	213.46
Bakreswar	346.50
Bandel	88.10
Santaldih	137.38
Sagardighi – I	176.73
Sagardighi – II	117.23
Total	1079.40

3.11 Depreciation:

3.11.1 The amounts of depreciation for the different generating stations as claimed by WBPDCCL are as under:

Table – 3H-1 (in Rs. Lakhs)

Generating Station	Actual amount claimed
Kolaghat	1140.91
Bakreswar	17774.70
Bandel	2683.06
Santaldih	10792.07
Sagardighi – I	11047.04
Sagardighi – II	21755.17
Total	65192.95

3.11.2 The Commission decides to go by the amounts of depreciation as claimed and depicted in the books of accounts of WBPDCCL in respect of all the generating stations for the year 2017-18 as shown in the unit wise audited accounts for 2017 - 2018.

3.11.3 The amount of depreciation so claimed for the Bakreswar generating station includes an amount of Rs. 620.37 lakh pertaining to the transmission system associated to that station. As that system is being operated by WBSETCL, the amount of depreciation was ordered to be recovered from that company.

3.11.4 The depreciation claimed for Santaldih generating station includes an amount of Rs. 966.60 lakh pertaining to transmission system related to Santaldih generating station (Units V & VI) as per Appendix to Form E in Annexure-1 of the petition. As the transmission system has not been handed over to West Bengal State Electricity Transmission Company Limited (in short “WBSETCL”) and the system is not put into



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commercial operation, the said amount is neither to be recovered from WBSETCL by WBPDCCL nor to be admitted as depreciation for 2017-18.

3.11.5 The depreciation amount of Rs 11047.04 lakhs claimed for Sagardighi generating station – I, includes an amount of Rs. 113.47 lakh pertaining to transmission system related to Sagardighi generating station. A part of the transmission system has been handed over to WBSETCL and the remaining part is lying with WBPDCCL as WBSETCL does not maintain that portion. Paragraph 2.6.5 of the order dated 05.09.2013 on APR for 2011 – 2012 in case no. APR-31/12-13 may be referred to in this context and according to that order relevant information has been submitted in Appendix of Form E of the petition.

3.11.6 The Commission admits the total depreciation amount reduced by amortization value on Capital Grant amounting to Rs. 357.35 lakhs. Further, prior period depreciation amounting to Rs. 73.95 lakhs is also disallowed in absence of details. The amount so reduced/ disallowed have been allocated to the Generating Stations in proportion to the unit wise depreciation claimed.

3.11.7 As per above discussion the station wise depreciation as allowed by the Commission are as follows in Table -3H-2:

Table: -3H-2
Admitted Amount of Depreciation (in Rs. Lakhs)

Generating Station	Actual amount of Depreciation Claimed in APR of 2017-18	Proportionate Reduction for Ind AS as per Para 3.11.6	Proportionate Reduction for Prior Period Depreciation as per Para 3.11.6	Admissible Depreciation	Disallowed amount in Rs Lakhs as per Para 3.11.4	Admitted Amount of depreciation in 2016-17
	1	2	3	4 = 1 - 2 - 3	5	6 = 4 - 5
Kolaghat	1140.91	6.25	1.29	1133.37		1133.37
Bakreswar	17774.70	97.43	20.16	17657.11		17657.11
Bandel	2683.06	14.71	3.04	2665.31		2665.31
Santaldih	10792.07	59.16	12.24	10720.67	966.60	9754.07
Sagardighi – I	11047.04	60.55	12.53	10973.96		10973.96
Sagardighi – II	21755.17	119.25	24.69	21611.23		21611.23
Total	65192.95	357.35	73.95	64761.65	966.60	63795.05



As decided in Paragraph 3.2 above, the Commission decides to admit Rs. 2532.04 lakh and Rs 20530.67 Lakh as chargeable Depreciation for Bandel and Sagardighi Stg II generating stations respectively. Thus, the total admitted Depreciation comes to Rs. 62581.22 lakhs.

Out of the above admitted depreciation amount the depreciation amount considered for associated transmission system of Bakreswar, and 220 KV transmission system of Sagardighi generating stations are Rs 620.37 lakhs and Rs 113.47 lakhs respectively.

3.12 Advance against Depreciation (AAD)/ Interest Credit:

3.12.1 In tariff petition WBPDCCL projected the requirement of advance against depreciation in respect of Santaldih and Sagardighi- I generating stations. WBPDCCL had not claimed any amount towards advance against depreciation in their tariff petition for the year 2017 – 2018. Accordingly, the Commission had not admitted any amount under this head in the tariff for 2017-18 and WBPDCCL was advised to come up with their proposal for advance against depreciation, if admissible, as per provision of the Tariff Regulations based on audited accounts of the year through their APR application for the year 2017 – 2018. Accordingly, WBPDCCL has claimed a Rs 866.29 lakhs for Santaldih and Rs. 426.83 lakhs for Sagardighi I towards advance against depreciation by showing detail calculation in Form 1.17(e) of Annexure-1 of APR petition.

3.12.2 The Commission now proceeds to determine the allowable amount of advance against depreciation in respect of Santaldih and Sagardighi generating stations of WBPDCCL for the year 2017 – 2018 in Table-3J-1 and 3J-2 below. In para 4.6.4, the proportionate interest of loan for transmission system, as calculated by WBPDCCL in the annexure to Form E(B) for Santaldih, has been disallowed as the transmission system is not put to use. Similarly, in para 3.11.4 the depreciation on transmission asset of Santaldih is also disallowed. While calculating AAD for Santaldih accordingly adjustment is to be done. The Commission considers the total repayment amount as per Form C which is allocated in the ratio of interest proposed by WBPDCCL in the annexure to Form E(B) for Santaldih & Sagardighi, for calculation of AAD as follows:



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Table-3I-1
Function wise Loan Repayment Status of Santaldih & Sagardighi TPS

Generating Station	Particulars	Asset Value (Annexure to Form E(B))	Interest	Repayment
Santaldih	Generation	272631.86	10259.75	10917.35
	Transmission	18504.90	696.38	741.01
	Sub-Total	291136.76	10956.13	11658.36
Sagardighi I	Generation	298531.97	7153.77	11356.00
	Trans 220 KV	3098.33	74.25	117.87
	Total	301630.30	7228.02	11473.87

Note: Value based on Appendix to Form E and Form C

3.12.3 The Commission now proceeds to determine the admissible amount of Advance against depreciation for the year 2017-18 as below:

Table-3I-2
Admitted Advance Against Depreciation (in Rs. Lakhs)

Sl No	Particulars	Amount in Rs. Lakhs	
		Santaldih	Sagardighi I
1	Total allowable repayment of loan during the year	10917.35	11356.00
2	1/10 th of original loan amount net of disallowed loans, if any	10531.37	7458.02
3	Maximum permissible amount of loan repayment restricted to 1/10 th of original admitted loan	10531.37	7458.02
4	Depreciation as admitted	9754.07	10973.96
5	Allowable advance against depreciation (3 – 4)	777.30	0.00

3.12.4 Further, in terms of regulation 5.5.3 of the Tariff Regulations, the actual amount of loan repayment during 2017 – 2018 being less than the amount allowed as depreciation, an interest credit at the rate of weighted average cost of capital loan as computed from Form C is provided on such excess depreciation charged in respect of each generating stations. The interest in respect of each of the generating station deductible from the gross amount of fixed charges are provided in Table 3I-3 below:



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Table-3I-3
Interest Credit Computation (in Rs. Lakhs)

Sl No	Particulars	Admitted amount in APR of 2017-18					
		Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi I	Sagardighi II
1	Amount of Depreciation	1133.37	17657.11	2532.04	9754.07	10973.96	20530.669
2	Loan repayment	0	11010.87	0	10917.35	11356.00	20374.32
3	Excess of depreciation over loan repayment	1133.37	6646.24	2532.04	-	-	156.35
4	Weighted average rate of interest on capital loan #	11.28%	10.69%	11.28%	11.01%	10.50%	11.65%
5	Interest credit	127.83	710.24	285.59	0	0	18.22

Note: Interest rate Kolaghat, Bandel and Sagardighi Stage II has been considered as the weighted average of other stations taken together, in absence of details in Form C.

3.12.5 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 WBPDCCL 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.

3.13 Reserve for Unforeseen Exigencies:

The Commission did not allow any amount on account of reserve for unforeseen exigencies in the tariff order for the year 2017-18 to avoid future hike in tariff which will ultimately affect the end users of electricity. Thus, no amount on account of reserve for unforeseen exigencies has been allowed in the APR for 2017 – 18 also.



3.14 O&M Charges paid to PGCIL for Sagardighi Transmission System:

WBPDCCL has entered into agreements with PGCIL on 28.06.2017 for operation and maintenance of Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line and associated bays at Parulia (Durgapur) and Sagardighi TPP. The agreements have been submitted vide reply dated 10.12.2021. WBPDCCL has claimed a sum of Rs. 128.63 lakh in their APR petition for 2017 – 18. The Commission admits the amount of Rs. 128.63 lakhs in 2017-18 for Sagardighi transmission system, being within the norms of CERC.

3.15 Taxes payable under Income Tax Act:

3.15.1 WBPDCCL has claimed for Rs. 1067.13 lakhs in their APR petition. Commission did not allow any amount under this head in tariff order. WBPDCCL has also submitted documentary evidence of taxes paid for 2017 – 18 (returns submitted and challan) to an amount of Rs. 1833.56 lakhs through Annexure IV of the petition. As per the Income Tax return, tax applicable for 2017-18 is Rs. 1067.11 lakhs. The Commission therefore, admits the taxes applicable for 2017-18, amounting to Rs. 1067.11 lakhs for 2017-18.

Table-3J
Admitted Amount of Income Tax

Generating Station	Incidence of Tax for 2017-18	Tax allowed
Kolaghat	0.00	0.00
Bakreswar	841.24	841.24
Bandel	0.00	0.00
Santaldih	225.87	225.87
Sagardighi-I	0.00	0.00
Sagardighi-II	0.00	0.00
Total	1067.11	1067.11

3.16 Insurance Premium:

3.16.1 The actual expenditures on this account as per note 39 to the annual reports of WBPDCCL for the year 2017 – 18 totaling to Rs. 1241.04 lakh has been admitted by the Commission. The generating station wise allocation of the admitted amount is given below in Table-3K on the basis of submitted data in form 1.17(f).



Table-3K
Admitted Amount of Insurance Premium

Generating Station	Amount as admitted for 2017 – 18 in Rs Lakhs
Kolaghat	458.37
Bakreswar	47.89
Bandel	46.54
Santaldih	196.15
Sagardighi – I	295.84
Sagardighi – II	196.25
Total	1241.04

3.17 Rent, Rates and Taxes:

3.17.1 In terms of Tariff Regulations, rates and taxes are recognized as separate items and categorized the same as uncontrollable. As per note 39 to the annual report for the year 2017 – 2018, the actual expenditure under the head was Rs. 162.61 lakh and the same is admitted by the Commission. WBPDCCL has also claimed an amount of Rs. 25.19 lakh as 'Filing fees'. This has been depicted in Note 39 on 'other expenses' of the audited accounts. The same is also admitted by the Commission Allocation of the expenditure for different generating stations as per unit wise accounts are as under in Table 3L:

Table -3L (all values in Rs Lakhs)

Generating station	Rates & Taxes	Filing Fees	Total Amount Admitted in APR
Kolaghat	10.86	4.98	15.84
Bakreswar	28.53	8.08	36.61
Bandel	93.72	2.06	95.78
Santaldih	10.00	3.21	13.21
Sagardighi Stg I	11.73	4.12	15.85
Sagardighi Stg II	7.78	2.74	10.52
Total	162.61	25.19	187.81

3.18 Eastern Regional Power Committee (ERPC) Charges:

3.18.1 WBPDCCL has claimed a sum of Rs 16 lakh as below towards ERPC charges and have under other expenses in note 39 of Annual Accounts 2017 – 18. WBPDCCL have stated these expenses to be as statutory charges in their petition. The Commission admits the same as per allocation given in the unit wise accounts submitted by WBPDCCL. Such admitted amount is given in Table-3M.



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Table-3M
Admitted ERPC Charges (in Rs. Lakhs)

Particulars	Generating Station						Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi I	Sagardighi II	
ERPC Charges	3.16	5.14	1.31	2.04	2.62	1.73	16.00

3.19 Return on Equity:

3.19.1 The return on Equity for different operating generating stations of WBPDCCL, as were considered in the tariff order for the year 2017 – 2018 and as now being claimed by them are as under:

Table-3N-1
Return on Equity (in Rs. Lakhs)

Sl. No.	Generating Station	As per Tariff Order	As claimed
1	Kolaghat	13791.61	14145.99
2	Bakreswar	19930.33	21555.56
3	Bandel	3367.08	3805.49
4	Santaldih	9873.91	11386.50
5	Sagardighi-I	12456.81	13311.86
6	Sagardighi-II	26635.57	28248.00
	Total	86055.28	92453.40

3.19.2 The Commission in the instant case decides to proceed with the ROE determination of 2017-18 on the basis of base figures of APR of 2016-17. However, the Commission in the review of APR Order of 2013 – 14 dated 01.08.2022 in Case No. APR – 78/ 19 – 20 has directed WBPDCCL to file a separate petition for correction of Return on Equity for the years upto 2017 – 18 within three (3) weeks. Accordingly, WBPDCCL is directed to take necessary action in this regard.

3.19.3 The Return on Equity for each generating station is calculated in the Table-3N-2:

Table-3N-2
Return on Equity Calculation (in Rs. Lakhs)

Sl. No.	Particulars	Link	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi Stg I	Sagardighi Stg II
1	Actual Equity base at the beginning (Govt. sanction)		87329.40	139910.14	11760.45	72900.00	214428.00	180885.00
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	0.00	0.00	0.00
3	Deletion of Equity base during the year		0.00	0.00	0.00	0.00	0.00	0.00
4	Actual equity base at the end of the year (Govt. sanction)	(1+2+3)	87329.40	139910.14	11760.45	72900.00	214428.00	180885.00



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Sl. No.	Particulars	Link	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi Stg I	Sagardighi Stg II
5	Admissible equity base at the beginning of the year 2017-18 as per APR order of 2016-17		88459.78	138693.18	21930.09	69445.52	85096.45	180885.00
6	Available Free Reserve at the beginning of the Year as per APR petition of 2017-18 (Form 1.20(a))		6727.09	1399.99	1858.70	4554.07	5497.10	1298.44
7	Net addition to the original cost of fixed assets as per Form 1.20(a) for each generating station under the petition		8052.92	1516.08	472.41	4884.07	1452.52	401.41
8	Normative addition of Fixed Assets @ 30% on (7)		2415.88	454.82	141.72	1465.22	435.76	120.42
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	0.00	0.00	0.00
10	Addition to equity base considered from available free reserve	Lower of 6 & 8	2415.88	454.82	141.72	1465.22	435.76	120.42
11	Admissible equity base at the closing of the year	(3+5+9+10)	90875.66	139148.00	22071.81	70910.74	85532.21	181005.42
12	Average Equity Base	(5+11)/2	89667.72	138920.59	22000.95	70178.13	85314.33	180945.21
13	Return on equity @15.5%		13898.50	21532.69	3410.15	10877.61	13223.72	28046.51

3.19.4 As decided in paragraph 3.2 above, 5% of Return on Equity in respect of Bandel and Sagardighi Stg II is reduced due to non-submission of final project cost. Further, ROE for the transmission system being operated by WBSETCL is to be recovered from WBSETCL itself. Accordingly, the admissible ROE by the generating stations of WBPDCCL are as below:

Table-3N-3
Return on Equity (in Rs. Lakhs)

Thermal Power Station	Return on Equity @15.5%	Reduction @ 5%	ROE for Transmission Assets	Return on Equity @15.5% after adjustment to be recovered from beneficiaries
	1	2	3	4 = 1 - 2 - 3
Kolaghat	13898.50	0.00	0.00	13898.50
Bakreswar	21532.69	0.00	928.65	20604.04
Bandel	3410.15	170.51	0.00	3239.64
Santaldih	10877.61	0.00	723.74	10153.87
Sagardighi Stg I	13223.72	0.00	136.74	13086.98
Sagardighi Stg II	28046.51	1402.33	0.00	26644.18

As the associated transmission system of Santaldih generating station has not been handed over to West Bengal State Electricity Transmission Company Limited (in short "WBSETCL") and the system is not put into commercial operation, the said amount is



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neither to be recovered from WBSETCL by WBPDCCL nor to be admitted as return on equity for 2017 – 18.

3.20 Interest on Working Capital:

3.20.1 On the basis regulation 5.6.5.1 and 5.6.5.2 of the Tariff Regulations Commission allowed interest on working capital for each generating stations in its tariff order for the year 2017-18. WBPDCCL had taken working capital loans from the nationalized banks on payment of interest. It is observed that the opening balances of Working Capital Loans and Loans stated to have been availed of for Temporary accommodation as submitted in Form C are not tallying with the closing balances submitted by WBPDCCL in their Petition of 2016-17 (Form C). Further, the actual working capital interest paid for Sagardighi I & II generating stations as claimed in Form 1.17 (b) is different from what has been stated in Table 15 of Paragraph 11 of their submission for 2017-18. Due to such data inconsistency, the figures of Form 1.17 (b) have been considered as actual interest paid. 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 trued up based on actual working capital interest paid, subject to the ceiling of the interest on working capital assessed on normative basis at the rate of one-year MCLR of SBI, as on 1st April of the concerned year, plus 350 basis points.” 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 as per regulation 5.6.5.2 of Tariff Regulations. The following table shows the calculation in this regard:

Table-3O
Admitted Working Capital Interest Computation (in Rs. Lakhs)

Sl No	Particulars	Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi Stg I	Sagardighi Stg II	Total
1	Annual Fixed Charges for 2017 - 18 (excluding WC)	41685.64	75081.40	19282.11	46554.39	42411.23	99909.46	324924.22
2	Fuel Cost for 2016 – 2017	127165.95	185448.44	60647.60	72418.43	74180.51	92365.78	612226.71



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Sl No	Particulars	Kolaghat	Bakreswar	Bandel	Santalalih	Sagardighi Stg I	Sagardighi Stg II	Total
3	Total (3) = (1) + (2)	168851.59	260529.84	79929.71	118972.82	116591.74	192275.24	937150.93
4	Less:							0.00
5	Depreciation	1133.37	17657.11	2532.04	9754.07	10973.96	20530.67	62581.22
6	Advance against Depreciation	0.00	0.00	0.00	777.30	0.00	0.00	777.30
7	Return on Equity	13898.50	21532.69	3239.64	10153.87	13223.72	26644.18	88692.60
8	Total of (5) to (7)	15031.87	39189.80	5771.68	20685.24	24197.68	47174.85	152051.12
9	Allowable Gross for Working Capital: (9) = (3)-(8)	153819.72	221340.04	74158.03	98287.58	92394.06	145100.39	785099.81
10	Working Capital requirement @10% on (9)	15381.97	22134.00	7415.80	9828.76	9239.41	14510.04	78509.98
11	Normative Interest on WC requirement at (10) @ 11.50%	1768.93	2545.41	852.82	1130.31	1062.53	1668.65	9028.65
12	Actual WC interest paid	2120.42	3441.95	875.11	1364.82	1755.52	1164.55	10722.37
13	Admitted Interest on WC (lower of 11 & 12)	1768.93	2545.41	852.82	1130.31	1062.53	1164.55	8524.55

Note: The Actual Interest Paid has been considered as per the submission of WBPDCCL in Paragraph 11 of their APR Petition

Thus, the total admitted amount under the Interest on Working Capital is Rs. 8524.55 lakhs.

3.21 Income from Other Sources / Non-Tariff Income:

3.21.1 Income generated by WBPDCCL from the sources other than sale of electricity during the year 2017 – 2018 are being shown in Schedule 10 of Unit wise Audited Accounts for 2016 – 2017. Accordingly, the income from such sources is as shown in Table-3R. It is noted that an amount of Rs. 3495.82 lakhs have been earned from sale of dry fly ash. The Commission considers it as income from other sources. However, the interest income on fixed deposits relating to reserve for unforeseen exigencies which is required to be invested in the fund itself in accordance with the Tariff regulation, is being deducted from gross non-tariff income to find out the admitted non-tariff income in Table-3P as shown below:



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Table-3P
Admitted Income from Non-Tariff Income (in Rs. Lakhs)

Sl No	Particulars	Generating Stations						Total
		Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi - I	Sagardighi - II	
1	Interest from Employees	21.38	9.70	15.17	4.52	4.95	3.29	59.01
2	Sale of Scrap	373.25	79.02	358.61	-1.24	51.80	0	861.44
3	Miscellaneous Income	745.19	191.10	171.32	142.34	165.23	245.47	1660.65
4	Interest on Sh. Term Deposit	1329.16	2157.59	548.56	855.54	1100.45	730	6721.30
5	Interest on SD	0.97	1.58	0.40	0.63	0.81	0.54	4.93
6	Foreign Exchange Gain	0	0	0	0	0	0	0.00
7	Provision Written Back	431.73	1874.92	6.03	9.41	31.99	2419.74	4773.82
8	Grant Adjustment	0.00	0.00	357.35	0.00	0.00	0.00	357.35
9	Sale of Fly Ash	974.09	660.84	730.57	200.35	464.99	464.99	3495.82
10	Gross non-tariff income	3875.77	4974.75	2188.01	1211.55	1820.215	3864.025	17934.32
11	Less: Interest from Unforeseen Exigencies Reserve Investment	209.94	340.79	86.64	135.13	132.45	156.67	1061.62
12	Net non-tariff income (10-11)	3665.83	4633.96	2101.37	1076.42	1687.765	3707.355	16872.70

3.21.2 WBPDC in para 24.1 of their petition has stated that they have not included certain amounts considering them as abnormal in nature and not relevant to ARR for the purpose of 'Other Income'. No details of such amount or justification have been provided in the petition. The Commission, therefore consider the total amount as booked in Note 35 of the Audited Accounts as 'Other Income'.

3.22 Cost of associated transmission system recoverable from West Bengal State Electricity Transmission Company Limited (WBSETCL):

3.22.1 The transmission systems constructed by WBPDC for Bakreswar generating station is an integral part of the transmission system being operated by WBSETCL. The 220 KV transmission systems constructed by WBPDC for Sagardighi generating Station is an integral part of the transmission system being operated by WBSETCL. For both the above associated transmission systems of Bakreswar and Sagardighi generating station operated by WBSETCL, WBPDC has submitted the details of ROE, interest on loan and depreciation in appendix to Form E of the submitted petition of the respective generating stations. For Santaldih generating station no cost is, however, recoverable from WBSETCL for the reasons stated in paragraph 3.11.4 and 3.19.4 above. Thus,



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charges recoverable for the associated transmission assets of Bakreswar, and Sagardighi generating stations are found in the Table-3Q below:

Table-3Q
Annual Transmission Charges

Sl. No.	Particulars	Amount in Rs. Lakh	
		Bakreswar	Sagardighi
(i)	Interest on loan (refer paragraph 3.7.7)	0.00	74.25
(ii)	Depreciation (refer paragraphs 3.11.7)	620.37	113.47
(iii)	Return on equity (refer paragraph 3.19)	928.65	136.74
	Total:	1549.02	324.26

3.22.2 In the tariff order for 2017-18 WBPDCCL was allowed to recover the cost of Bakreswar transmission system from WBSETCL. Any difference in realization of cost of Bakreswar transmission system and the amount admitted in this APR order for 2017-18 shall be recoverable from WBSETCL by WBPDCCL. The amount of Rs. 1549.02 lakh and Rs. 324.46 lakhs are now admitted for recovery from WBSETCL being the charges for Bakreswar and Sagardighi transmission systems.

3.22.3 In the Tariff order dated 04.07.2018 under fifth control period in respect of WBSETCL in case no. TP-70/16-17, amounts of Rs. 4910.07 lakh was reimbursable by WBSETCL to WBPDCCL on account of Bakreswar transmission system for the year 2017-18. In the order for Santaldih and Sagardighi generating station no such reimbursable amount has been assessed.

3.22.4 It is seen from the note 34.2 of Audited Accounts of WBPDCCL for the year 2017-18 that WBPDCCL received Rs. 2907.11 lakh during the year 2017-18 from WBSETCL on account of Bakreswar transmission system. However, it is also seen from the note 23 of annual accounts of WBSETCL for the year 2017-18 that WBSETCL paid WBPDCCL Rs. 4676.26 lakh during the year 2017-18 on account of Bakreswar transmission system.

3.22.5 In view of the discrepancies above the recoverable amount has been considered as per WBPDCCL Accounts at present. Commission hereby directs WBPDCCL to take up the matter with WBSETCL and make proper reconciled statement by both parties and submitted a report in the next APR application with due adjustment.

3.23 Fixed Charges:



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3.23.1 Based on the foregoing analyses, the amount of fixed charges allowable under different heads in respect of the concerned generating stations have been shown in Annexure-3A. As shown in the referred annexure, the total amount of fixed charges for the concerned generating stations are given in Table-3R below:

Table – 3R
Fixed Charges Admitted (in Rs. Lakhs)

Generating Station	As admitted in APR for 2017 – 2018
Kolaghat	43454.57
Bakreswar	77626.81
Bandel	20134.93
Santaldih	47684.70
Sagardighi Stg I	43473.76
Sagardighi Stg II	101074.01
Total	333448.77

The above capacity charge is, however, recoverable at the level of Plant Availability Factor (PAF) achieved by the respective generating stations.

3.24 PAF Achieved

As it comes out from the submission of WBPDCCL, the actual PAF achieved during 2017 – 2018 at different generating stations was lower in comparison to norms set for the year, except for the Bakreswar generating station, as shown in Table-3S below, resulting in over-recovery of capacity charges:

Table-3S

Sl. No.	Generating Station	Normative PAF (%)	PAF achieved (%)
1	Kolaghat	75	43.96
2	Bakreswar	85	85.23
3	Bandel	77	53.10
4	Santaldih	85	69.13
5	Sagardighi Stg I	85	56.56
6	Sagardighi Stg II	85	37.52

3.25 Capacity Charge Admitted

The re-determined capacity charges of each generating station are now required to be adjusted as per PAF achieved during the year 2017 – 2018 following the provisions of the Tariff Regulations. The computations in this regard are given in Table-3T below:

Table-3T



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Capacity Charge Admitted Under APR for 2017-18

Sl. No.	Particulars	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi Stg I	Sagardighi Stg II
1	Target PAF (%)	75.00	85.00	77.00	85.00	85.00	85.00
2	PAF achieved (%)	43.96	85.23	53.10	69.13	56.56	37.52
3	Re-determined capacity charge	43454.57	77626.81	20134.93	47684.70	43473.76	101074.01
4	Coal and Ash Handling charges (Rs. lakh)	1617.06	1950.79	170.23	1575.28	140.54	168.12
5	Water Charges (Rs. lakh)	0.00	1.67	206.79	365.86	0.00	0.00
6	Capacity charge to be considered for disallowance (6 = 3- 4-5) (Rs. lakh)	41837.51	75674.35	19757.91	45743.56	43333.22	100905.89
7	Proportionate capacity charge of item 6 excluding 4 & 5 (Rs. lakh)	24522.36	75838.16	13625.26	41189	31923.83	49313.3
8	Capacity charge admitted on the basis of PAF achieved (Rs. lakh) (8 = 7 + 4 + 5)	26139.42	77790.62	14002.28	43130.14	32064.37	49481.42

3.26 Sharing of Gains with WBSEDCL:

3.26.1 The Commission in paragraph 2.5.10 has already decided to pass the shareable amount of Rs. 322.46 lakh derived for gains on account of improved specific oil consumption of Kolaghat TPS to WBSEDCL subject to the condition that the gain is first to be compensated with the deficit in fixed charge recovery of the Kolaghat TPS in terms of paragraph D of Schedule 9B to the Tariff Regulations. From Table 3T above, it is seen that the deficit in fixed charge recovery is Rs. 17315.15 lakh. Thus, the amount of Rs. 322.46 lakh is compensated with the fixed charge recovery of Kolaghat TPS and no amount is shared with WBSEDCL.

3.26.2 The Commission in paragraph 2.5.10 has already decided to pass the shareable amount of Rs. 939.63 lakh derived for gains on account of improved specific oil consumption of Bakreswar TPS to WBSEDCL. Thus, the amount of Rs. 939.63 lakh shall be shared with WBSEDCL from the Aggregate Revenue Requirement of Bakreswar TPS.

3.26.3 The Commission in paragraph 2.5.10 has already decided to pass the shareable amount of Rs. 439.43 lakh derived for gains on account of improved specific oil consumption and auxiliary energy consumption of Santaldih TPS to WBSEDCL subject to the condition that the gain is first to be compensated with the deficit in fixed charge recovery of the Santaldih TPS in terms of paragraph D of Schedule 9B to the Tariff Regulations. From Table 3T above, it is seen that the deficit in fixed charge recovery is Rs. 4554.56 lakh. Thus, the amount of Rs. 439.43 lakh is compensated with the fixed charge recovery of Kolaghat TPS and no amount is shared with WBSEDCL.



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3.26.4 The Commission in paragraph 2.5.10 has already decided to pass the shareable amount of Rs. 300.33 lakh derived for gains on account of improved auxiliary energy consumption of Sagardighi TPS Stage II to WBSEDCL subject to the condition that the gain is first to be compensated with the deficit in fixed charge recovery of the Sagardighi TPS Stage II in terms of paragraph D of Schedule 9B to the Tariff Regulations. From Table 3T above, it is seen that the deficit in fixed charge recovery is Rs. 51592.59 lakh. Thus, the amount of Rs. 300.33 lakh is compensated with the fixed charge recovery of Sagardighi TPS Stage II and no amount is shared with WBSEDCL.

3.27 Performance Incentives:

3.27.1 In terms of regulation 2.6.1 of the Tariff Regulations, the annual performance review of WBPDCCL shall cover annual fixed charges and cost, incentives as per Schedule 10 and effects of gain sharing on the parameters under Schedule 9B which are not covered under the process of FPPCA.

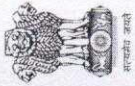
3.27.2 Accordingly, it is observed from Table under paragraph 2.4 that Kolaghat, Bakreswar and Santaldih has achieved oil rate lower than the normative oil rate. Therefore, the amount of incentive applicable for less oil consumption than norms as per Paragraph 3 of Schedule 10 of the Tariff Regulations is detailed below:

Table 3U
Performance Incentive for Oil

Incentive	Normative Oil Rate (ml/kwh)	Actual Oil Rate (ml/kwh)	X (Difference) (ml/kwh)	Admissible Gross Generation (MU)	Applicable Incentive Rate (Paise/Unit)	Applicable Incentive (Rs. Lakhs)
	(1)	(2)	(3) = (1) - (2)	(4)	(5)	(6) = (4) x (5)
Kolaghat #	2.00	1.59	0.41	4623.410	-	-
Bakreswar	1.30	0.31	0.99	7455.548	0.30	223.67
Santaldih	1.00	0.32	0.68	2956.30	0.25	73.91

No Incentive is applicable for Kolaghat TPS as per Paragraph 3 of Schedule 10 of the Tariff Regulations

3.27.3 The Commission admits Incentive for Improved Performance amounting to Rs. 223.67 lakhs for Bakreswar TPS and Rs. 73.91 lakhs for Santaldih TPS on account of less oil consumption than norms.

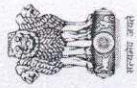


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ANNEXURE 3A

SUMMARY OF FIXED CHARGES [in Rs Lakhs]

Sl. No.	HEAD OF FIXED CHARGES	Claimed in APR					Admitted in APR					Sagardighi Stg I	Sagardighi Stg II
		Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi Stg I	Sagardighi Stg II	Kolaghat	Bakreswar	Bandel	Santalidih		
1	Employee Cost	14108.26	13074.61	7176.83	9015.30	6988.96	4636.24	14108.26	13074.61	7176.83	9015.30	6988.96	4636.24
2	Coal & Ash handling Expenses	2242.76	1950.79	170.23	1575.28	253.43	168.12	1617.06	1950.79	170.23	1575.28	140.54	168.12
3	Water Charges	0.00	1.67	206.79	365.86	0.00	0.00	0.00	1.67	206.79	365.86	0.00	0.00
4	Operation & Maintenance Expenses	13449.57	13097.23	7956.63	6585.35	5171.23	4033.59	13472.42	13009.50	7316.40	4795.00	4896.00	4041.49
5	O&M Charges for Sagardighi Associated 400 KV Transmission System	0.00	0.00	0.00	0.00	128.63	0.00	0.00	0.00	0.00	0.00	128.63	0.00
6	Rates & Taxes, License & Registration Fee, Filing Fees	15.84	36.61	95.78	13.21	15.85	10.52	15.84	36.61	95.78	13.21	15.85	10.52
7	Insurance Premium	458.37	47.89	46.54	196.15	295.84	196.25	458.37	47.89	46.54	196.15	295.84	196.25
8	Interest on Capital borrowings	0.00	12563.68	564.76	10956.13	7228.02	46871.54	0.00	12563.68	564.76	10259.75	7228.02	46871.54
9	Interest on normative loan	0.00	232.87	0.00	0.00	95.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Interest on Temporary Accommodation	1767.08	2868.50	729.31	1137.44	1463.04	970.53	558.86	907.19	230.65	359.73	352.58	417.06
11	Interest on Working Capital	2120.42	3441.95	875.11	1364.82	1755.52	1164.55	1768.93	2545.41	852.82	1130.31	1062.53	1164.55
12	Other Finance Charges	236.31	369.73	101.51	147.14	188.65	125.15	213.46	346.50	88.10	137.38	176.73	117.23
13	Depreciation	1140.91	17774.70	2683.07	10792.07	11047.04	21755.17	1133.37	17657.11	2532.04	9754.07	10973.96	20530.67



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Sl. No.	HEAD OF FIXED CHARGES	Claimed in APR						Admitted in APR					
		Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi Stg I	Sagardighi Stg II	Kolaghat	Bakreswar	Bandel	Santalidih	Sagardighi Stg I	Sagardighi Stg II
14	Advance against Depreciation	0.00	0.00	0.00	866.29	426.83	0.00	0.00	0.00	0.00	777.30	0.00	0.00
15	Taxes under Income Tax Act	0.00	841.26	0.00	225.87	0.00	0.00	0.00	841.24	0.00	225.87	0.00	0.00
16	Reserve for Unforeseen Exigencies	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
17	Returns on Equity	14145.99	21555.56	3805.49	11386.50	13311.86	28248.00	13898.50	21532.69	3239.64	10153.87	13223.72	26644.18
18	Charges payable to ERPC	3.16	5.14	1.31	2.04	2.62	1.73	3.16	5.14	1.31	2.04	2.62	1.73
19	Gross Fixed Charges (Sum of 1 to 18)	49688.67	87862.19	24413.36	54629.45	48373.51	108181.39	47248.23	84520.03	22521.89	48761.12	45485.98	104799.58
20	Less: Income from non-tariff sources	1707.40	2098.21	1364.77	866.65	1190.79	686.76	3665.83	4633.96	2101.37	1076.42	1687.77	3707.36
21	Less: Interest Credit	0.00	0.00	0.00	0.00	0.00	0.00	127.83	710.24	285.59	0.00	0.00	18.22
22	Less: Fixed Charge Recoverable from WBSETCL	0.00	1549.02	0.00	2386.72	324.46	0.00	0.00	1549.02	0.00	0.00	324.46	0.00
23	Net Fixed Charges (23 = 19 - 20 - 21 - 22)	47981.27	84214.96	23048.59	51376.08	46858.26	107494.63	43454.57	77626.81	20134.93	47684.70	43473.76	101074.01



CHAPTER – 4

AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

4.1 Based on the forgoing analysis and admissions of the adjustments under different factors / elements of fixed charges and fuel and power purchase cost, the re-determined admitted fixed charges as well as fuel cost of WBPDCCL during the year 2017 – 2018 along with sharing of gain and incentives came as under:

Table-4A
Admitted Net ARR for 2017-18

SI No	Particulars	Generating Stations					
		Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi Stg I	Sagardighi Stg II
1	Admitted Fuel Cost [From para 2.7]	127165.95	185448.44	60647.60	72418.43	74180.51	92365.78
2	Fixed / capacity charge [From para 3.25]	26139.42	77790.62	14002.28	43130.14	32064.37	49481.42
3	Less: Sharing of Gain with WBSEDCL	0.00	939.63	0.00	0.00	0.00	0.00
4	Add: Incentives	0.00	223.67	0.00	73.91	0.00	0.00
4	Admitted Net ARR for recovery (1+2-3)	153305.37	262523.10	74649.88	115622.48	106244.88	141847.20

4.2 In view of the admitted net ARR in Table – 4A above, WBPDCCL has to recover an amount of Rs. 32376.65 lakhs with cost centre-wise break-up analysis as given below:

Table-4B
Amount Adjustable on Annual Performance Review

SI No	Generating station	Amount Recovered in Rs Lakhs			Total Recoverable in Rs Lakhs					Adjustable amount in Rs Lakhs
		Energy charges	Capacity charges	Total	Fuel Cost as per Table- 4A	Capacity Charges as per para-Table-4A	Sharing of Gain with WBSEDCL	Incentives	Total	
	1	2	3	4 = 2 + 3	5	6	7	8	9 = 5 + 6 – 7 + 8	10 = 9 - 4
1	Kolaghat	134848.65	30947.51	165796.16	127165.95	26139.42	0.00	0.00	153305.37	-12490.79
2	Bakreswar	180527.25	74992.96	255520.21	185448.44	77790.62	939.63	223.67	262523.10	7002.89
3	Bandel	53386.66	11988.43	65375.09	60647.60	14002.28	0.00	0.00	74649.88	9274.79
4	Santaldih	67794.41	40630.21	108424.62	72418.43	43130.14	0.00	73.91	115622.48	7197.86
5	Sagardighi Stg I	66298.50	36454.06	102752.56	74180.51	32064.37	0.00	0.00	106244.88	3492.32
6	Sagardighi Stg II	73414.13	50516.07	123930.20	92365.78	49481.42	0.00	0.00	141847.20	17917.00
7	Total (Sum 1 to 6)	576269.60	245529.24	821798.84	612226.71	242608.25	939.63	297.58	854192.91	32394.07
Total Recoverable Amount										32394.07

4.3 The Additional Secretary to the Government of West Bengal in the Department of Power & NES vide letter no. 148-PO/O/VS/55-30/2016 dated 05.09.2016 has communicated that in exercise of the power conferred by Section 108 read with Section 65 of the Electricity Act, 2003, the State Government has agreed for extension of grant equivalent



Order on FCA and APR of WBPDCCL for the year 2017-18

to outstanding loan and interest for an amount of Rs. 456316.00 lakh to WBSEDCL and WBPDCCL in the following manner:

WBSEDCL	Rs. 264709.00 lakh
WBPDCCL	Rs. 191607.00 lakh

It is also mentioned in the aforesaid letter of Additional Secretary to the Government of West Bengal, Department of Power & NES that the grant may be adjusted with the balance regulatory assets up to 2012 – 2013 and realizable amount through APR and FCA / FPPCA claim of the two utilities from 2013 – 2014 onwards.

- 4.4 As per review of the APR Order for 2016 – 17 dated 24.08.2022 in Case No. FPPCA–86/17–18 and APR–62/17–18, the Commission has determined an additional recoverable amount of Rs. 308.38 lakh and has adjusted with the Government grant. After adjustment of Rs. 308.38 lakh, the balance amount of Government Grant available is Rs. 68752.36 lakh. The FCA and APR of WBPDCCL for the year 2017 – 2018 has now been finalized and total recoverable amount comes at Rs. 32394.07 lakh. The Commission decides to adjust the entire recoverable amount of Rs. 32394.07 lakh against the remaining grant of Rs. 68752.36 lakhs. After adjustment, an amount of Rs. 36358.29 lakh (Rs. 68752.36 lakh – Rs. 32394.07 lakh) further remains as balance which will be considered for adjustment subsequently against any recoverable amount through APR and FCA claim of WBPDCCL for the year 2018 – 2019 onwards.
- 4.5 WBPDCCL is to take a note of this order.
- 4.6 A copy of the order shall be posted in the website of the Commission.
- 4.7 WBPDCCL 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: 22.09.2022

Sd/-
SECRETARY