



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

IN CASES NO:

APR -76 / 19 - 20

**IN RE APPLICATIONS OF HALDIA ENERGY LIMITED
FOR ANNUAL PERFORMANCE
REVIEW (APR) FOR
THE FINANCIAL YEAR 2016 - 2017**

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 21.07.2022



Chapter – 1

PREAMBLE

- 1.1 In terms of the provisions contained in regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), the generating companies or the licensees, as the case may be, are subject to an Annual Performance Review (in short 'APR'). The Commission, vide Order dated 29 January 2016 in Case No. TP - 63/14-15 (hereinafter referred to as the "Tariff Order"), determined the annual transmission charges recoverable by the Petitioner for the years 2014-15 (for the period of commercial operation), 2015-16 and 2016-17. In this Tariff Order, the Commission enunciated that the transmission charges for the relevant years were determined after carrying out prima facie prudence check of the project cost, at an intermediate position, of Rs. 57310 lakh and considering this project cost with the minimum withholding (5%) in terms of the Tariff Regulations. Relevant extract of the order is quoted below.

"

6.0 In view of the above, the Commission decides to grant transmission tariff to HEL for its 400 kV double circuit dedicated transmission line considering 95% of the project cost as claimed by HEL subject to pending determination of final tariff on the basis of the final project cost to be approved by the Commission as per provisions of the Tariff Regulations.

7.0 After carrying out prima-facie prudence check, the Commission at present allows annual transmission charges for the years 2014 – 2015 to 2016 – 2017 in respect of 400 kV double circuit dedicated evacuation line of HEL as under:

Particulars	Unit	Year		
		2014 – 2015 (for the period of commercial operation)	2015-16	2016-17
Annual transmission charge recoverable by HEL	Rs. In lakh	2052.00	9413.00	11401.00



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8.0 The above annual transmission charges are subject to adjustment through Annual Performance Review (in short 'APR') as per regulation 2.6 of the Tariff Regulations based on the final Project cost to be approved by the Commission as per provision of the Tariff Regulations."

- 1.2 In reference to the direction of the Commission as contained in the Tariff Order as well as Order in Case No OA-100/10-11 dated 29 January 2016, HEL submitted a petition on 27 January 2018 before the Commission for determination of the final project cost for the Evacuation System.
- 1.3 Thereafter, the Commission, vide its communication dated 19 December 2018 (ref. WBERC/TP-63/14-15/3218), directed the HEL to submit APR petitions for all the relevant years on the basis of cost of the Evacuation System submitted before the Commission.
- 1.4 Accordingly, Haldia Energy Limited (hereinafter referred to as 'HEL') submitted their application for Annual Performance Review for 2016 - 2017 on 30.04.2019. HEL has submitted their application of APR for third year of the fourth control period, i.e., for 2016 - 2017. The review of this instant application on the basis of the audited annual report and accounts of HEL for 2016 - 2017 with reference to the Commission's tariff order dated 29.01.2016 of HEL in Case No. TP- 63/14-15 will result into adjustment of on different heads. The net adjustment arising out of such adjustment on different heads will be considered for giving effect to while determining the amount of revenue adjustable through tariff order of further ensuing year or through separate order as specified in regulation 2.6.6 of the Tariff Regulations.
- 1.5 The APR covers the areas of permissible annual fixed charges admissible to the applicant, and permissible incentives. The dedicated transmission line has been commercially operational since 28 January 2015. It is therefore, in the APR for the year 2016 - 2017, therefore, the review of the different elements of fixed charges, categorized as controllable and uncontrollable has been done to find out the amounts to be permitted to HEL.



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- 1.6 The gist as approved by Commission vide communication no WBERC/APR-76/19-20/1188 dated 24.09.2021 was published on 01.10.2021 in Bartaman, Aajkaal, Dainik Vishwamitra and The Telegraph.
- 1.7 No suggestion / objection was received from the stake-holders within 21 days from the date of publication of the gist.
- 1.8 Commission issued further queries vide letter no WBERC/APR-76/19-20/1373 dated 22-11-2021. Against which HEL has replied vide their letter no HEL -F/2021/160 dated 10-12-2021.



Chapter 2

FIXED CHARGES

2.1 The uncontrollable elements of fixed charges are those elements where variations of actual expenditure with the expenditure allowed by the Commission in the ARR for the concerned year are caused by the factors beyond the control of the generating company or the licensee. The amount of actual expenses/ charges under such different heads of accounts are, therefore, to be considered on prudent check for carrying out positive or negative adjustments, as the case may be.

2.2 The final project cost of the Evacuation System of Rs. 540.36 Crore has been approved by the Commission vide its Order dated 8 January 2020 passed in Case No. OA-267/17-18/5268. Commission proceeds to determine APR for 2016-17 on the basis of Project cost of Evacuation System at Rs 540.36 Crore in this order.

2.3 Transmission System Availability:

2.3.1 The Commission has specified the Norms for Availability of Transmission System in para E (1) of Schedule -9D of the Tariff Regulations. This norm for AC system is 98%.

2.3.2 HEL achieved an availability of 99.88% and has furnished a certificate from SLDC with the petition.

2.4 The Commission passed tariff order for the period 2014-15 to 2016-17 on 29.01.2016 vide case No : TP-63/14-15. No detailed different head wise breakup of cost has been considered in the tariff order for the year 2016 – 2017.

The permitted amount of expenses/ charges under such different heads of accounts are being determined after prudence check for carrying out positive or negative adjustments under Annual Performance Review are being computed out in the following paragraphs.

2.5 Employee Cost:

2.5.1 Employee cost includes elements like salaries, wages, allowances, contribution to P.F. etc. as well as Staff Welfare expense. Employee cost details are furnished in Auditors'



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Certificates. As per Attachment 1 of the APR petition (Auditors' certificate), an amount of Rs. 3016.9 lakh for 2016-17 pertains to employee cost where Rs. 2962.6 lakh is for generation and Rs. 54.3 lakh is for evacuation system. Thus, the total amount claimed is Rs 54.3 lakh on dedicated transmission line.

- 2.5.2 In the year 2016-17 the number of employees in HEL is 6 (provided through Form 1.17(h) and Attachment-1) against the total transmission line of 89 CKM. Thus, the employee per CKM is 0.03. This is well within the recommended norms of 0.35 as specified in Para L of Schedule – 9A of the Tariff Regulations. As the man /CKM ratio is being satisfied, Commission admits the uncontrollable item of Employee cost of Rs. 54.3 lakh on prudence check.

TABLE 2A : Employee Cost

Rs. in Lakh

Sl. No.	Particulars	Amount claimed in APR 2016-17	As admitted in APR 2016-17
1	Employee cost	54.3	54.3

2.6 Operation and Maintenance (O&M) Expenses:

- 2.6.1 HEL has submitted total O&M expenses including repair & maintenance cost, A&G expenses, insurance and rates & taxes as Rs. 812.20 Lakhs. The O&M expenses being controllable element, the commission finds it suitable to admit the overall O&M expenses up to the normative expenses allowed under CERC Tariff Regulations for the year 2016-17 as below:

TABLE 2B : O&M Expenses

PARTICULARS		2016-17-CERC NORMS	
			Amount in Rs. Lakhs
S/S-400 KV Bays -No	4	64.37 Rs. Lakhs per bay	257.48
Transmission Line Km	89	0.755 Rs. Lakhs per KM	67.20
		Sub-total	324.68
		Less: Employee Cost	54.30
		NET O&M EXP	270.38



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2.6.2 The normative O&M expenses specified in the CERC Tariff Regulations includes the expenditure on manpower, repairs, maintenance spares, consumables, insurance and overheads. As the employee cost has already been allowed amounting to Rs. 54.30 Lakhs in Para 2.5 as enumerated above, the Commission decides to allow the balance amount Rs. 270.38 Lakhs as overall O&M expenses inclusive of repair & maintenance cost, A&G expenses, insurance and rates & taxes.

2.7 Statutory Charges:

Statutory charges have been claimed by HEL as Rs. 2.0 Lakhs. The actual expenditures on this account as per Auditors' certificate has been admitted by the Commission, after prudence check.

2.8 Corporate Social Responsibility:

The claim of Rs. 20.8 lakh has been filed by HEL towards Corporate Social Responsibility. This has not been allowed since the same is an allocation of profit and a statutory obligation.

2.9 Interest on Borrowed Capital

2.9.1 HEL claimed an amount of Rs 4617.6 Lakh as interest on borrowed capital after due capitalisation of interest credit. HEL submitted the computations in prescribed Form C of Annexure-I of the APR petition for the amounts of interest actually paid. HEL has also furnished an auditor's certificate for interest cost with details of interest incurred in capital and revenue account. Interest on capital borrowings have been allowed after prudence check of loan details furnished in Form – C. The APR application was based on a project cost of Rs. 594.02 Crore. However, the project cost approved by the Commission was Rs. 540.36 Crore. Accordingly, the admissible debt based on approved project cost is Rs 39019 lakhs (Rs 54036 lakhs – Rs 15017 lakhs of Equity Base). The loan drawn and interest paid as per form C is as per following Tables:

2.9.2

TABLE 2C: Loan drawal

Sl No.	Particulars	Rs lakhs
1	Outstanding Loan on COD	40371.70
2	Add Fresh Drawal of Loan 2014-15	1340.30



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3	Add Fresh Drawal of Loan 2015-16	11754.70
4	Add Fresh Drawal of Loan 2016-17	37986.80
5	Cumulative Loan (1+2+3+4)	91453.40
6	Less: Conversion of Buyers' Credit in 2014-15	1630.60
7	Less: Conversion of Buyers' Credit in 2015-16	7373.20
8	Less: Repayment of old loans in 2016-17	37986.80
9	Net Loan Drawal (5-6-7-8)	44462.80

TABLE 2D: Interest Paid Before Refinancing

Loan Sources	Opening Balance	Closing Balance	Average Balance	Interest Paid
IDBI	9163.6	0.0	4581.8	394.6
SBI	6545.4	0.0	3272.7	279.3
UBI	3927.3	0.0	1963.7	167.4
CENTRAL BANK	2683.6	0.0	1341.8	113.9
BANK OF BARODA	5301.8	0.0	2650.9	231.0
PNB	4909.1	0.0	2454.6	207.5
ICICI	6382.5	0.0	3191.3	289.0
IIFCL	2445.9	2439.8	2442.9	107.2
ICICI-ECB	2177.3	2177.3	2177.3	93.4
Total			24077.0	1883.3

TABLE 2E: Interest Paid After Refinancing

Loan Sources	Opening Balance	Closing Balance	Average Balance	Interest Paid
IDBI	0.0	6211.7	3105.9	372.1
SBI	0.0	4898.3	2449.2	293.3
United Bank	0.0	2418.9	1209.5	144.9
BANK OF BARODA	0.0	2420.3	1210.2	149.0
PNB	0.0	2698.5	1349.3	161.1
ICICI	0.0	5200.5	2600.3	561.7
IIFCL	2439.8	2421.5	2430.7	151.2
Allahabad Bank	0.0	1625.2	812.6	97.3
IDFC	0.0	5200.5	2600.3	310.1
Union Bank	0.0	4511.2	2255.6	272.0
Punjab & Sind Bank	0.0	1625.2	812.6	97.3
ICICI-ECB	2177.3	2177.3	2177.3	132.3
Total			23013.5	2742.3

Total average balance = Rs 24077.0 lakh +Rs 23013.5 lakh = Rs 47090.5 lakh



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Total Interest paid = Rs 1883.3 lakh + Rs 2742.3 lakh = Rs 4625.6 lakh

Weighted average rate of interest = 11.36%

Based on the interest paid on capital expenditure the proportionate interest on Rs 39019 lakhs has been calculated as per following Table 2F:

TABLE 2F: Computation of admissible Interest

SI No	Particulars	Rs lakhs
1	Approved Project Cost	54036
2	Equity as per Form 1.20(a)	15017
3	Admissible Debt Amount (1-2)	39019
4	Interest on loan as per petition in Form C	4625.6
5	Actual amount of average loan in the year	47090.5
6	Proportionate Interest on admissible debt Cost (4 × 3/5)	3832.8
17	Admitted Interest on Borrowings for 2016-17	3832.8

2.10 Interest on Temporary Accommodation

HEL has claimed interest on normative loan for the year 2016-17 at an amount of Rs. 303.3 lakh. In form 1.17 (a), HEL has provided detail of loan balance and interest on temporary accommodation for the year as follows

TABLE 2G: Interest on Temporary Accommodation claimed

Rs. In lakhs		
Sl. No.	Particular	2016-17
1	Opening Balance	2238.6
2	Addition during the year	495.3
3	Closing Balance	2733.9
4	Average Balance	2486.3
5	Interest claimed	303.3
6	Interest rate	12.2

HEL has also submitted the computations in prescribed Form C of Annexure-I of the APR petition for the amounts of interest actually incurred. It is observed that the actual interest incurred is nil. Thus, for interest on temporary accommodation, the interest has been limited to actual interest incurred, being less than the normative amount as claimed.



TABLE 2H: Interest on Temporary Accommodation admitted

Rs. In lakhs

Sl. No.	Particulars	Amount claimed in APR 2016-17	Amount claimed in Form C	As admitted in APR 2016-17
1	Interest on Temporary Accommodation	303.3	0	0

2.11 Interest on Working Capital

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 2016-17. The Commission vide Paragraph 7 of its order dated April 6, 2022 in Case No SM-30/21-22 has ordered that “ The interest on working capital which has already been determined for the period effective on and from 01.04.2016 in the tariff orders issued by the Commission considering the SBI PLR/MCLR without any float will be 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, 2016 was 9.20%. The Commission thus has considered normative Interest on working capital at the rate of 12.70 % (9.20 % + 3.50 %) for interest calculation. Now, in terms of regulation 5.6.5.1 of the Tariff Regulations, the Commission proceeds to determine the normative amount of interest on working capital as in Table below:

TABLE 2I: Interest on Working Capital

Rs. In Lakhs

SI No	Particulars	2016-17
A	Gross Sales without working capital interest	9110.34
B1	Less : Depreciation including Advance Depreciation	1397.80
B2	Less : Deferred Revenue Expenditure	-
B3	Less : Return on Equity	2327.60
B4	Less : Reserve for unforeseen exigencies	0.0
B	Total Deductions : (sum B1:B4)	3725.40
C	Allowable Gross Sales for Working Capital without working capital interest	5384.94
D	Allowable Working Capital @ 18% on C (A - B)	969.29



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E	Normative Interest on WC requirement at (E) at SBI MCLR rate plus 350 bp @ 12.70%	12.70%
F	Interest on Working Capital on D (E % on D)	123.10
G	Actual interest paid	100.60
H	Interest on Working Capital admitted (Minimum of F & G)	100.60

Thus, for interest on working capital, the interest has been limited to actual interest incurred, being less than the normative amount as claimed.

TABLE 2J: Interest on Working Capital admitted

Rs. In Lakh				
Sl. No.	Particulars	Amount claimed in APR 2016-17	Amount claimed in Form C	As admitted in APR 2016-17
1	Interest on Working Capital	163.4	100.6	100.6

2.12 Other Finance Charges

The finance charges as furnished in form 1.17I of the petition pertaining to Evacuation System is Rs. 121.4 Lakhs. Overall charges under this head of Rs 1065 Lakhs has been allocated has been done in the ratio of approved fixed cost of generation and evacuation petition for the FY 2016-17 vide WBERC Order dated 29.01.2016 in Case No. TP- 64/14-15 and in Case No. TP-63 /14-15 for applicable components of overall charges as explained by HEL vide communication dated 10-12-2021 which is quite reasonable. The admitted amount of other finance charges is as under in Table.

TABLE 2K: Other Finance Charges

Rs. In Lakh			
Sl. No.	Particulars	Amount claimed in APR 2016-17	As admitted in APR 2016-17
1	Other Finance Charges	121.4	121.4

2.13 Depreciation

The amount of depreciation as claimed by HEL is provided in Form B of Annex I. Further details with respect to reconciliation with Annual Accounts have been furnished in Auditors'



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certificate at Attachment 6 of the petition where it has been mentioned specifically that depreciation has been calculated as per Schedule A in Annexure A of Tariff Regulations of WBERC. The Commission decides to go by the amounts of depreciation as claimed after incorporating appropriate reduction on account of reduced project cost. The APR application was based on a project cost of Rs. 594.02 Lakhs. However, the project cost approved by the Commission was Rs. 540.36 Crore. Thus, after prudence check Rs 1397.8 Lakhs has been allowed.

As per above discussion the depreciation as allowed by the Commission are as follows

TABLE 2L: Depreciation

		Rs. In lakhs
SI No.	Particulars	Rs lakhs
1	Depreciation of Evacuation assets	1536.6
2	Project cost approved in order dated 08.01.2020	54036
3	Fixed assets as submitted in form 1.18	59402
4	Depreciation admitted (1/3*2)	1397.8

2.14 Advance against Depreciation/ Interest Credit:

2.14.1 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 is 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.

2.14.2 Accordingly, the Commission decides to compute the Advance Against Depreciation/ interest credit for the year 2016 – 17 considering the cumulative amount of depreciation and Advance Against Depreciation allowed in previous APR orders. Considering the fact that, HEL started its operation from January, 2015, the cumulative position since 2014 – 15 is analysed below:



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TABLE 2M : Cumulative Loan Repayment vs Depreciation and AAD

Rs. In Lakh

YEARS	Admitted amount of Loan Repayment	Depreciation Admitted	Advance Against Depreciation	Excess Depreciation over loan repayment
2014 – 15	-	241.20	0.00	241.20
2015 – 16	813.10	1397.80	0.00	584.70
TOTAL	813.10	1639.00	0.00	825.90

Cumulative depreciation and AAD admitted during the APR order of 2014 – 15 and 2015 – 16 comes to Rs. 1639.00 lakh against the cumulative loan repayment required during the said period amounting to Rs. 813.10 lakh. Thus, there is an excess depreciation over the loan repayment amounting to Rs. 825.90 lakh upto 31.03.2016. This amount is required to be considering while computing the Advance Against Depreciation (AAD)/ interest credit for the year 2016 – 17 as below:

TABLE 2N: Computation of AAD / Interest Credit in 2016-17

SI No	Particulars	Derivation	Rs. Lakh
1	Repayment of loan claimed in Form 1.17(e)	A	2127.70
2	Loan projected by HEL (as in Table 2C)	B	44462.80
3	Admissible Debt (as in Table 2F sl no 3)	C	39019.00
4	Repayment of Admissible Loan in 2016 - 17	$D = A \times C / B$	1867.20
5	1/10 th of Original Amount of Admissible Loan	$E = C / 10$	3901.90
6	Maximum repayment admissible for 2016 – 17	$F = \text{MIN} (D, E)$	1867.20
7	Depreciation allowed for 2016 – 17	G	1397.80
8	Excess of Depreciation and AAD over repayment upto 31.03.2016 (Table 2M)	H	825.90
9	Advance Against Depreciation for 2016 – 17	$I = D - (G+H)$	Nil
10	Excess of Depreciation over repayment upto the year 2016 – 17	$J = (G+H) - D$	356.50
11	Weighted Average Cost of Debt in 2016 – 17	K	11.36%
12	Interest Credit for the year 2016 – 17	L	40.50

2.14.3 The Commission admits Rs. 40.50 lakh as Interest Credit during 2016 – 17.

2.15 Return on Equity

Return on Equity had been claimed on equity arranged upfront on COD of amount Rs 15017 lakhs. and did not change over the years. The Equity contribution of 27.8% is



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within the limit of 30% stipulated through regulations considering approved project cost of Rs 54036 Lakhs. Thus, the return on equity claimed of 2327.6 lakhs on the value of Rs 15017 lakhs has been admitted as it is found to be satisfactory as per following calculation:

TABLE 2O Return on Equity

SI No	Particulars	Rs In lakhs
		2016-17
1	Average Equity base throughout the year	15017
2	The computed ROE @ of 15.5% on (1) as per regulation 5.6.1.1 of Tariff Regulations.	2327.6

Table 2P : Return on Equity admitted

Sl. No.	Particulars	Rs. In lakhs	
		Amount claimed in APR 2016-17	As admitted in APR 2016-17
1	ROE	2327.6	2327.6

2.16 Appropriation to Reserve for Unforeseen Exigencies

No amount on account of reserve for unforeseen exigencies has been allowed in the APR for 2016-17.

Table 2Q: Reserve for Unforeseen Exigencies Admitted

Sl. No.	Particulars	Rs. In lakhs	
		Amount claimed in APR 2016-17	As admitted in APR 2016-17
1	Special Allocations (Reserve for unforeseen exigencies)	148.5	0

2.17 Tax on Income

HEL has claimed Rs 1104.1 lakhs in income tax. Based on the additional information and the Assessment Order submitted by HEL, the Commission after prudence check allows the following.



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Table 2R: Tax on Income

Sl. No.	Particulars	Rs In lakhs	
		Amount claimed in APR 2016-17	As admitted in APR 2016-17
1	Tax	1104.1	1104.1

2.18 Permitted Incentive

HEL has claimed incentive of Rs. 15.4 lakhs. HEL has submitted a certificate from SLDC for availability of the dedicated transmission line. Para 8 Schedule -10 of the Tariff Regulation provides for incentives for improved performance in case actual availability exceeds 99.75%. Actual availability achieved for 2016-17 by HEL evacuation system, as certified by SLDC, stands at 99.88%. The Commission decides to make appropriate adjustments on account of reduced project cost and allow the following after prudence check.

Table 2S: Incentive for additional availability based on revised Annual Transmission charges

Particulars	Rs In lakhs	
	Units	
Annual Availability	99.88%	
Target Availability	99.75%	
Excess availability over target, if >0	0.13%	
Annual Transmission Charges	9170.44	
Incentive admitted for additional availability	11.95	

2.19 The detail of Fixed Cost is provided in Annexure-2A.

Annexure-2A

SL. No.	Particulars	Claimed in APR Petition	Rs Lakh	
			Now admitted in APR	
1	Operation and Maintenance Expenses		270.38	
i.	Repairs & Maintenance including Consumables	372.9		
ii.	Legal Charges	14.9		
iii.	Auditors Fees	0.9		
iv.	Other Administrative & General Charges	320.3		
v.	Rent	0.0		
vi.	Rates & Taxes (other than Income Tax)	6.8		
vii.	Insurance	96.4		



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SL. No.	Particulars	Claimed in APR Petition	Now admitted in APR
2	Statutory charges	2.00	2.00
3	Employee Cost	54.3	54.30
4	Corporate Social Responsibility	20.8	0.00
5	Interest on Capital Borrowings	4617.7	3832.76
6	Interest on Working Capital	163.4	100.60
7	Interest on Temporary Accommodation	303.3	0.00
8	Other Finance Charges	121.4	121.40
9	Depreciation	1536.6	1397.80
10	Advance against Depreciation	591.1	0.00
11	Returns on Equity	2327.6	2327.60
12	Reserve for Unforeseen Exigencies	148.5	0.00
13	Income Tax	1104.1	1104.10
14	Gross Fixed Charges (1 to 13)	11803.0	9210.94
15	Less: Interest Credit on depreciation	-	40.50
16	Net Fixed Charges (14-15)	11803.0	9170.44



Chapter 3

AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

3.1 Fixed charges

- 3.1.1 Based on the foregoing analyses, the amounts of fixed charges allowable under different heads in respect of the concerned evacuation line have been shown in Annexure-2A. The total amount of fixed charge is Rs 9170.44lakh
- 3.1.2 The above capacity charge is, however, recoverable at the level of Availability achieved by the Transmission line.

3.2 Availability Achieved

- 3.2.1 As it comes out from the submission of HEL, the actual annual availability achieved during 2016-17 was higher in comparison to norms set for the year, resulting in under-recovery of capacity charges
- 3.2.2 HEL has submitted a certificate from SLDC for availability of the dedicated transmission line wherein the availability achieved is 99.88% as against a norm of 98%.

3.3 Capacity charge admitted

- 3.3.1 HEL has claimed re-determined capacity charge on the ground of adjustment of Rs 226.4 lakhs as per availability achieved over the norms during the year 2016-17 following the regulation 6.16.3 of the Tariff Regulations. But according to clause (iii) of regulations 6.16.3 of Tariff Regulations no adjustment can be allowed further for excess availability beyond the norms as total fixed charge is recoverable at the normative parameter. Thus, Commission does not allow such claim of HEL for further adjustment.
- 3.3.2 Thus, the revenue recoverable is as per following table:

Table 3A: Revenue Recoverable after adjustment of Incentive

Rs In lakhs

SL. No.	Particulars	Claimed in APR Petition	Now admitted in APR
1	Net fixed charge	11803.0	9170.44
2	Add: Incentive	15.4	11.95



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SL. No.	Particulars	Claimed in APR Petition	Now admitted in APR
3	Revenue Recoverable	11818.4	9182.39

3.4 The re-determined amount of fixed charges of HEL for the year 2016-17 comes to Rs. 9182.39 lakh which may be considered as realizable revenue from operation of HEL for 2016-17

3.5 The Commission is now to see how much revenue from operation had been earned by HEL by way of transmission charges with reference to its audited accounts. It is seen from note 24 to the annual report and accounts 2016-17 that the earnings from the sale of electricity was Rs 203247 lakh. This amount includes the earnings from generation as well. The earnings from transmission as submitted through Form 1.25 is Rs. 11401 lakh. Thus, actually an amount of Rs. 11401 lakh has been realized for the year 2016-17.

3.6 As it comes out from the findings in paragraph above, HEL has an over-recovery of Rs. 2218.61 lakh as given below:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Approved realizable revenue admitted in APR for 2016-17	9182.39
2.	Actual amount of revenue from operation realized for the year 2016-17 as per paragraph 3.5 of this order	11401.0
3.	Additional net revenue amount to be recovered for 2016-17	(-) 2218.61

3.7 In terms of the Tariff Regulations, the over recovery of Rs. 2218.61 lakh or a part thereof may be adjusted with the amount of Aggregate Revenue Requirement for the subsequent period or that for any other ensuing year or through a separate order, as may be decided by the Commission.

3.8 HEL is directed to comply with the directions given in the preceding chapter of this order.

3.9 HEL is to take a note of this order.



Order on APR of HEL(Transmission) for the year 2016 – 2017

3.10 This order passed by the Commission shall be subject to any order which may be passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 95 of 2020.

Sd/-

PULAK KUMAR TEWARI

MEMBER

Sd/-

SUTIRTHA BHATTACHARYA

CHAIRPERSON

Date: 21.07.2022

Sd/-

SECRETARY