



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

IN CASES NO:

**FPPCA – 73 / 14 – 15 AND
APR – 45 / 14 - 15**

**IN RE APPLICATIONS OF WEST BENGAL POWER
DEVELOPMENT CORPORATION LIMITED FOR
FUEL COST ADJUSTMENT (FCA) AND ANNUAL
PERFORMANCE REVIEW (APR) FOR
THE FINANCIAL YEAR 2013- 2014**

SRI R. N. SEN, CHAIRPERSON

SRI AMITAVA BISWAS, MEMBER

DATE: 24.08.2017



CHAPTER – 1 INTRODUCTION

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 (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 West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”) introduced Multi Year Tariff (in short “MYT”) procedure and as such, APR aims at carrying out adjustments arising out of difference between the actual performance and projected performance under different factors / heads of accounts. Such adjustments are to be done in the manner as specified in the Tariff Regulations. Accordingly, West Bengal Development Corporation Limited (in short “WBPDCCL”) submitted their application of APR to the Commission on 01.12.2014 for the financial year 2013 – 2014. Prior to submission of APR 2013-14 WBPDCCL has also submitted FCA application for 2013-14 on 18th September, 2014 in pursuance to regulations 2.8.7.1 of the Tariff Regulations for ascertaining the Fuel Cost Adjustments (in short “FCA”) separately for each of the following generating stations for the financial year 2013 – 2014.

- 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 (SgTPS).

1.2 The instant applications of WBPDCCL are their third application for the FCA and APR of the third control period. The adjustments, as were found necessary on review of the performance of the previous years, were effected while determining the amount recoverable through tariff during the years following the years of such



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- review. Similarly, the adjustments, as may arise out of the review of the instant applications for 2013 – 2014 will be considered for giving effect while determining the amount of revenue recoverable through tariff of any ensuing year or through separate order as specified in regulation 2.6.6 of the Tariff Regulations.
- 1.3 WBPDCCL has submitted their applications for Fuel Cost Adjustment and Annual Performance Review for 2013 – 2014 in terms of the provision contained in the Tariff Regulations.
- 1.4 Admissible fuel costs are to be worked out with reference to the actual quantum of energy sold to West Bengal State Electricity Distribution Company Limited (in short “WBSEDCL”) during the concerned adjustment period applying the formula specified in Schedule – 7A to the Tariff Regulations on the basis of normative parameters as was used in the tariff order for 2013-14 and also on the basis of regulation 5.8.1 of the Tariff Regulations. APR is to cover the annual fixed costs and fixed charges that are to be allowed to the licensee as per the Tariff Regulations. The Commission has taken careful note of the representations made by WBPDCCL and the relevant issues will be addressed to and the views will be taken accordingly while examining the admissibility of expenses under different heads of accounts in the subsequent chapter.
- 1.5 The APR for the year 2013 – 2014 is, therefore, the review of the different factor elements of fixed charges, categorized as controllable and uncontrollable allowed to WBPDCCL through the ARR of the tariff order for the year 2013 – 2014, vis-à-vis the actuals as per the audited accounts. The instant application of WBPDCCL for the year 2013 – 2014 is being viewed in the subsequent parts of this order.
- 1.6 After receiving the FCA and APR applications for 2013-14 of WBPDCCL as submitted on 18.09.2014 and 01.12.2014 respectively, the Commission has sought lot of clarification, justification and information vide letters dated 11.03.2015, 6.4.2015, 05.05.2015, 05.04.2016, 21.04.2016, 20.05.2016 and



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- 14.07.2016. WBPDCCL, accordingly, provided the requisite data / information vide their letters dated 25.03.2015, 20.04.2015, 28.05.2015, 15.04.2016, 29.04.2016, 01.06.2016, 29.07.2016 and 12.09.2016 in the specified proforma and requirements. The applications for FCA and APR for the year 2013 – 2014 submitted on 18.09.2014 and 01.12.2014 respectively and the information / data furnished as stated above (collectively called as application) were subsequently admitted by the Commission for processing.
- 1.7 In terms of regulation 2.6.12 of the Tariff Regulations, the gist of the application after admitting the FCA application and APR application in Cases No FPPCA – 73/14-15 and APR – 45/14-15 respectively was published in the newspapers simultaneously in “The Times of India”, “Sanmarg”, “Bartaman” and “Aajkal” on 06.08.2015. The application was also posted in the website of WBPDCCL. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application of WBPDCCL and requested for submission of suggestions and objections, if any, on the application to the Commission. The last date of submission of suggestions and objections was extended upto 08.09.2015. Opportunities were also offered to all to inspect the application and take copies thereof.
- 1.8 Suggestions and objections on the application of WBPDCCL for FCA and APR in respect of the year 2013 – 2014 was received by the office of the Commission from Hooghly Chamber of Commerce and Industry (HCCI) and India Power Corporation Limited (formerly DPSC Limited) within the stipulated time.



CHAPTER – 2

Objections and suggestions against the application of FCA and APR for 2013 – 2014 submitted by WBPDCCL

- 2.1 The stake holder from whom objections and suggestions on the application of APR for 2013 – 2014 of WBPDCCL has been received within the stipulated time are mentioned in Paragraph 1.8 of Chapter-1. The points of their objections and suggestions are summarized in subsequent paragraphs of this Chapter along with views of the Commission.
- 2.2 In paragraph 7 (c) of affidavit, HCCI submitted that the Commission is established to ensure transparency under section 86(3) of the Act while disclosing the tariff determination function in accordance with the mandatory procedure prevailed under section 64 of the Act. HCCI also submit that inherently Sections 64 and 86(3) warrants that the State Commission should grant hearing to any objector/ consumer before deciding upon the objections and determining tariff. According to HCCI, the principles of natural justice mandate that the hearing should be granted to the objector, who is one of the affected parties and that practice has been diligently and consistently followed by virtually every Appropriate Commission.

In the above context Commission in its earlier order on different tariff related orders has expressed the views time and again. Thus now Commission reiterates the views in short. The Commission feels that hearing for objections and suggestions is not mandated under Section 64 of the Act. The Section 64 speaks about hearing only in case of rejection of an application where it is stipulated that applicant of tariff application be given reasonable opportunity of being heard before rejection of his application. This is also mentioned as exceptional circumstances under provisions of Clause (b) of Sub-section 3 of Section 64. Accordingly, the Commission decides to consider only the suggestions/objections from the public as per Tariff Regulations. The Tariff



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- Regulations framed under the provision of the Act has specifically provided receiving of such objections/suggestions from public in written form only. Thus on this issue Commission prefers to limit itself strictly within the provisions of the Act instead of considering other extraneous factors. Section 86 (3) of the Act in particular speaks of ensuring transparency while discharging its functions but not anything on point of hearing. Transparency in a process does not necessarily mean holding public hearing. It requires fairness and probity to be maintained in the decision making process. This objective is achieved once the objections and suggestions are duly considered and the decision of the Commission is indicated along with reasons. Thus for inviting suggestions and objections as per Section 64 of the Act, there is no requirement to hold a public hearing.
- 2.3 HCCI has raised their objection in Paragraph 9 of the affidavit that the claims made by WBPDCCL are contrary to the provisions of the Act and Regulations and past orders/practice of the Commission and allowing these claims would amount to rewarding the inefficiencies of WBPDCCL. It is also mentioned by HCCI that WBPDCCL have made wrong computations and relevant factors have not been considered while making computations/claims by WBPDCCL. These objections raised by HCCI are not being duly supported by any evidence or any documents or any specific issues in respect of the objection on the basis of which the Commission can deal with such objection. In the said paragraph HCCI has not indicated which of the claims/computations of WBPDCCL are erroneous. Thus, the Commission finds no merit in dealing with this objection in the absence of details.
- 2.4 Issues raised by HCCI in the affidavit and its explanation under the Annexure – A along with the views of the Commission are dealt hereunder:

Capacity Charge:

- 2.4.1. HCCI has mentioned that the recovery of capacity charge would be linked with the achievement of target availability e.g. at target availability, 100% capacity



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charges would be recoverable and in-case of actual availability lesser than the target availability, pro-rata capacity charges would be recoverable. In paragraph 2.1 of explanation, HCCI elaborated the issues. It is further stated by HCCI that normative target availability as set by the Commission are at relaxed levels vis-à-vis the industry benchmarks for stations namely Kolaghat and Bandel TPS.

HCCI has also mentioned that WBPDCCL has attributed certain frivolous reasons for the under-achievement of plant availability factors in their various plants. According to HCCI, points raised above, are controllable factors and no relaxation in operating norms can be provided on the basis of the aforementioned reasons.

Regarding the suggestions for capacity charge to be allowed on the basis of achievement of target availability, the Commission will consider the same in the subsequent chapter in determination of allowable capacity charge as per provisions of Tariff Regulations. Regarding the comments of HCCI for setting norms in a relaxed way in the Tariff Regulations for different generating stations, it is stated that the Commission has framed the Tariff Regulations through previous publications and it cannot be an issue to be dealt with in this order. Normally, capacity charge is recovered on the basis of normative parameters by applying different provisions of Tariff Regulations and 'under performance' is not normally allowed to pass through if there is no compelling condition. In this instant order, the Commission feels that no such compelling condition was prevailing during 2013 – 2014.

Fuel Related Expenses:

Coal and Ash Handling Charges:

2.4.2. HCCI has raised their objection on the claim of WBPDCCL for other fuel related charges towards existing stations based on actuals and suggested to adopt the



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philosophy of restricting the other fuel related cost on the same principle as has been adopted in the APR for 2012 – 2013 order.

The Commission in general is of the same view but where deviation is required it will be done on the basis of the merit of the case.

Water Charges:

2.4.3. HCCI has raised their objection on the claim of WBPDCCL for water charges towards existing stations based on actual and suggested to adopt the philosophy of restricting the water charges on the same principle as has been adopted in the APR for 2008 – 2009 and 2012 – 2013 orders.

The Commission in general is of the same view but where deviation is required it will be done on the basis of the merit of the case.

Employee Expenses:

2.4.4. HCCI under paragraph 2.4.1 of the explanation submitted that, in their opinion the employee cost of WBPDCCL should come down substantially considering the fact that the employee strength has gone down by around 80 employees and that for the retirement of employees who were at the upper end of the pay band. Accordingly, HCCI has requested the Commission to check thoroughly the employee cost claimed by WBPDCCL.

The Commission gives its views in the subsequent chapter while determining the allowable fixed cost under different heads.

Operation and Maintenance:

2.4.5. HCCI submitted that as per the norms of the Tariff Regulations the total operation and maintenance expenses allowed in the tariff order for 2013 – 2014 are admissible disregarding the actual expenses.



Depreciation including Advance against Depreciation:

2.4.6. HCCI states that WBPDCCL has claimed in Form B an amount of Rs. 1725.42 lakh and Rs. 1631.12 lakh on account of depreciation pertaining to Bakreswar transmission system and Sagardighi transmission system which are required to be recovered from WBSETCL as per the order of the Commission. It is also submitted that the Commission has directed to produce detailed calculation in regard to the different transmission assets in the APR for 2011 – 2012 and 2012 – 2013. Since the details of calculation in regard to depreciation in respect of Bakreswar and Sagardighi transmission systems have not been submitted by WBPDCCL, as per the direction of the Commission, HCCI requested the Commission to adopt the earlier philosophy and disallow the amount of depreciation (10% of Rs. 1725.42 in Bakreswar and Rs. 1631.12 in Sagardighi) from the claim of WBPDCCL. It is further said that the prudent check and due diligence need to be undertaken to ascertain the admissibility of the additional capitalization and consequent depreciation.

The Commission has noted the comments of HCCI and gives its views while determining the allowable depreciation for 2013 – 2014 in subsequent chapter.

Interest on Borrowed Capital:

2.4.7. HCCI states that WBPDCCL has claimed, as per note 27 of the Annual Accounts for 2013 – 2014, an amount of Rs. 15167.81 lakh on account of interest on borrowed capital pertaining to Bakreswar generating station which includes Rs. 736.61 lakh pertaining to the construction of associated transmission system which are required to be recovered from WBSETCL as per the order of the Commission. Accordingly, HCCI requested the Commission to disallow the said amount of Rs. 736.61 lakh. It is further said that the prudent check and due



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diligence need to be undertaken to ascertain the admissibility of interest on borrowed capital.

The Commission has noted the comments of HCCI and gives its views while determining the allowable depreciation for 2013 – 2014 in subsequent chapter.

Interest on Normative Debt:

2.4.8. It is submitted by HCCI that in their APR petition, WBPDCCL has stated that the equity considered for Bakreswar, Santaldih and Sagardighi generating stations is less than the equity contributed and that the Commission has not considered the interest on normative debt in the APR for 2010 – 2011, 2011 – 2012 and 2012 – 2013, though the same was admitted in the tariff order. HCCI states that the equity contribution considered in the APR for any year is based on the actual addition to original cost of fixed assets as per the provision of the Tariff Regulations. Accordingly, HCCI requested the Commission to follow the earlier approach and disallow the interest on normative debt claimed by WBPDCCL.

The Commission has noted the comments of HCCI and gives its views while determining the allowable depreciation for 2013 – 2014 in subsequent chapter.

Return on Equity (ROE):

2.4.9. From paragraphs 2.9.1 to 2.9.7 of the explanation, HCCI elaborated their stand on different issues related to ROE. Summing up all the points of HCCI, the issues raised are as follows:

- a) According to HCCI, allowable equity is Rs. 55327.68 lakh instead of Rs. 63193.39 lakh as claimed by WBPDCCL.



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- b) The eligible equity base is calculated by HCCI as per the provisions of regulations 5.4.1 and 5.4.2 and in line with form 1.20(a) of the Tariff Regulations.
- c) The eligible equity base is 356952.76 lakh and not Rs. 407699.26 lakh as claimed by WBPDCCL.

The Commission has noted the comments of HCCI and gives its views while determining the allowable depreciation for 2013 – 2014 in subsequent chapter.

Other Income:

2.4.10 HCCI, under para 2.10.1 of the explanation, have observed that other incomes of WBPDCCL for the year 2013 – 2014 is Rs. 13085.41 instead of Rs. 8082.66 lakh as claimed by WBPDCCL in their APR petition for 2013 – 2014. Accordingly, HCCI requested Commission to conduct strict prudence check and allow non-tariff incomes to the tune of Rs. 13085.41 lakh.

The Commission has noted the comments of HCCI and gives its views while determining the allowable depreciation for 2013 – 2014 in subsequent chapter.

Revenue truing up:

2.4.11 While referring to revenue truing up in para 2.12 of the explanation, HCCI pointed out that WBPDCCL did not provide any computations in this regard. They have contended that the Commission may conduct a revenue side truing up as the same is an integral part of APR and has been carried out regularly by several other regulators across the country.

In this regard, the Commission states that as per Tariff Regulations revenue side truing up is done as because the gap between the revenue recovered as per audited accounts and the corresponding admissible amount of fixed costs as



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determined in APR and variable cost as admitted in the FPPCA order, if any, are recovered or refunded as per regulation 2.6.6 of the Tariff Regulations. Here the revenue recovered stands for revenue realized in terms of billed amount in accordance with the tariff order and as per the order for any Adhoc Power Purchase Cost/ Adhoc Fuel Cost/Adhoc Generation Cost/ Adhoc Variable Cost/Monthly Fuel Cost/Monthly Variable Cost of the year for which APR is undertaken. Thus revenue side truing up has been done based on revenue recovered as per Audited Accounts for capacity charge and energy charge separately through FPPCA and APR and thus it has satisfied the requirement of the Tariff Regulations.

2.4.12 In para 2.13, HCCI has strongly objected to WBPDCCL's proposal for recovery of fixed charges relating to earlier years as a separate item without linking the same with the tariff of subsequent year so that tariff of any particular year is not affected by the impact of earlier year. They have suggested that APR petition for 2010 – 2011 should be considered by the Hon'ble Commission strictly in accordance with the Tariff Regulations, 2007, as amended and effect of which may be given in the tariff order for 2012 – 2013 thereafter. In this context, the Commission will proceed as per provisions of the Tariff Regulations.

Fuel Cost Adjustment:

2.4.13. HCCI observed that the performance of different generating stations of WBPDCCL in context of the operational and fuel efficiency norms has gone down significantly. It is evident from the comparisons made by HCCI that the actual performance parameters of WBPDCCL with respect to the performance norms as defined in the Tariff Regulations fair poorly in all senses and none of the stations qualify for deriving gains to share with the energy recipient as per the Schedule – 9B of the Tariff Regulations. It is also observed by HCCI that WBPDCCL has claimed Rs. 2340.00 lakh, Rs. 1335.00 lakh, Rs. 190.00 lakh and Rs. 283.00 lakh



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for the years 2013 – 2014, 2012 – 2013, 2011 – 2012 and 2010 – 2011 respectively towards excess oil consumption for which HCCI has prayed before the Commission to disallow the same. HCCI also requested Commission to conduct a thorough prudence check on the prices of oil and coal computed by WBPDCCL and the rationale behind sourcing fuels at so high prices. HCCI further requested Commission to conduct a prudence check on the amount purportedly recovered through energy charges and FCA claims during 2013 – 2014 vis-à-vis the amount adjusted in energy charges on the basis of tariff order for 2013 – 2014.

On this issue, the Commission likes to draw attention to the fact that as the billed amount of power sale by a generator consist of two components of energy charge and capacity charge separately thus truing up is being done in FCA and APR of the generating stations separately. The mechanism of submission and processing of Fuel Cost Adjustment (FCA) is specifically provided in the Tariff Regulations and accordingly application of such FCA is being dealt separately as specified in the Tariff Regulations. However, in the instant case, the considerations as have been made by the Commission have been given in subsequent Chapter 3.

2.5 The comments made by India Power Corporation Limited (IPCL) on the APR & FCA petitions of WBPDCCL for the year 2013 - 2014 are as follows:

2.5.1 From the analysis of fuel cost recovery through MFCA and proposed FCA by WBPDCCL in 2013 – 2014, it appears that out of 26% increase in fuel cost as claimed by WBPDCCL in FCA, only 8% is recovered through Monthly Fuel Cost Adjustment (MFCA) and the balance through FCA. Detailed reasons for carrying forward the claim through FCA should have been submitted along with the FCA petition so as to enable the Commission to develop a future guideline for MFCA to prevent any future tariff shock. IPCL urged the Commission to insist that the



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utility must recover full variable cost on a monthly basis so that at the end of the year it is not required to pass an order for huge adjustment.

The Commission has noted the comments of IPCL and gives its views while determining the allowable fuel cost for 2013 – 2014 in subsequent chapter.

2.5.2 IPCL stated that deferment of recovery of the tariff adjustment causes increase in regulatory assets and the tariff becomes unrealistic. IPCL also requested Commission to take necessary steps in consultation with all stakeholders and Government of West Bengal to prevent any further increase in regulatory assets in the overall interest of the sector. IPCL has further made certain suggestions in regard to achieving higher level of transparency in the order. It is stated that the Commission may give year wise comparative position of regulatory assets and also mention its impact on tariff if allowed in a particular financial year. It is apparent from the schedule 25 of the annual accounts for 2013 – 2014 that the cost of coal and oil is Rs. 537422.00 lakh, whereas WBPDCCL has claimed for Rs. 406090.00 lakh keeping a gap of Rs. 130300.00 lakh. IPCL requested Commission to enquire as to reasons for not achieving the normative parameters and take corrective measures, if necessary, in the form of revising the norms.

The Commission has noted the comments of IPCL.



CHAPTER – 3 COMPUTATIONS OF THE AMOUNT OF ALLOWABLE FUEL COST

- 3.1 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 2013 – 2014.
- 3.2 WBPDCCL submitted in its application that part of the consumption of oil (L.D.O) at all the generating stations except BkTPS exceeding the norm stipulated in the Tariff Regulations, 2011 was due to forced back-down on several occasions when State Load Despatch Centre (in short “SLDC”) / Area Load Despatch Centre (in short “ALDC”) of WBSEDCL asked to de-synchronize the generating units. The re-synchronization of the units could be done only on obtaining clearance from ALDC. 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. 2340.55 lakh in this regard through energy charges for the year 2013 – 2014.
- 3.3 Apart from above amount of Rs. 2340.55 lakh for the year 2013 – 2014, WBPDCCL has further submitted the claim for Rs. 1794.95 lakh being the balance amount of Rs. 269.95 lakh for 2010 – 2011, Rs. 189.72 lakh for 2011 – 2012 and Rs. 1335.28 lakh for 2012 – 2013 on similar grounds and disallowed by the Commission earlier. Thus, the total aggregated amount of claim submitted in FCA for 2012 – 2013 on account of excess consumption of LDO due to forced back down etc. arrives at Rs. 4135.50 lakh (Rs. 2340.55 lakh + Rs. 1794.95 lakh).
- 3.4 The Commission has given considered view to the plea of WBPDCCL placed to it from time to time in this regard but is unable to admit the same on the grounds as



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highlighted in the FCA orders for the years 2010 – 2011, 2011 – 2012 and 2012 – 2013.

3.5 The Commission has noted the submissions, as made by WBPDC. The issues raised by WBPDC will be examined and viewed in the subsequent part of this order. Upon submission of FCA by WBPDC for the year 2013 – 2014 the Commission proceeds to determine the amounts of admissible fuel costs for the generating stations at Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi.

3.6 The Fuel and Power Purchase Cost Adjustments (in short “FPPCA”) during the referred adjustment period, i.e., financial year 2013 – 2014, are to be ascertained in terms of the following formula as enunciated by the Commission and incorporated in Part – B in Schedule – 7A to the Tariff Regulations.

$$\text{“FPPCA (In Rs.)} = \{FC + (PPC - C_D) + (\pm A)\} - (fc + ppc)$$

Where –

- i) The adjustment period for fuel and power purchase cost will normally be on annual basis, if not otherwise decided by the Commission.
- ii) FC (Rs): Fuel Cost of own generation as per normative parameters fixed by the Commission or on actual basis in absence of any norm and UHV range as may be allowed under regulation 5.8 commensurate with actual level of energy sales by the generating company to the licensee during the adjustment period.
- iii) PPC (Rs): Total cost incurred including the cost for fuel for power purchase from different sources commensurate with actual level of pumped energy required by pumped storage hydro-generating station only.



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- iv) C_D (Rs): Cost disallowed by the Commission as having been incurred in breach of its 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 to the licensee.
- v) A (Rs): Adjustment, if any, to be made in the current period to account for any claim due to excess / shortfall in fuel cost in the past adjustment period based on directions / orders of the Commission. (+A) shall be considered as the amount to be recovered from consumer and purchaser of electricity under the purview of the Commission when the generating company has already incurred that expenses. (-A) shall be considered as the amount to be refunded to the purchaser of electricity under the purview of the Commission because such amount of less expenses has been incurred by the generating company against any prior period adjustment.
- vi) fc (Rs.): Fuel cost of own generation for sale to the licensee as allowed by the Commission in the tariff order corresponding to relevant adjustment period.
- vii) ppc (Rs.): Power purchase cost allowed by the Commission for the relevant adjustment period in the tariff order for pumping energy required by pumped storage hydro-generating station only.
- viii) FPPCA thus determined on normative basis will further be adjusted for gain sharing as per Schedule – 9B for the parameter related to fuel cost only.”



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- 3.7 The formula referred to above has two distinct parts. The first part is intended to arrive at the amount that should reasonably be recovered by a generating company from its energy recipients for the particular adjustment period under consideration towards fuel and power purchase cost. The second part is meant for the total amount of such costs that was allowed to be recovered through the power tariff fixed by the Commission. The difference between the two amounts is to signify the amount that needs to be either additionally recovered from or refunded to the recipients of energy, as the case may be. The factor PPC and ppc in the referred formula stands for “power purchase cost” and are not applicable for WBPDCCL in the present case. The nomenclature of each of other factor notations used in the formula and value that needs to be assigned to each of such factors is being discussed in the next chapter. The instant order is for ascertaining the amounts of admissible fuel cost separately for each of the concerned generating stations applying the first part of the formula referred to above.
- 3.8 The schedule – 9B to the Tariff Regulations, contains provisions for sharing the gains derived by the licensee, if any, on account of its better performances over the operating and fuel consumption norms set by the Commission for the concerned year. The operational parameters which are to be considered for such sharing the gains accrued to the licensees are:
- i) Oil consumption rate,
 - ii) Rate of Auxiliary Consumption,
 - iii) Gross Station Heat Rate.

The paragraph D of referred schedule 9B to the Tariff Regulations, 2011 also provides that in case availability of a generating station of the generating company falls below the availability norms, then the total gains meant to be passed on to the energy recipients under above item, is first to be used to



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- compensate the deficit in the recovery of the fixed charges, if any, by the generating company.
- 3.9 The referred schedule 9B to the Tariff Regulations also provides that in case availability of a generating station of the licensee falls below the availability norm, then the total gains meant to be passed on to the consumers under the items (i) to (iii) above, is first to be used to compensate the deficit in the recovery of the fixed charges, if any, by the licensee.
- 3.10 Before ascertaining the amount of admissible fuel and power purchase cost as well as the amount of gains to be shared with the consumers and other licensees under the provisions of the Tariff Regulations explained in earlier paragraphs, it needs to view the actual performances of WBPDC in comparison to the operational and fuel efficiency norms set by the Commission in the Tariff Order for the concerned year. Such comparisons are made hereunder:

SI No	Generating Station	Particulars	Unit	As per Tariff Order	As per Actual
1	Kolaghat	Rate of Auxiliary Consumption	%	9.60	11.21
		Specific Consumption of Oil	ml/Kwh	2.00	2.36
		Station Heat Rate	KCal/kWh	2700.00	2752.53
2	Bakreswar	Rate of Auxiliary Consumption	%	9.00	10.18
		Specific Consumption of Oil	ml/Kwh	1.30	2.13
		Station Heat Rate	KCal/kWh	2470	2514.70
3	Bandel	Rate of Auxiliary Consumption	%	9.95	12.85
		Specific Consumption of Oil	ml/Kwh	2.25	12.61
		Station Heat Rate	KCal/kWh	2900.00	3173.55
4	Santaldih	Rate of Auxiliary Consumption	%	9.00	9.85
		Specific Consumption of Oil	ml/Kwh	1.00	1.61
		Station Heat Rate	KCal/kWh	2425.00	2445.64
5	Sagardighi	Rate of Auxiliary Consumption	%	9.00	12.51
		Specific Consumption of Oil	ml/Kwh	1.00	1.32
		Station Heat Rate	KCal/kWh	2345.00	2376.70

The computations of actual Station Heat Rates achieved are shown in Annexure – 3A.



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- 3.11 As observed from above, actual performances of all the five generating stations of WBPDCCL relating to the referred factors did not qualify for deriving gains to share with WBSEDCL.
- 3.12 It has, however, been stated by WBPDCCL that excess consumption of LDO at Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi generating stations is due to forced back down of units at the instance of ALDC of WBSEDCL/SLDC. WBPDCCL has claimed that they had to consume excess oil due to such forced de-synchronization and re-synchronization of the units. It is seen from the documents submitted by WBPDCCL that all the five units at Kolaghat, Bakreswar Bandel, Santaldih and Sagardighi generating Stations had to de-synchronize as per the instructions from ALDC of WBSEDCL/SLDC due to low system demand in normal condition which are taken into consideration during fixation of norm. The Commission does not consider the claim of excess consumption of oil at all the generating stations for 2013 – 2014.
- 3.13 The Commission takes up the determination of fuel cost allowable to WBPDCCL separately for each of its generating stations in commercial operation using the factors FC, C_D and ± A of the formula referred to in the earlier paragraph.
- 3.14 **Factors considered in Tariff Order:**
- 3.14.1 The consumption of fuel and costs thereon allowed to WBPDCCL for its different generating stations in operation for the year 2013 – 2014 were based on the following factors, as per submission of WBPDCCL.

Sl. No.	Particulars	Unit	Generating stations				
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
(i)	Station Heat Rate (normative)	K.cal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00
(ii)	Rate of Oil Consumption (normative)	MI/kWh	2.00	1.30	2.25	1.00	1.00
(iii)	Calorific Value of Oil	K.cal/lit	9630.570	9512.520	9588.283	9628.486	9503.610
(iv)	Average Heat value of Coal	K.cal/kg	3079.47	3449.00	3360.77	3562.49	3105.38
(v)	Weighted Average Price of Oil	Rs/kl	57329.82	58575.94	57357.35	53821.47	55398.60
(vi)	Weighted Average Price of Coal	Rs/MT	3038.77	3049.39	3598.32	3096.55	3080.39



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3.14.2 The first two of the above factors, i.e., the station heat rate and the rate of consumption of oil were the fuel usage norms adopted 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.

3.15 Determination of Allowable Fuel Cost:

3.15.1. On careful consideration of all the related facts and factors, 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 2013 – 2014 as shown hereunder:

Generating station	Amount (Rs. in Lakh)
	As found admissible
Kolaghat	156229.38
Bakreswar	142026.29
Bandel	42166.53
Santaldih	53827.49
Sagardighi	70422.13
Total	464671.82

3.15.2. The detailed computations leading to the determination of such allowable fuel cost pertaining to the actual level of sales to WBSEDCL are shown in Annexure 2B to this chapter.

3.16. Explanatory Notes to Computations:

3.16.1 Generation:

3.16.1.1 Admissible gross generation of each of the referred generating stations has been estimated considering normative auxiliary consumption commensurate with



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actual level of sales from each generating station to the licensee, i.e., energy as per scheduled injection.

3.16.2 Auxiliary Consumption:

3.16.2.1 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 including UI (out) (MU)	Admissible Gross Generation (MU)
Kolaghat	5633.938	9.60	598.294	6232.232
Bakreswar	6275.337	9.00	620.638	6895.975
Bandel	1202.802	9.95	132.903	1335.705
Santaldih	2417.840	9.00	239.127	2656.967
Sagardighi	2991.268	9.00	295.840	3287.108
Total	18521.185		1886.802	20407.987

3.16.3 Weighted Average GCV of Oil:

3.16.3.1 The weighted average gross calorific value of oil claimed by WBPDCCL for different generating stations was as follows:

Generating station	GCV of Oil (k.cal/lit)
Kolaghat	9630.570
Bakreswar	9512.520
Bandel	9588.283
Santaldih	9628.486
Sagardighi	9503.610

3.16.3.2 WBPDCCL presented the detailed computations of the weighted average calorific value of oil for each of the generating stations with reference to the month-wise supplies received. As this is a variable factor depending on the grades of oil



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used, the Commission has considered the same for working out the amount of allowable fuel cost.

3.16.4 Heat Value of Coal:

3.16.4.1 The weighted average heat value of coal is also a variable factor depending on the actual grade mix of coal consumption. As ascertained by WBPDCCL, the weighted average heat value of coal consumed at different generating stations during 2013 – 2014 came as under:

Generating station	Heat Value of Coal (k.cal/kg)
Kolaghat	3079.47
Bakreswar	3449.00
Bandel	3360.77
Santaldih	3562.49
Sagardighi	3105.38

3.16.4.2 The Commission requested WBPDCCL to explain the manner of conversion of GCV to UHV through letter No WBERC/FPPCA-73/14-15/0018 dated 05.04.2016. In reply WBPDCCL stated that at the year end after fuel accounts are audited by statutory auditor statements showing grade-wise coal receipt as per invoice are prepared showing GCV with corresponding UHV. The reply being found unsatisfactory the Commission requested WBPDCCL through letter No. WBERC/FPPCA-73/14-15/0275 dated 20.05.2016 to submit detailed process of determination of UHV of coal received and coal consumed along with technical reports for each such determination. WBPDCCL in reply submitted that conversion of GCV to UHV has been done on application of formula, $UHV=8900-138 \times (\text{Ash content} + \text{Moisture content})$. It is further stated that in cases where determined UHV on application of the above formula works out to a negative figures, UHV in such cases has been determined on application of the provisions contained in regulation 5.18.5 of the Tariff Regulations. The Commission does not consider the process of determination of UHV as claimed by WBPDCCL and decides to



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determine and admit UHV of coal received in the process as outlined in Regulation 5.8.15 of the Tariff Regulations, except for imported / washed coal. The Commission views that conversion from GCV to UHV, in terms of regulation 5.8.15 of the Tariff Regulations, is not required for imported / washed coal. Such coal contains lesser ash and -50 mm size and is not categorized under different grades of coal of Coal India Limited. The Commission, therefore, considers actual GCV as the heat value of imported / washed coal for determination of fuel cost. Detailed computations are shown in Annexure – 3C to 3G to this chapter. The Heat Values so determined are higher than the minimum allowable heat value in terms of provision of regulation 5.8.1 of the Tariff Regulations. The admitted heat values of coal for different generating stations thus come as under:

Generating station	Heat Value of Coal (k.cal/kg)
Kolaghat	3385.35
Bakreswar	3755.28
Bandel	3598.87
Santaldih	3811.82
Sagardighi	3440.05

3.16.5 Permitted Transit & Handling Loss of Coal:

3.16.5.1 As specified in Part F of the Schedule 9A to the Tariff Regulations, transit and handling losses of coal allowable to WBPDCCL is 0.80% for Kolaghat, Bandel, Santaldih and Sagardighi 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 – 3B.

3.16.6 Average Price of Oil and Coal:

3.16.6.1 Based on the submission of WBPDCCL and as per Notes on Accounts under note 43.1 to 43.4 to the audited annual accounts for the year 2013 – 2014, the



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weighted average price of Oil (Rs/KL) and weighted average price of Coal (Rs/MT) are computed as under:

Generating station	Average price of Oil (Rs/KL)	Average price of Coal (Rs/MT)
Kolaghat	57329.82	3038.77
Bakreswar	58575.94	3049.39
Bandel	57357.35	3598.32
Santaldih	53821.47	3096.55
Sagardighi	55398.60	3080.39

3.16.6.2 The above rates were inclusive of freight / transportation charges. The Commission admits the price of coal and oil as determined based on the figures of audited annual accounts.

3.16.6.3 WBPDCCL awarded contract for import of coal on 14.08.2012 for 1.5 MMT having quality of coal with GCV (ABD) of 5500 Kcal/Kg at a price of Rs. 5439.00 per MT on FOR port basis including taxes, custom duty and port charges.

WBPDCCL vide their letter dated 29.07.2016 in response to Commission's letter dated 14.07.2016 submitted justification of the price of imported coal. The Commission noted from the letter of WBPDCCL dated 29.07.2016 that index price trend for 5500 GCV (Kcal/Kg) coal are 66.70 USD, 68.02 USD and 65.65 USD on 14.08.2012, 16.07.2013 and 30.08.2013 respectively.

The Commission noted that GCV (GAR) of 4900 K.Cal / Kg. corresponds to GCV (ADB) of 5500 K.Cal / Kg. Coal has been procured in GCV (ADB) basis. Index price on 10.08.2012, the time of award of contract, GCV (GAR) of 5000 Kcal / Kg is 56.30 USD. The Commission, therefore, considers that price of GCV (GAR) of 4900 Kcal / Kg is 55.17 USD (56.30 USD / 5000 x 4900). The Commission noted from the submission of WBPDCCL that Index price of coal having GCV of 5500 at the time of award of contract is 66.70 USD, which is higher by 11.53



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USD (66.70 USD – 55.17 USD). Evaluation of bid price and subsequent award of contract has been done with a higher price to the extent of 11.53 USD per MT.

The Commission, thus, views that evaluated price for award of contract has not been determined as per benchmark prices set by international norms and the excess price paid due to wrong evaluation of bid price, cannot be considered for pass through in tariff. Since grade wise actual consumption of coal is not submitted by WBPDCCL, the Commission decides to disallow the entire excess payment due to wrong evaluation to the extent of Rs. 5161.72 lakh in the FCA order for 2013 – 2014. Computations in detail are shown in Annexure – 3H to this chapter.

3.16.7 Additional Cost of Oil:

3.16.7.1 As regards excess oil consumption at all the generating stations of WBPDCCL, as claimed by WBPDCCL and explained in paragraph 3.12 above, the Commission does not allow any excess oil consumption for any generating station for the year 2013 – 2014.

3.17. C_D: Cost Disallowable:

3.17.1 The factor C_D, as referred to in the formula vide paragraph 3.6, 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 can be seen in the statement at paragraph 3.10, the actual parameters of fuel usage of WBPDCCL in all the concerned generating stations for specific oil consumption were adverse to such usage norms fixed by the Commission. 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 score.



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3.18. 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 2013 – 2014. Summarized detail is given in the table below:

Generating Stations	Fuel Cost		Ex-bus Generation sold to Licensee		Average Fuel cost per unit of sale 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	167402.03	156229.38	7283.53	5633.938	229.84	277.30
Bakreswar	139901.26	142026.29	6695.78	6275.337	208.94	226.32
Bandel	67548.58	42166.53	2449.36	1202.802	275.78	350.57
Santaldih	68455.46	53827.49	3188.64	2417.840	214.69	222.63
Sagardighi	77269.36	70422.13	3826.55	2991.268	201.93	235.43
Total	520576.69	464671.82	23443.86	18521.185	222.05	250.89

3.19. Summing up the findings as explained in the earlier paragraphs, the amounts of admissible fuel cost for different generating station of WBPDCCL for the year 2013 – 2014 come as under:

Particulars	Unit	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	Overall
Total admissible fuel cost as per norms (FC as per annexure 3A)	Rs. in Lakh	156229.38	142026.29	42166.53	53827.49	70422.13	464671.82
C _D (Cost disallowed)	Rs. in Lakh	0.00	0.00	0.00	0.00	0.00	0.00
A (+) (Adjustment)	Rs. in Lakh	0.00	0.00	0.00	0.00	0.00	0.00
Fuel cost admitted	Rs. in Lakh	156229.38	142026.29	42166.53	53827.49	70422.13	464671.82

3.20. As per the findings narrated in the preceding paragraphs, WBPDCCL is entitled to an additional recovery of Rs. 32855.03 lakh in respect of Kolaghat, Bakreswar, Bandel, Santaldih and Sagardighi thermal power stations towards Fuel Cost



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Adjustments (FCA) for the year 2013 – 2014 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 2013-2014 (Rs. in lakh)	Amount of fuel cost recovered during 2013–2014 (Rs. in lakh)	Amount of fuel cost admitted in FCA for 2013–2014 (Rs. in lakh)	Balance amount recoverable for 2013–2014 (Rs. in lakh)
(1)	(2)	(3)	(4)	(5) = [(3)+(4)]	(6)	(7) = [(6)-(5)]
Kolaghat	5633.938	129490.43	10669.47	140159.90	156229.38	16069.48
Bakreswar	6275.337	131116.89	6975.92	138092.81	142026.29	3933.48
Bandel	1202.802	33170.87	2288.51	35459.38	42166.53	6707.15
Santaldih	2417.840	51908.61	2474.49	54383.10	53827.49	-555.61
Sagardighi	2991.268	60402.67	8480.65	68883.32	70422.13	1538.81
Total	18521.185	406089.47	30889.04	436978.51	464671.82	27693.31

3.21. The decision of the Commission regarding recovery of the amount of Rs. 27693.31 lakh by WBPDCCL from its energy recipients i.e., WBSEDCL will be given in subsequent chapter.



ANNEXURE – 3A COMPUTATIONS OF ACTUAL STATION HEAT RATES ACHIEVED IN 2013 – 2014

SI No	Particulars	Unit	Stations				
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
1	Generation (Actual)	MU	6298.619	6993.673	1363.528	2736.85	3376.755
2	Consumption of Oil (Actual)	KL	14867.29	14891.68	17197.00	4399.31	4461.55
3	Consumption of Coal (Actual as per submission)	MT	5583419.09	5058081.71	1238507.42	1866952.83	2570745.11
4	GCV of Oil (Actual as per submission)	Kcal/Lit	9630.570	9512.523	9588.283	9628.486	9503.61
5	Heat value of Coal (Actual as per submission)	Kcal/Kg	3079.47	3449.00	3360.77	3562.49	3105.38
6	Heat from Oil (2X4/1000)	M.Kcal	143180.48	141657.45	164889.70	42358.69	42400.83
7	Heat from Coal (3X5/1000)	M.Kcal	17193971.59	17445323.82	4162338.58	6651000.79	7983140.45
8	Total Heat used (6+7)	M.Kcal	17337152.06	17586981.27	4327228.28	6693359.48	8025541.28
9	Station Heat Rate achieved (8/1)	Kcal/kWh	2752.53	2514.70	3173.55	2445.64	2376.70
10	Normative Station Heat Rate	Kcal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00

**ANNEXURE – 3B**

Sl No	Particulars	Unit	Stations				
			Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
1	Energy sold to licensee from the generating station (Scheduled injection)	MU	5633.938	6275.337	1202.802	2417.840	2991.268
2	Rate of Auxiliary Consumption (normative)	%	9.60%	9.00%	9.95%	9.00%	9.00%
3	Auxiliary consumption (normative)	MU	598.294	620.638	132.903	239.127	295.840
4	Admissible Gross Generation (1)+(3)	MU	6232.232	6895.975	1335.705	2656.967	3287.108
5	Station Heat Rate (Normative)	Kcal/kWh	2700.00	2470.00	2900.00	2425.00	2345.00
6	Total Heat Required (4)×(5)	M.Kcal	16827027.212	17033057.571	3873543.365	6443145.055	7708267.538
7	Specific Oil consumption (Normative)	ml/kWh	2.00	1.30	2.25	1.00	1.00
8	Oil consumption (4)×(7)	KL	12464.465	8964.767	3005.335	2656.967	3287.108
9	Average GCV of Oil (Actual)	K.cal/lit	9630.570	9512.520	9588.283	9628.486	9503.610
10	Heat from oil [(8)×(9)/1000]	M.Kcal	120039.903	85277.525	28816.002	25582.570	31239.392
11	Heat from coal (6)-(10)	M.Kcal	16706987.309	16947780.046	3844727.363	6417562.485	7677028.146
12	Heat value of coal	K.cal/Kg	3385.350	3755.280	3598.870	3811.820	3440.050
13	Coal consumption [(11)/(12) ×1000]	MT	4935084.204	4513053.633	1068315.155	1683595.365	2231661.792
14	Permissible transit loss	%	0.80	0.50	0.80	0.80	0.80
15	Coal requirement with permissible transit loss	MT	4974883.270	4535732.294	1076930.600	1697172.747	2249659.065
16	Average price of oil	Rs/KL	57329.82	58575.94	57357.35	53821.47	55398.60
17	Average price of coal	Rs/MT	3038.77	3049.39	3598.32	3096.55	3080.39
18	Cost of oil [(8)×(16)/100000]	Rs lakh	7145.86	5251.20	1723.78	1430.02	1821.01
19	Cost of coal [(15)×(17)/100000]	Rs lakh	151175.26	138312.17	41122.17	52553.80	69298.27
20	Cost of Fuel (18)+(19)	Rs lakh	158321.12	143563.37	42845.95	53983.82	71119.28
21	Fuel cost disallowed (Para.3.16.6.3 and Annex - 3H)	Rs lakh	2091.74	1537.08	679.42	156.33	697.15
22	Net cost of fuel allowed	Rs lakh	156229.38	142026.29	42166.53	53827.49	70422.13
23	Average fuel cost per unit of generation [(20)/(4)×10]	Paise/kWh	277.30	226.32	350.57	222.63	235.43



Annexure – 3C Computation of UHV of Coal based on Minimum of declared Heat Value

KOLAGHAT THERMAL POWER STATION

ECL	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
do	G3	29378.53	6402.24	5600	6454	6049	6200	5600	6123.32	179894096.8	
do	G4	365404.22	6104.4	5600	6454	6049	6200	5600	5682.07	2076253845	
do	G5	190517.98	5833.68	4940	6049	5597	5600	4940	5285.59	1007000823	
do	G6	14318.74	5506.59	4200	5597	5089	4940	4200	4808.30	68848803.18	
do	G7	37183.94	5203.52	4200	5597	5089	4940	4200	4366.82	162375590.4	
do	G8	1597.39	4902.02	3360	5089	4324	4200	3360	3994.69	6381075.667	
WBMDTC	G4	55519.71	6142.27	5600	6454	6049	6200	5600	5738.18	318581966.2	
do	G5	10252.57	5834.28	4940	6049	5597	5600	4940	5286.47	54199911.89	
BECML	G6	493579.5	5506.65	4200	5597	5089	4940	4200	4808.39	2373321644	
do	G7	149485.41	5209.12	4200	5597	5089	4940	4200	4374.98	653995373	
do	G8	3593.23	4920	3360	5089	4324	4200	3360	4014.43	14424775.24	
do	G9	11038.6	4601.37	3360	5089	4324	4200	3360	3664.56	40451646.65	
BCCL	G6	5123.22	5517.37	4200	5597	5089	4940	4200	4824.00	24714431.43	
do	G7	2106.51	5203.35	4200	5597	5089	4940	4200	4366.57	9198229.342	
do	G9	36477.7	4603.66	3360	5089	4324	4200	3360	3667.08	133766558.3	
do	W-III	100254.97	4903.69	3360	5089	4324	4200	3360	3996.52	400671228.6	
do	W-IV	285230.61	4605.71	3360	5089	4324	4200	3360	3669.33	1046604843	
MCL	G9	62860.38	4608.48	3360	5089	4324	4200	3360	3672.37	230846586	
do	G11	449181.44	4006.36	2400	4324	3865	3360	2400	2695.65	1210838151	
do	G12	113378.84	3702.82	1300	3865	3113	2400	1300	2162.77	245212197	
do	G13	1389504.8	3406.27	1300	3865	3113	2400	1300	1728.99	2402433474	
Imp/washed	G6	285938.36	5504.06	0	0	0	0	0	5504.06	1573821890	
do	G7	28855.85	5201.24	0	0	0	0	0	5201.24	150086201.3	
do	G8	7249.16	4901	0	0	0	0	0	4901.00	35528133.16	
do	G9	3895.78	4601	0	0	0	0	0	4601.00	17924483.78	
do	G10	246526.7	4304.15	0	0	0	0	0	4304.15	1061087896	
do	G11	62434.26	4068.78	0	0	0	0	0	4068.78	254031268.4	
Diverted	G5	10849.31	5801.92	4940	6049	5597	5600	4940	5239.22	56841916.18	



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ECL	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
do	G6	39276.09	5504.6	4200	5597	5089	4940	4200	4805.40	188737384.7	
do	G7	14237.26	5201.74	4200	5597	5089	4940	4200	4364.23	62134642.46	
do	G8	35496.26	4902.15	3360	5089	4324	4200	3360	3994.83	141801573.1	
do	G9	30967.19	4602.58	3360	5089	4324	4200	3360	3665.89	113522366.8	
do	G10	96003.51	4302.83	2400	4324	3865	3360	2400	3315.72	318321034.3	
do	G11	102987.66	4002.9	2400	4324	3865	3360	2400	2688.42	276873909.9	
do	G12	129070.25	3702.56	1300	3865	3113	2400	1300	2162.39	279099998.2	
do	G13	364199.06	3407.91	1300	3865	3113	2400	1300	1731.38	630568537.7	
		5263975								17820396485	3385.35



Annexure – 3D

Computation of UHV of Coal based on Minimum of declared Heat Value

BAKRESWAR THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
BCCL	W-III	62022.41	4956.07	3360	5089	4324	4200	3360	4054.04	251441185.1	
BCCL	W-IV	481856.41	4690.59	3360	5089	4324	4200	3360	3762.53	1812999293	
BCCL	G6	9967.78	5544.73	4200	5597	5089	4940	4200	4863.86	48481873.09	
BCCL	G9	68640.13	4671.39	3360	5089	4324	4200	3360	3741.45	256813466.3	
BEMCL	G11	3716.8	4188	2400	4324	3865	3360	2400	3075.56	11431224.89	
BEMCL	G5	39956.45	5954.24	4940	6049	5597	5600	4940	5461.63	218227491	
BEMCL	G6	855806.17	5681.96	4200	5597	5089	4940	4200	5063.76	4333597590	
BEMCL	G7	87443.53	5368.07	4200	5597	5089	4940	4200	4606.52	402810307.8	
Diverted	G6	138876.8	5692.17	4200	5597	5089	4940	4200	5078.63	705304363.9	
Diverted	G11	87788.83	4084.64	2400	4324	3865	3360	2400	2859.38	251021429.6	
Diverted	G9	58867.4	4648.56	3360	5089	4324	4200	3360	3716.38	218773604.9	
Diverted	G14	24719.5	3150.36	1300	3865	3113	2400	1300	1354.65	33486244.38	
Diverted	G7	29119.9	5354.33	4200	5597	5089	4940	4200	4586.50	133558547.5	
Diverted	G15	26790.4	2859.51	1300	3865	3113	2400	1300	929.20	24893732.31	
Diverted	G16	27350.5	2573.93	1300	3865	3113	2400	1300	511.47	13988871.49	
Diverted	G10	10381.2	4329.25	2400	4324	3865	3360	2400	3370.98	34994821.65	
Diverted	G12	80158	3758.41	1300	3865	3113	2400	1300	2244.08	179881267.4	
Diverted	G13	180314.9	3446.41	1300	3865	3113	2400	1300	1787.70	322349090.6	
Diverted	G17	20851.9	2245.62	1300	3865	3113	2400	1300	400.00	8340760	
ECL	G3	38794.01	6407.33	5600	6454	6049	6200	5600	6130.86	237840615.4	
ECL	G4	447111.01	6103.66	5600	6454	6049	6200	5600	5680.98	2540027712	
ECL	G5	227110.97	5805.13	4940	6049	5597	5600	4940	5243.91	1190948723	
ECL	G6	42348.06	5600.24	4200	5597	5089	4940	4200	4944.72	209399285.9	
ECL	G7	30975.73	5208.08	4200	5597	5089	4940	4200	4373.46	135471208.8	
ECL	G8	3444.65	5097.71	3360	5089	4324	4200	3360	4209.56	14500474.36	
Imported/Washed	G6	215306.05	5622.32	0	0	0	0	0	5622.32	1210519511	
Imported/Washed	G7	21127.42	5401.18	0	0	0	0	0	5401.18	114112998.4	
Imported/Washed	G8	3334.43	4957	0	0	0	0	0	4957.00	16528769.51	
Imported/Washed	G10	27259.52	4423.08	0	0	0	0	0	4423.08	120571037.7	
Imported/Washed	G11	26761.51	4234.94	0	0	0	0	0	4234.94	113333389.2	



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Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
MCL	G9	8229.82	4683.78	3360	5089	4324	4200	3360	3755.05	30903406.57	
MCL	G11	188916.5	4100.79	2400	4324	3865	3360	2400	2893.16	546564821.5	
MCL	G12	557174.56	3871.01	1300	3865	3113	2400	1300	2408.79	1342117190	
MCL	G13	838212.36	3500	1300	3865	3113	2400	1300	1866.09	1564180060	
WBMDTC	G4	6962.58	6236.74	5600	6454	6049	6200	5600	5878.13	40926973.58	
WBMDTC	G5	3504.93	5970	4940	6049	5597	5600	4940	5484.65	19223300.37	
WBMDTC	G11	3816.17	4040	2400	4324	3865	3360	2400	2766.01	10555576.1	
		4985019.3								18720120218	3755.28



Annexure – 3E

Computation of UHV of Coal based on Minimum of declared Heat Value

BANDEL THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
BECML	G8	11530.9	4906.67	3360	5089	4324	4200	3360	3999.79	46121390.505	
BECML	G10	7470.44	4320.02	2400	4324	3865	3360	2400	3351.68	25038493.090	
Diverted	G17	48457.6	2206.56	1300	3865	3113	2400	1300	600.00	29074584	
Diverted	G15	56913.4	2803.64	1300	3865	3113	2400	1300	900.00	51222042	
Diverted	G16	53652.3	2504.98	1300	3865	3113	2400	1300	700.00	37556575	
Diverted	G6	7429.63	5502.48	4200	5597	5089	4940	4200	4802.31	35679411.601	
Diverted	G7	3668.06	5204	4200	5597	5089	4940	4200	4367.52	16020324.256	
Diverted	G14	49015.8	3105.36	1300	3865	3113	2400	1300	1300.00	63720488	
Diverted	G9	14732.2	4604.71	3360	5089	4324	4200	3360	3668.23	54041033.307	
Diverted	G10	29242.2	4304.33	2400	4324	3865	3360	2400	3318.86	97050804.903	
Diverted	G11	18168.5	4003.97	2400	4324	3865	3360	2400	2690.66	48885294.962	
Diverted	G12	32670.5	3704.98	1300	3865	3113	2400	1300	2165.93	70761848.684	
Diverted	G13	35966	3406.73	1300	3865	3113	2400	1300	1729.66	62208957.615	
ECL	G2	1047.6	6710	6200	6850	6454	6750	6200	6555.56	6867600.000	
ECL	G3	24462.5	6412.78	5600	6454	6049	6200	5600	6138.93	150173779.445	
ECL	G4	219211	6109.48	5600	6454	6049	6200	5600	5689.60	1247224840.064	
ECL	G5	56431.3	5806.08	4940	6049	5597	5600	4940	5245.29	295998905.674	
ECL	G6	14444.6	5507.53	4200	5597	5089	4940	4200	4809.67	69473610.442	
ECL	G7	5368.9	5208.88	4200	5597	5089	4940	4200	4374.63	23486942.129	
Imported/washed	G7	37489	5212.64	0	0	0	0	0	5212.64	195416817.339	
Do	G8	3669.29	4908.94	0	0	0	0	0	4908.94	18012324.453	
Do	G9	26985.8	4604.83	0	0	0	0	0	4604.83	124265113.511	
Do	G10	92855.7	4305.02	0	0	0	0	0	4305.02	399745817.815	
Do	G11	7820.95	4002.5	0	0	0	0	0	4002.50	31303352.375	
Do	G12	7561.51	3703.55	0	0	0	0	0	3703.55	28004430.361	
Do	G13	4276.04	3402.26	0	0	0	0	0	3402.26	14548199.85	
Do	G15	3628.51	2802	0	0	0	0	0	2802.00	10167085.02	
MCL	G9	342.62	4635	3360	5089	4324	4200	3360	3701.49	1268204.571	
MCL	G13	156764	3406.11	1300	3865	3113	2400	1300	1728.75	271006734.113	
WBMDTC	G4	18594.9	6110.43	5600	6454	6049	6200	5600	5691.01	105823884.370	



Order on FCA and APR of WBPDC for the year 2013-14

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
WBMDTC	G5	7182.7	5817.91	4940	6049	5597	5600	4940	5262.57	37799445.012	
Imported/washed	G6	68845.2	5512.67	0	0	0	0	0	5512.67	379520923.811	
WBMDTC	G6	3443.64	5516	4200	5597	5089	4940	4200	4822.01	16605259.195	
WBMDTC	G9	3963.09	4602	3360	5089	4324	4200	3360	3665.25	14525735.049	
		1133307								4078620252.524	3598.87



Annexure – 3F

Computation of UHV of Coal based on Minimum of declared Heat Value

SANTALDIH THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
BCCL	G6	14767.91	5528.52	4200	5597	5089	4940	4200	4840.25	71480312.42	
BCCL	G7	5427.85	5092.81	4200	5597	5089	4940	4200	4205.55	22827094.57	
BCCL	G9	91178.74	4684.42	3360	5089	4324	4200	3360	3755.76	342445035.5	
BCCL	W-III	67106	5322.45	3360	5089	4324	4200	3360	4456.34	299046967.8	
BCCL	W-IV	651197.34	4822.96	3360	5089	4324	4200	3360	3907.88	2544799529	
BCCL	WP	165121.84	4783.74	3360	5089	4324	4200	3360	3864.81	638164959.3	
Diverted	G13	3882.55	3431.05	1300	3865	3113	2400	1300	1765.23	6853604.269	
Diverted	G5	3567.66	5804.41	4940	6049	5597	5600	4940	5242.86	18704725.17	
ECL	G3	1389.15	6491.21	5600	6454	6049	6200	5600	6255.13	8689308.18	
ECL	G4	208149.67	6168.81	5600	6454	6049	6200	5600	5777.50	1202583948	
ECL	G5	57927.53	5842.9	4940	6049	5597	5600	4940	5299.06	306961313.6	
ECL	G6	14049.89	5574.13	4200	5597	5089	4940	4200	4906.69	68938390.6	
ECL	G7	5060.39	5303.06	4200	5597	5089	4940	4200	4511.82	22831567.22	
Import	G7	24286.62	5414.29	0	0	0	0	0	5414.29	131494803.8	
MCL	G11	146961.19	4034.22	2400	4324	3865	3360	2400	2753.92	404719975.1	
MCL	G12	397456.06	3883.73	1300	3865	3113	2400	1300	2427.40	964783888.7	
WBMTDC	G4	6540.74	6278.4	5600	6454	6049	6200	5600	5939.85	38851026.6	
WBMTDC	G5	6913.76	5946.94	4940	6049	5597	5600	4940	5450.97	37686728.33	
		1870984.9								7131863177	3811.82



Annexure – 3G Computation of UHV of Coal based on Minimum of declared Heat Value

SAGARDIGHI THERMAL POWER STATION

Source	Grade	Quantity (MT)	GCV of coal received (x)	Minimum UHV of coal grade	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	Wt. Ave. UHV
BCCL	G9	5306.48	4738.82	3360	5089	4324	4200	3360	3815.49	20246814.09	
BCCL	W-III	26552.74	5908.11	3360	5089	4324	4200	3360	5099.41	135403438	
BCCL	W-IV	68467.64	5375.06	3360	5089	4324	4200	3360	4514.11	309070122.8	
BECML	G6	256311.33	5671.54	4200	5597	5089	4940	4200	5048.58	1294008739	
BECML	G7	38432.11	5456.28	4200	5597	5089	4940	4200	4735.01	181976585.6	
BECML	G8	14391.95	5087.65	3360	5089	4324	4200	3360	4198.52	60424856.05	
BECML	G9	7311.7	4827.97	3360	5089	4324	4200	3360	3913.38	28613451.94	
Diverted	G6	6210.32	5619.67	4200	5597	5089	4940	4200	4973.02	30884065.62	
Diverted	G8	9387.06	5169.65	3360	5089	4324	4200	3360	4288.56	40256940.58	
Diverted	G9	6200.97	4520.09	3360	5089	4324	4200	3360	3575.31	22170418.02	
Diverted	G11	17785.24	4131.81	2400	4324	3865	3360	2400	2958.03	52609344.39	
Diverted	G12	39952.17	3841.69	1300	3865	3113	2400	1300	2365.90	94522955.88	
Diverted	G13	76886.21	3466.66	1300	3865	3113	2400	1300	1817.32	139726986.2	
ECL	G3	17113.62	6473.86	5600	6454	6049	6200	5600	6229.42	106607964.7	
ECL	G4	213375.1	6211.99	5600	6454	6049	6200	5600	5841.47	1246423534	
ECL	G5	197003.99	5930.02	4940	6049	5597	5600	4940	5426.27	1068996475	
ECL	G6	30778.47	5634.66	4200	5597	5089	4940	4200	4994.86	153734119.6	
ECL	G7	29476.44	5327.48	4200	5597	5089	4940	4200	4547.39	134040931.2	
ECL	G8	1843.71	5183.16	3360	5089	4324	4200	3360	4303.39	7934205.707	
ECL	G15	3739.5	3029.51	1300	3865	3113	2400	1300	1177.87	4404658.59	
ECL	G16	1771.1	2737.87	1300	3865	3113	2400	1300	751.27	1330578.913	
Imported/Washed	G6	108655.04	5548.9	0	0	0	0	0	5548.90	602915951.5	
MCL	G9	3761.32	4744.24	3360	5089	4324	4200	3360	3821.44	14373658.7	
MCL	G12	431232.08	3859.25	1300	3865	3113	2400	1300	2391.59	1031329940	
MCL	G13	857971.59	3466.19	1300	3865	3113	2400	1300	1816.63	1558620626	
WBMDTC	G4	36900.55	6220.02	5600	6454	6049	6200	5600	5853.36	215992312.7	
WBMDTC	G5	34580.18	5896.01	4940	6049	5597	5600	4940	5376.61	185924055.9	
		2541398.61								8742543731	3440.05



Annexure – 3H

Computation of amount deducted for wrong evaluation of bid price for imported/washed coal

IMPORTED COAL						
Particulars	KTPS	BKTPS	BTPS	STPS	SgTPS	Total
Month of purchase						
April	0	0	0	0	180.35	180.35
May	0	3066.93	0	0		3066.93
June	0	28456.95		0		28456.95
July	0	7144.82	6622.76	0		13767.58
Aug	54144.14	40768.9	47202.78	0	45360.78	187476.6
Sept	79287.2	17467.1	18433.08	14235.8	39169.34	168592.52
Oct	47193.72	32935.41	7447.55	0	3168.85	90745.53
Nov	32143.49	32320.77	19132.76	6895.67	17678.57	108171.26
Dec	67649.29	41990.72	7144.32	3255.15	3067.61	123107.09
Jan	45870.67	35616.3	0	0	123.35	81610.32
Total Quantity Purchased (Total quantity)	326288.51	239767.9	105983.3	24386.62	108748.9	805175.13
Excess price paid per MT(USD)	11.53	11.53	11.53	11.53	11.53	11.53
Minimum Exchange rate(Rupee per USD)	55.6	55.6	55.6	55.6	55.6	55.6
Excess price paid per MT (In INR)	641.07	641.07	641.07	641.07	641.07	641.07
Total Excess payment (Total Quantity X Excess payment. Per MT)	209173123	153707528.1	67942470	15633482	69715408	516172010.2
Total Excess payment in Rupees lakh to be deducted from fuel cost	2091.74	1537.08	679.42	156.33	697.15	5161.72



CHAPTER – 4 FIXED CHARGES

- 4.1 The uncontrollable elements of fixed charges are those elements where variations of actual expenditure with the expenditure allowed by the Commission in the tariff order for the concerned year are caused by the factors beyond the control of the generating company or the licensee. The amounts 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. On the contrary, in case of controllable head of expenses, the applicant is supposed to contain the expenditure within the total amount so allowed and in case of any savings located under controllable head it will go to their account. The review of each of such controllable and uncontrollable heads of fixed charges with reference to the amounts allowed through tariff and the actuals based on audited accounts of WBPDCCL is being taken up hereunder one by one:
- 4.2 **Employee Cost:**
- 4.2.1 The employees' cost is an element of uncontrollable fixed charges subject to the norms of Man/MW ratio specified by the Commission in paragraph – H of Schedule – 9A of the Tariff Regulations. As per information provided by WBPDCCL in Form 1.17(h) of Annexure – I and in the unit wise audited accounts for 2013 - 2014, the total number of employees in each operating generating station including employees on contract in regular establishment under review is found in order as per the specified norms of Man/MW ratio.
- 4.2.2 Employee benefit expenses cost include mainly salary and wages, contribution to funds, 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. In the tariff order for the years 2011 – 2012, 2012 – 2013 and 2013-14 under the Multi Year Framework the Commission admitted the employee cost for 2013 – 2014 considering 6%



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increase over the employee cost allowed for the year 2012 – 2013. The total employee cost considered in the said Multi Year Tariff Order relating to 2013-14 for each of the generating stations and the same as per the audited accounts for 2013 – 2014 with reason thereof based upon the data submitted by WBPDCCL are found as under:

Sl. No.	Generating Station	Amount in Rs. Lakh		
		Actual 2012 – 2013	As per Tariff Order 2013 – 2014	Actual 2013 – 2014
1	Kolaghat	13155.01	11341.09	11316.56
2	Bakreswar	9262.91	7332.65	7288.80
3	Bandel	5950.21	5788.00	5479.21
4	Santaldih	6171.32	4751.51	5736.78
5	Sagardighi	5309.17	4941.93	4788.06
	Total	39848.62	34185.18	34609.41

4.2.3 As per submission of WBPDCCL, employee cost of Rs. 34609.41 lakh for the year 2013 – 2014 includes the amount of employees' terminal benefits cost of Rs. 7705.20 lakh consisting of gratuity, pension and leave encashment as recognized in line with the mandatory requirement under provision of AS – 15.

4.2.4 While submitting APR for 2012-13 WBPDCCL showed a sum of Rs 1276.21 lakh in Form 1.17h of Annexure I indicating cost of employees on contract in Regular establishment. Accordingly the same was considered as part of Employee Cost and was accordingly included in total employee cost of Rs 39848.60 lakh reported through Profit & Loss Account in Annual Accounts 2012-13 in. However while submitting APR for 2013-14 WBPDCCL has not shown such sum separately in form 1.17h of Annexure-I. It has not furnished any clarifying note on the matter either. However, it is also observed that while furnishing figures for the previous year 2012-13 in the Profit & Loss account of Annual Accounts 2013-14, the cost of Employee Benefit Expenses was shown at Rs 38572.39 lakh instead of Rs 39848.60 lakh as reported in Annual Accounts 2012-13 resulting in a difference of Rs 1276.21 lakh representing the cost of employees on contract basis in 2012-13.



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- 4.2.5 It was further observed that While furnishing figures for the previous year 2012-13 in the Profit & Loss account of Annual Accounts 2013-14, the cost of Other Expenses was shown at Rs 58501.75 lakh instead of Rs 57225.54 lakh as reported in Annual Accounts 2012-13 resulting in a difference of Rs 1276 .21 lakh exactly matching with the cost of employees on contract basis in 2012-13. On a close scrutiny it was also observed that such sum was in fact included and reported against repairs to Plant & Machinery under Other Expenses in 2012-13 while showing figure of previous year 2012-13 in Annual Accounts 2013-14.
- 4.2.6 This will be evident from the fact that while furnishing figures for the previous year 2012-13 in note 28 of Annual Accounts 2013-14, the cost of Repairs to Plant & Machinery was shown at Rs 19586.98 lakh instead of Rs 18310.77 lakh as reported in Annual Accounts 2012-13 resulting in a matching difference of Rs 1276.21 lakh.
- 4.2.7 It can be reasonably concluded now that such expenses being otherwise perennial in nature has been included in Repairs to Plant & Machinery under Other Expenses in 2013-14. Now the cost of Employees engaged on Contract in Regular Establishment is essentially part of O&M Expenses and should be covered under that. Accordingly the sum of Rs 1276.21 lakh allowed by the Commission in APR 2012-13 is being withdrawn as the same should have been covered under the allowable O&M Expenses as per regulation 5.7 read with Sl. D of Schedule 9A. In APR 2013-14 such expenses will be accordingly covered under O&M Expenses.
- 4.2.8 Further it is also observed that while the sum total of Employee Cost as per Form 1.17(h) in APR 2013-14 comes to Rs. 34609.43 lakh, the same has been reported as Rs 34605.74 lakh in Profit & Loss Account of Annual Accounts 2013-14. It appears that WBPDCCL has claimed an amount of Rs 3.69 lakh under employee cost which actually seems to be related to Director's Sitting Fees shown under Other Cost in Annual Accounts 2013-14. As per the Tariff



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Regulations Director's fee and remuneration are considered as a part of employee cost.

4.2.9 Employee cost being uncontrollable in nature, the Commission decides to admit the actual expenditure of employee cost of Rs. 34609.41 lakh in APR 2013 – 2014. The admitted employee cost, however, includes Rs. 7705.20 lakh as mandatory requirement under AS – 15 on account of terminal benefit. However, the sum of Rs 1276 .21 lakh will be adjusted while determining the amount of revenue recoverable through APR 2013-14.

4.2.10 The station wise allocation of the employee cost is as below:

Rs. in Lakh

Sl. No.	Generating Station	Employee cost admitted in APR for 2013 – 2014		
		Own employee	Terminal Benefits	Total
1	Kolaghat	8828.64	2487.92	11316.56
2	Bakreswar	5792.90	1495.90	7288.80
3	Bandel	4154.77	1324.44	5479.21
4	Santaldih	4407.09	1329.69	5736.78
5	Sagardighi	3720.81	1067.25	4788.06
	Total	26904.21	7705.20	34609.41

4.2.11 WBPDCCL is directed that the amount of Rs. 7705.20 lakh admitted towards 'employees' terminal benefits' under the requirement of AS – 15 is to be invested in creating planned asset to take care of the above and is to be disclosed in the annual accounts. It is also directed to create separate fund for this purpose. Any income from such fund shall be reinvested in the same fund. Any amount allowed by the Commission on account of terminal benefit in future shall be invested in the said fund only. WBPDCCL shall, always submit a certificate from the statutory auditors in the APR applications that the amount has been invested in the said fund. Whatsoever, any deviation in this regard will not be allowed by the Commission.

4.2.12 WBPDCCL is also directed to clearly mention the details of cost incurred on Employees on Contract in regular establishment if included in Repairs to Plant &



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Machinery/Any other head by way of suitable note in Annual Accounts and submission text of APR in each year.

4.3 Coal and Ash Handling Charges:

4.3.1 WBPDCCL has asked for adjustments, on coal and ash handling and other fuel related cost viz. railway staff cost posted at generating stations etc. through the instant application of APR. WBPDCCL has not considered the cost of detention charge, Sizing and shunting charge under this head in compliance with directive of the Commission in APR order for 2012-13. The amounts of Coal, Ash Handling and fuel related costs for different generating stations, as claimed by WBPDCCL in 2013-14 , are furnished below:

Rs. In Lakh

Sl. No.	Generating Station	Amount in Rs. Lakh
1	Kolaghat	1567.97
2	Bakreswar	1091.31
3	Bandel	717.11
4	Santaldih	410.30
5	Sagardighi	471.11
	Total	4257.80

4.3.2 However WBPDCCL has booked a sum of Rs 4232 78 lakh in their Annual Accounts for 2013-14. WBPDCCL has included a sum of Rs 25.02 lakh in their petition which seems to have been shown under note 30 of Annual Accounts as prior period expenses. No explanation for the same is available in their petition for APR 2013-14. There has been an increase in the actual expenditures in respect of all generating Stations except Kolaghat and Bandel are stated to be due to deterioration of coal quality arising out of high ash content. However generation of Bakreswar and Sagardighi Generating stations have gone down from 2012-13 although the same has not been reflected in the Coal, Ash handling and fuel related cost.

4.3.3 After careful analysis of these aspects, the Commission considers the actual generation with respect to target generation and decides to view the amount



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claimed with reference to the target set for generation and actual generation. The quantum of actual generation achieved during 2013 – 2014 at the stated generating stations of WBPDCCL is compared with the target generation based on normative PLF specified in the Tariff Regulations to arrive at proportionate expenses allowable. Further in case of Kolaghat Station the actual expense is considered in the proportion of claim submitted by WBPDCCL in APR 2013-14:

Rs. in Lakh

Generating Station	Target Generation (MU)	Exp. as per tariff order	Actual Generation (MU)	Expenses Proportionate to Actual Generation	Actual Expenses	Expenses admitted in APR for 2013 – 2014
Kolaghat	8057.00	2368.34	6298.62	1851.47	1558.76	1558.76
Bakreswar	7358.00	503.98	6993.67	479.03	1084.90	479.03
Bandel	2720.00	847.03	1363.53	424.61	712.90	424.61
Santalalih	3504.00	160.19	2736.85	125.12	407.89	125.12
Sagardighi	4205.00	174.05	3376.76	139.77	468.33	139.77
Total	25844.00	4053.59	20769.43	3019.99	4232.78	2727.29

Further in case of Kolaghat Station the actual expense is considered in the proportion of claim submitted by WBPDCCL in APR 2013-14.

4.3.4 As observed from above table, the actual quantum of generation considerably fell short of the target generation set for all the generating stations, whereas, actual expenses under the head in all the generating stations except Kolaghat and Bandel exceeded the amounts as allowed in the tariff order. WBPDCCL tried to justify in their petition such excess expenditure towards exorbitant amounts paid as ash evacuation cost due to poor quality of coal with high ash content received from the supplier etc. Similar justifications were given by WBPDCCL in their APR petition for 2011 – 2012 & 2012-13. The Commission gave its decision on those issues in the APR order for 2011 – 2012 and 2012-13. Now the Commission decides to restrict the expenditures made under the head of expenses to the amounts proportionate to the actual generation irrespective of the amount of actual expenses.



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4.3.5 WBPDCCL was, directed in the APR order for 2011 – 2012 as well as 2012-13 to include the expenditure on account of detention / demurrage in fuel related cost in terms of regulation 5.8.1(vi) of the Tariff Regulations in future years. WBPDCCL was also directed to include the expenditure on account of detention / demurrage in fuel related cost as per provision of the Tariff Regulations failing which no cost in this regard will be considered in the APR for 2013 -2014 and onwards. WBPDCCL has complied with the directive of the Commission now.

4.4 Water Charges:

4.4.1 The actual amount of total expenditure incurred by WBPDCCL under this uncontrollable head of accounts was found Rs. 788.65 lakh as per audited accounts 2013-14 as against Rs. 349.59 lakh allowed in the tariff for the concerned year.

4.4.2 WBPDCCL in their APR application for 2013 – 2014 has submitted that the payment of water cess and water charges had been made to the respective statutory authorities for all the generating stations at actual based on the rate applicable. As the expenditures under this head has been categorized as uncontrollable in the Tariff Regulations, WBPDCCL has prayed to allow the actual amount in APR. WBPDCCL has mentioned in their submission regarding steep hike in the 'Water Tariff Rate' during the year as notified by DVC effective from 1.10.2012 and requested to pass on the actual expenses on water charges for Santaldih generating station. The Commission in the tariff order dated 04.03.2015 for 2014 – 2015 had allowed the water cess of Santaldih generating station as claimed by WBPDCCL in consideration of increased water tariff of DPL with effect from 01.01.2012. The Commission accordingly admits the actual expenditure of Rs. 539.63 lakh for Santaldih generating station in the APR for 2013 – 2014.

4.4.3 The water charges are categorized as uncontrollable in the Tariff Regulations. The Commission observed that during 2013 – 2014, the actual generation fell



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short of target generation in respect of all the generating stations. The Commission decides to view the amount claimed with reference to the targets set for generation and actual generation as highlighted hereunder:

Rs. in lakh

Generating Station	Target Generation (MU)	Exp. as per tariff order	Actual Generation (MU)	Expenses Proportionate to Actual Generation	Actual Expenses	Expenses admitted in APR for 2013 – 2014
Kolaghat	8057.00	28.40	6298.62	22.20	26.93	22.20
Bakreswar	7358.00	29.20	6993.67	27.75	31.55	27.75
Bandel	2720.00	136.66	1363.53	83.40	184.30	83.40
Santaldih	3504.00	109.93	2736.85	85.86	539.63	539.63
Sagardighi	4205.00	15.70	3376.76	12.61	6.24	6.24
Total	25844.00	349.59	20769.43	231.82	788.65	679.22

4.4.4 The Commission decides to admit the actual expenses incurred in respect of Santaldih and Sagardighi generating station and the expenses proportionate to actual generation in respect of Kolaghat, Bakreswar and Bandel generating stations, since their actual expenses are even much higher than the proportionate expenditure with reference to the actual generation. The aggregate amount of Rs. 679.22 lakh is thus admitted by the Commission towards water charges in APR for 2013 – 2014.

4.5 Operation & Maintenance Expenses:

4.5.1 The operation and maintenance (O&M) expenses, viz. repairs and maintenance including cost of consumables, legal and professional charges, audit fees, administrative and general expenses are categorized as controllable items in terms of the Tariff Regulations.

4.5.2 In view of above, the amounts of the total provisions of operation and maintenance expenses allowed in the tariff as per norms are admitted in APR 2013 – 2014 irrespective of actual expenditure on this score in terms of the Tariff Regulations. The station wise admitted amounts of (O&M) expenses are as follows:



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Rs. in Lakh

Generating station	Amount admitted in APR for 2013 – 2014
Kolaghat	14540.40
Bakreswar	9754.50
Bandel	5692.95
Santaldih	3905.00
Sagardighi	3990.00
Total	37882.40

4.6 Interest on Borrowed Capital:

4.6.1 The amount of interest on borrowed capital for Bakreswar, Santaldih and Sagardighi generating stations during the year 2013 – 2014, as claimed by WBPDCCL, are as under:

Rs. in Lakh

Generating Station	Amount at actual
Bakreswar	15167.80
Santaldih	16467.32
Sagardighi	12796.90
Total	44432.02

4.6.2 There was no capital borrowing for Kolaghat and Bandel generating stations. WBPDCCL submitted the computations in prescribed proforma for the amounts of interest actually paid for Bakreswar, Santaldih and Sagardighi generating stations.

4.6.3 As per Note 27 to the audited annual accounts 2013 – 2014, a total amount of Rs. 61579.59 lakh has been charged in P&L account towards interest expenses on term loans and interest on working capital loans. This includes Rs. 44432.02 lakh as claimed by WBPDCCL in Form C of Annexure I towards interest on borrowed capital. The balance amount of Rs. 17147.57 lakh (Rs. 61579.59 lakh – Rs. 44432.02 lakh) represents interest on short term loans paid and claimed by WBPDCCL towards interest expense of working capital loans. The interest on working capital loan is being separately dealt subsequently.

4.6.4 The amount of interest on borrowed capital for Bakreswar (Units I to V), i.e., Rs. 15167.80 lakh, is inclusive of an amount of Rs. 736.61 lakh pertaining to the construction of associated transmission system. As the transmission system is



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- being operated by West Bengal State Electricity Transmission Company Limited (in short “WBSETCL”), the said amounts are required to be recovered from WBSETCL by WBPDCCL. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraphs.
- 4.6.5 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. The other two parts i.e., Farakka – Subhasgram 400 kV Single Circuit line LILO at Sagardighi and Sagardighi – Parulia 400 kV Double Circuit line are however retained by WBPDCCL as WBSETCL has communicated their inability to maintain that 400 kV system. As stated therein, WBPDCCL has entered into an agreement with PGCIL on 18.02.2013 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) for the period from 28.04.2011 to 31.03.2014.
- 4.6.6 WBPDCCL was directed in the order for APR 2012-13 to submit the interest component related to transmission systems for Units V and VI of Santaldih generating station henceforth in their APR application for 2013 – 2014 and onwards. WBPDCCL has furnished the interest component pertaining to the transmission system related to evacuation of power from Units V and VI of Santaldih generating station which stands at Rs 1044.57 lakh in 2013-14. 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 commercial operation, the said amount is neither to be recovered from WBSETCL by WBPDCCL nor to be admitted as interest cost for 2013 – 2014. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraph. Interest on capital borrowing for Santaldih generating station is thus admitted to the extent of Rs. 15422.75 lakh (Rs. 16467.32 lakh – Rs. 1044.57 lakh)



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4.6.7 The Commission, thus, decides to allow the actual interest towards borrowed capital for the respective generating stations in the APR for 2013 – 2014 as claimed and detailed in paragraph no. 4.6.1:

		Rs. in Lakh
Sl. No.	Generating Station	Amount admitted in APR for 2013 – 14
1	Bakreswar	15167.80
2	Santaldih	15422.75
3	Sagardighi	12796.90
	Total	43387.45

4.6.8 WBPDCCL has claimed interest on normative loan for the year 2013 – 2014 in respect of Bakreswar and Sagardighi generating stations for Rs. 187.85 lakh and Rs. 169.94 lakh respectively. In their submission, WBPDCCL has stated that the equity considered for those generating stations is less than the equity contributed. WBPDCCL has also stated that in the APR for 2010 – 2011, and 2011 – 2012 and 2012 – 2013 the Commission had also not considered the interest on normative debt though the same was admitted in the tariff order. In this regard it is stated that the equity contribution is considered in the APR for any year is based on the actual addition to original cost of fixed asset as per provision of the Tariff Regulations. The Commission considers admissible equity for return as per provisions of the Tariff Regulations and the same is found less than the actual equity contributed. The Commission considers not to allow interest on normative loan as claimed by WBPDCCL in APR for 2013 – 2014. WBPDCCL may come up in future if such excess equity is utilized for addition to original cost of fixed assets.

4.7 Transmission Charges paid to PGCIL for Sagardighi Transmission System:

4.7.1 WBPDCCL has entered into an agreement with PGCIL on 18.02.2013 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) for the period from 28.04.2011 to 31.03.2014. It was directed in order for APR 2012-13 that this will be considered when WBPDCCL will come up with their claim of service charges actually paid to



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PGCIL as per the agreement executed on 18.02.2013 for operation and maintenance of the 400 kV lines and bays at Parulia for the period from 28.04.2011 to 31.03.2014 with audited documents in their APR for 2013 – 2014. WBPDC has accordingly claimed a sum of Rs 163.35 lakh (2011-12), Rs 186.47 lakh (2012-13) and Rs 202.95 lakh (2013-14) as amount paid to PGCIL in their APR petition for 2013-14. This also includes a sum of Rs 5.88 lakh in 2013-14 for replacement of theft tower member for 400 KV line. The Commission admits a sum of Rs 197.88 lakh excluding Rs 5.88 lakh paid for replacement of stolen tower member in 2013-14 for Sagardighi transmission system. The Commission also admits the amount of Rs. 163.35 lakh and Rs. 186.47 lakh for the years 2011-12 and 2012-13 respectively for Sagardighi transmission system aggregating to Rs. 547.70 lakh (Rs. 163.35 lakh + Rs. 186.47 lakh + Rs. 197.88 lakh).

4.8 Interest on Working Capital:

4.8.1 The Commission allowed in its tariff order for the year 2013 – 2014 the amounts towards interest on working capital for the generating stations of WBPDC as per regulation 5.6.5.1 and 5.6.5.2 of the Tariff Regulations. In actual, WBPDC needed to take working capital loans from the nationalized banks on payment of interest. The weighted average rate of actual interest on working capital is less than that of the normative rate based on PLR of SBI as on 1st April, 2011. During the year 2013 – 2014, the rate of interest varied from 10.5% to 14.75% for meeting the working capital requirement. The Prime Lending Rate (PLR) of the State Bank of India was 14.75% as on 1 April, 2012. 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 under:

Rs. in Lakh

Particulars	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
Annual Fixed Charges for 2013-14 (excluding working capital)	35123.37	78504.54	14609.36	48290.99	50480.78
Fuel Cost for 2013-14	156229.38	142026.29	42166.53	53827.49	70422.13
Total	191352.75	220530.83	56775.89	102118.48	120902.91
Less:					
Depreciation	761.54	18694.93	114.12	9617.62	11291.63



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Advance against Depreciation	0.00	0.00	0.00	0.00	182.24
Return on Equity	5955.11	25259.44	2747.88	12793.75	15990.48
Total	6716.65	43954.37	2862.00	22411.37	27464.35
Allowable fixed charges for working capital	184636.10	176576.46	53913.89	79707.11	93438.56
Allowable Working Capital (10% of above)	18463.61	17657.65	5391.39	7970.71	9343.86
Interest on Working Capital @ 14.75%	2723.38	2604.50	795.23	1175.68	1378.22
Actual interest paid	4964.32	5453.85	1240.38	1607.67	2612.64
Interest on Working Capital admitted	2723.38	2604.50	795.23	1175.68	1378.22

4.8.2 It is seen from the above that the actual interest on working capital paid by WBPDCCL during the year is more than the normative interest on working capital and the Commission admits the normative interest.

4.8.3 WBPDCCL in their submission have stated that the total amount of interest outgo on account of working capital exceeded the normative interest because of the reasons that they had to resort to borrowing from nationalized bank to meet working capital mainly due to steep hike in procurement cost of coal as well as due to delayed recoveries of arrear tariff as admitted by the Commission. In this context it is mentioned that WBPDCCL can recover the excess fuel cost due to steep hike in procurement cost of fuel through Monthly Fuel Cost Adjustment (MFCA) as per provision of the Tariff Regulations. Regarding delayed recovery of arrear, WBPDCCL can claim temporary accommodation as per provision of the Tariff Regulations in future.

4.9 Other Finance Charges:

4.9.1 As per the audited annual accounts of WBPDCCL for the year 2013 – 2014, an amount of Rs. 436.21 lakh was booked in the accounts under 'other borrowing cost' towards loan processing charges.

4.9.2 In the tariff order for the year 2013 – 2014, other finance charges were not allowed for any generating stations of WBPDCCL as there was no claim under that head by WBPDCCL. In their APR application for 2013 – 2014 WBPDCCL has claimed a total amount of Rs. 464.26 lakh on account of other finance charges for all the generating stations. A sum of Rs 28.05 lakh has been included in their claim which has been shown as bank Charges under 'Other Expenses' in note 28 to Annual Accounts 2013-14. No station wise breakup of the same is available.



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As per their submission other finance charges include bank charge, loan processing charges, LC commission charges, etc. Since the expenditure under this head is categorized as uncontrollable in the Tariff Regulations, WBPDCCL has prayed to allow the amount through tariff. Bank Charges are purely cost of banking transactions and cannot be termed as Other Finance Charges related to capital drawing as per regulation 5.6.4.2 of the Tariff Regulations. The Commission decides to admit the total amount of Rs. 436.21 lakh towards other finance charges as found in the annual accounts for 2013 – 2014 and appropriated to all the generating stations in the ratio of their submitted claim of Rs 464.26 lakh as proposed by WBPDCCL in APR 2013-14. The admitted amount of other finance charges are as under:

Rs. in Lakh	
Generating Station	Amount admitted in APR for 2013 – 2014
Kolaghat	42.81
Bakreswar	341.51
Bandel	9.43
Santaldih	18.61
Sagardighi	23.85
Total	436.21

4.10 Depreciation:

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

Rs. in Lakh	
Generating Station	Actual amount charged unit wise P&L A/c
Kolaghat	761.54
Bakreswar	18867.47
Bandel	114.12
Santaldih	10589.84
Sagardighi	11291.63
Total	41624.60

4.10.2 The Commission decides to go by the amounts of depreciation as charged in the books of accounts of WBPDCCL in respect of all the generating stations for the year 2013 – 2014 as shown in the unit wise audited accounts for 2013 - 2014.



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4.10.3 The amount of depreciation so claimed for the Bakreswar generating station includes an amount of Rs. 1725.42 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. In the order dated 05.09.2013 on APR for the year 2011 – 2012, WBPDCCL was directed to submit the details of calculation etc. for depreciation in regard to the different transmission assets along with APR application for 2012 – 2013 failing which 10% of the chargeable amount of depreciation of Bakreswar transmission systems was decided to be deducted from the total amount of depreciation. Accordingly an amount of Rs. 18666.49 lakh after deducting an amount of Rs. 172.54 lakh being 10% of the depreciation of transmission assets of Bakreswar transmission system (Rs. 18839.03 lakh – 172.54 lakh) was admitted for Bakreswar generating station in the APR for 2012 – 2013. It is seen from Form – B of APR petition 2013-14, that depreciation of transmission assets of Bakreswar transmission system has been charged @ 3.60% on Rs. 17232.37 lakh and @ 6% on Rs. 18417.57 lakh aggregating to Rs. 1725.42 lakh. Although it has been disclosed under Note 12.2 of the audited financial statements for the year ending March, 2014 that the rates of depreciation for assets pertaining to transmission system has been charged following the Tariff Regulations pursuant to latest direction from the Commission, the Commission observed during annual performance review of WBPDCCL for 2012-13 dated 21.07.2014 in case no. APR-39/13-14 that WBPDCCL submitted break-up of transmission assets in their submitted Form-B only in two categories. The Commission accordingly deducted 10% of the depreciation charged on transmission assets of Bakreswar thermal power station, in absence of details of submission of assets in different categories. In their submission in Form-B of the APR petition for 2013 – 2014, WBPDCCL adopted the same manner of calculation without providing detailed category wise break-up of assets. The Commission, therefore, decides to deduct 10% of the chargeable amount of depreciation of the transmission assets from the total amount of depreciation allowable to WBPDCCL. The depreciation for an amount of Rs. 18694.93 lakh after deducting an amount of Rs. 172.54 lakh being



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10% of the depreciation of transmission assets of Bakreswar transmission system (Rs. 18867.47 lakh – 172.54 lakh) is admitted for Bakreswar generating station in the APR for 2013 – 2014. The above amount of depreciation, however, includes the depreciation of the transmission assets of Bakreswar transmission system for an amount of Rs. 1725.42 lakh which is recoverable from WBSETCL.

4.10.4 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) which is not recoverable from WBSETCL for the reasons stated in paragraph 4.6.6 of this order. The Commission will deal with the recovery of charges from WBSETCL in subsequent paragraph. The depreciation for Santaldih generating station as claimed in APR petition also includes a sum of Rs 5.62 lakh which has been shown under Prior period expenses in note 30 to Annual Accounts 2013-14. No explanatory clarification for the same has been furnished in the petition and the Commission does not admit the amount of Rs. 5.62 lakh. The Commission admits depreciation of Rs. 9617.62 lakh after deducting the disallowed amount of Rs. 966.60 lakh and Rs. 5.62 lakh as mentioned above from the amount of Rs. 10589.84 lakh as claimed in form B of Annexure – I to Tariff Regulations.

4.10.5 The depreciation admitted for Sagardighi generating station includes an amount of Rs. 1631.12 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 has declined to 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. In the order dated 05.09.2013 on APR for the year 2011 – 2012, WBPDCCL was directed to furnish all relevant information in regard to the depreciation of Sagardighi – Gokarna 220 KV transmission systems since handed over to WBSETCL. Such information was not submitted in APR petition 2012-13 and in the absence of which the Commission could not consider proportionate amount of depreciation of the above transmission systems



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recoverable from WBSETCL while determining depreciation in APR 2012-13. Now while going through APR petition for 2013-14 it is observed from Form – B that such relevant information in respect of the above transmission system has not been submitted separately by WBPDCCL in 2013-14. In absence of detailed calculation of the proportionate amount of depreciation of the above transmission system, recoverable amount from WBSETCL out of the total chargeable amount of depreciation of Rs. 1631.12 lakh could not be ascertained and the entire depreciation amount as charged in unit wise books of account for Sagardighi generation station is considered. The station wise depreciation as allowed by the Commission are as follows:

Rs. in Lakh

Sl. No.	Generating Station	Amount of Depreciation admitted in APR for 2013 – 2014
1	Kolaghat	761.54
2	Bakreswar	18694.93
3	Bandel	114.12
4	Santaldih	9617.62
5	Sagardighi	11291.63
	Total	40479.84

4.11 Advance against Depreciation (AAD):

4.11.1 The Commission did not allow any amount towards advance against depreciation while determining tariff for the year 2013 – 2014 under multiyear tariff framework though WBPDCCL projected the requirement of advance against depreciation in respect of Santaldih and Sagardighi generating stations in their tariff petition. WBPDCCL was advised to come up with their proposal for advance against depreciation as per provision of the Tariff Regulations along with the statement of repayment of loan during the year and depreciation allowed for the year in their APR application for the year 2013 – 2014.

4.11.2 WBPDCCL in their submission of APR for 2013 – 2014 has claimed Rs. 182.24 lakh towards AAD, in respect of Sagardighi generating station.



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4.11.3 The Tariff Regulations provide for advance against depreciation to a generating company or a licensee when the amount of repayment on borrowed capital exceeds the amount of depreciation allowable during the year. Further, regulation provides that such advance against depreciation shall be restricted to 1/10th of the principal amount of original approved loans minus the amount of depreciation allowable under these regulations with the proviso that once the repayment of entire loan amount is completed, the original cost of fixed asset shall be reduced by the aggregate of accumulated depreciation and advance against depreciation availed by the generating company or the licensee and resulting depreciable value shall be spread over the balance useful life of the fixed asset.

4.11.4 In the table below the Commission now proceeds to determine the allowable amount of advance against depreciation in respect of Sagardighi generating stations of WBPDCCL during the year 2013 – 2014:

Rs. in Lakh							
Sl. No.	Generating Station	Principal amount of original capital borrowing at the beginning of the year 2013-14	Amount of Loan Repayment during 2013 – 2014	Admitted amount of depreciation for 2013 – 2014	Amount of Loan repayment in excess of Depreciation	1/10 th of original capital borrowing	Admitted amount of Advance against Depreciation during 2013 – 2014
1	Sagardighi	120475.65	11473.87	11291.63	182.24	12047.57	182.24

4.11.5 The Commission admits the amount of Rs. 182.24 lakh towards advance against depreciation against the aforesaid generating stations of WBPDCCL in the APR 2013 – 2014.

4.12 Reserve for Unforeseen Exigencies:

4.12.1 In terms of regulation 5.11.1 of the Tariff Regulations, an appropriation towards Reserve for Unforeseen Exigencies is allowable @ 0.25% of the gross value of fixed assets at the beginning of the year annually for dealing with unforeseen exigencies subject to an overall ceiling of 5% of such gross value of fixed assets. The Commission has already allowed a sum of Rs. 2905.84 lakh towards reserve for unforeseen exigencies upto the year 2010 – 2011 and nothing has been allowed during the years 2011 – 2012, 2012 – 2013 and 2013-14 in this respect.



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WBPDCCL has not claimed any amount towards reserve for unforeseen exigencies in APR for 2013 – 2014.

4.12.2 According to sl. No. 3 of notes to financial statements of annual report for 2013 – 2014, balance of reserve for unforeseen exigencies as on 1st April, 2013 was Rs. 9077.82 lakh while balance of reserve for interest earned on investment of fund relating to unforeseen exigencies as on 31st March, 2014 was Rs. 2848.28 lakh including interest of Rs. 1072.35 lakh earned during the year 2013 – 2014. On the other hand, WBPDCCL has separately confirmed that balance of investment in fixed deposits relating to reserve for unforeseen exigencies as on 30th November, 2012 was Rs. 9187.00 lakh while interest on investment earned and reinvested for this purpose was Rs. 1108.91 lakh.

4.12.3 The Commission did not allow any amount on account of reserve for unforeseen exigencies in the tariff order for the year 2013 – 2014 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 2013 – 2014 also. WBPDCCL is, however, directed to disclose the actual status of investment in fixed deposits relating to reserve for unforeseen exigencies separately in the annual report.

4.13 Rebate on sale of power:

4.13.1 In 2012 – 2013 the Commission, admitted the amount of Rs. 1042.44 lakh under the sub-head rebate on sale of power in the APR for 2012 – 2013 for different generating stations of WBPDCCL. In the APR Petition 2013-14 WBPDCCL has not claimed such amount as the same has not been incurred by them as reported in Note 28 of Annual Accounts 2013-14.

4.14 Return on Equity Base:

4.14.1 The returns on Equity for different operating generating stations of WBPDCCL, as were considered in the tariff order for the year 2013 – 2014 and as now being claimed by them are as under:



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Rs. in Lakh

Sl. No.	Generating Station	As per Tariff Order	As claimed
1	Kolaghat	23546.46	17004.68
2	Bakreswar	25262.30	21547.89
3	Bandel	1745.52	912.38
4	Santaldih	13482.48	10933.73
5	Sagardighi	14357.09	12579.32
	Total	78393.85	62978.00

4.14.2 Paid-up Equity Shares:

4.14.2.1 The paid-up equity shares in respect of different generating stations at the beginning of 2013 – 2014 as per unit wise audited accounts are stated below:

Sl No	Generating Station	Amount in Rs. in lakh at the beginning of the year 2013 – 2014
		Actual Equity Share
1	Kolaghat	87329.40
2	Bakreswar	139910.14
3	Bandel	5665.00
4	Santaldih (Unit V & Unit VI)	72900.01
5	Sagardighi	97700.00
	Total	403504.55

4.14.2.2 The equity share of Santaldih generating station is Rs. 72900.01 lakh consists of equity share of unit V for Rs. 42900.01 lakh and that of unit VI for Rs. 30000.00 lakh. The equity shares in respect of Sagardighi generating station is Rs. 97700.00 lakh.

4.14.3 The issue of computation of equity base for the years 2008 – 2009, 2009 – 2010 and 2010 – 2011 for the purpose of return on equity was sub-judice in the Appellate Tribunal for Electricity (APTEL). The Hon'ble Appellate Tribunal was pleased to pass an order dated 19.08.2014 with the following directions:

“The matter relating to Return on Equity is remanded to the State Commission with the direction to the State Commission to reconsider



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the issue after hearing the parties to the present Appeal and pass order without being influenced by its finding in the impugned tariff order, within three months from the date of issue of this order.”

4.14.4 The Commission after hearing the representatives of HCCI and WBPDCCL on 18.11.2014 and perusing the papers submitted by them, felt that the submission made by HCCI has merit and therefore decided the following:

- i) To recast the admissible equity base of different generating stations of WBPDCCL with effect from 01.04.2006 for the purpose of computing return on equity in line with the provisions of the Tariff Regulations, 2007 and the Tariff Regulations, 2011, as applicable, considering only such component of free reserve which were utilized for capitalization in the core business of WBPDCCL during the period 2006 – 2007 and onwards.
- ii) The tariff order for 2011-2012, 2012-2013 and 2013-2014 are subject to truing up through Annual Performance Review (APR) in terms of Regulations, 2011. The APRs for the years 2011-2012 and 2012-2013 have already been finalized and orders have been issued. The APR petition for the year 2013-2014 is to be submitted by WBPDCCL by 30.11.2014 as per the provision of the Regulations, 2011. The Commission will review the admissible equity base and return thereon for the years 2011-2012 and 2012-2013 in the APR for 2013-2014 and make necessary adjustments, if any.
- iii) The submission of HCCI about claim of WBPDCCL towards addition of fresh equity of Rs. 40.00 crore in respect of new projects at Santaldih (Extension Unit 5: 1 x 205 MW) and Sagardighi (2 x 300 MW) in the equity base during the year 2004-2005 has no merit in view of the fact that those new projects at Santaldih and Sagardighi are commissioned before 2011-2012 whereas this order is limited to de-novo determination



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of equity base of WBPDCCL and return thereon for the period comprising the years 2011-2012, 2012-2013 and 2013-2014.

The matter was disposed of with the above conclusions through an order dated 18.11.2014 in case no. WBERC/AT/41.

- 4.14.5 Before ascertaining admissible ROE for the year 2013-14, based on the audited Annual Accounts of different generating stations of WBPDCCL for the year, the Commission goes by its decision in the order dated 18.11.2014 in case No. WBERC/AT/41 to determine the admissible equity base, available free reserve and free reserve utilized for capitalization in the core business of different generating stations, de novo, separately for each generating station for the years 2006-2007 to 2012-2013.
- 4.14.6 The amount of free reserve at the beginning of each financial year 2006-2007 to 2012-2013 is considered from the Balance Sheet of each generating station for the respective year. The negative free reserves as available from the audited accounts at the beginning of each year have been adjusted with the positive free reserves in the proportion of positive free reserves. In absence of actual addition to equity in a particular year, the Commission considered normative addition to admissible equity base out of the available balance of free reserve at the beginning of that year. Free reserve at the beginning of a year has got reduced to the extent it is utilized for capitalization, and also added with free reserve created during the year to arrive at the amount of free reserve at the end of the year. Table at Annexure 4K attached to this chapter exhibits detail of computation.
- 4.14.7 Generating station-wise calculation of admissible equity base for the years 2006-2007 to 2012-2013 is available in the tables at Annexure 4F to 4J attached to this chapter.
- 4.14.8 The admitted equity base and ROE considered in APR orders for 2011-2012 & 2012-2013 and recalculated return for 2011-2012 & 2012-2013 in the manner narrated in foregoing paragraphs are given in the tables below. Amounts of



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excess/short adjustment of ROE in the APR orders for 2011-2012 and 2012-2013 through truing up over the actual adjustable ROE for those years as has been recalculated are also given in the tables:

2011-2012

SI No	Generating Station	ROE as per APR Order	ROE as per actual recalculated	Excess(-)/short(+) admitted in APR 2011-12 to be adjusted in APR 2013-2014
		2	3	6 (2-3)
1	Kolaghat TPS	16867.00	13183.81	- 3683.19
2	Bakreswar TPS	18423.89	21143.31	2719.42
3	Bandel TPS	0.00	915.96	915.96
4	Santaldih TPS	6152.80	7079.58	926.78
5	Sagardighi TPS	10847.53	12453.42	1605.89
	TOTAL	52291.22	54776.08	2484.86

2012-2013

SI No.	Generating Station	ROE as per APR Order	ROE as per actual recalculated	Excess(-)/short(+) admitted in APR 2012-13 to be adjusted in APR 2013-2014
		2	3	6
				(4-5)
1	Kolaghat TPS	16917.42	13234.23	-3683.19
2	Bakreswar TPS	18529.18	21248.61	2719.43
3	Bandel TPS	0.00	915.96	915.96
4	Santaldih TPS	8593.27	10567.08	1973.81
5	Sagardighi TPS	10924.22	12530.11	1605.89
	TOTAL	54964.09	58495.99	3531.90

4.14.9 Based on the methodology adopted for re-determination of admissible equity base for the purpose of calculation of Return the Commission determined the admissible ROE for each generating stations of WBPDC for the year 2013-14.

4.14.10 Return on Equity for each generating stations for the year 2013-14 are calculated as below:



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Sl. No.	Particulars	Link	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi
1	Actual Equity base at the beginning(Govt. sanction)		87329.40	139910.14	5665.00	72900.00	97700.00
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	0.00	38000.00
3	Deletion of Equity base during the year		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	5665.00	72900.00	135700.00
5	Admissible equity base at the beginning of the year		85480.77	137178.52	5909.39	68174.70	81157.03
6	Available Free Reserve at the beginning of the Year		64006.06	44092.06	0.00	0.00	0.00
7	Net addition to the original cost of fixed assets		3095.37	331.87	256.23	1633.92	8574.79
8	Normative addition of Fixed Assets @ 30%		928.61	99.56	76.87	490.18	2572.44
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	2572.44
10	Addition to equity base considered from available free reserve	Lower of 6 & 8	928.61	99.56	0.00	0.00	0.00
11	Admissible equity base at the closing of the year	(3+5+9+10)	86409.38	137278.08	5909.39	68174.70	83729.46
12	Average Equity Base	(5+11/2)	85945.08	137228.30	5909.39	68174.70	82443.24
13	Return on equity @15.5%		13321.49	21270.39	915.96	10567.08	12778.70

4.14.11 Such return after adjustment of ROE for 2011-12 and 2012-13 stands as follows:

Sl. No	Generating station	ROE admitted for 2013-14	Adjusted ROE for 2011-12 and 2012-13 as per para 4.14.8	ROE for Transmission Assets for 2013-14	ROE admitted in APR against generation segment
1	2	3	4	5	6=(3+4) -5
1	Kolaghat TPS	13321.49	(-) 7366.38	0	5955.11
2	Bakreswar TPS	21270.39	(+) 5438.85	1449.80	25259.44
3	Bandel TPS	915.96	(+) 1831.92	0	2747.88
4	Santaldih TPS	10567.08	(+) 2900.59	673.92	12793.75
5	Sagardighi TPS	12778.70	(+) 3211.78	0	15990.48
6	TOTAL	58853.62	(+) 6016.76	2128.72	62746.66

4.14.12 ROE on Transmission Assets has been derived in proportion of the gross fixed assets under the segment. ROE for Rs. 673.92 lakh for Santaldih transmission assets is not recoverable from WBSETCL for the reasons stated under para 4.6.6 of this order.

4.15 Taxes payable under Income Tax Act:

4.15.1 It is evident from the audited accounts that the incidence of income tax of WBPDCCL for the year 2013 – 2014 was for Rs. 2079.79 lakh.



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4.15.2 WBPDCCL incurred losses in the books of accounts of Bandel and Sagardighi generating stations and as such, taxes payable towards profits and incomes were arrived at after considering the amounts of losses in the aforesaid generating stations. In form 1.17 WBPDCCL has furnished the station-wise break-ups as under:

(Rs. in Lakh)

Generating Station	Incidence of Tax for 2012-2013
Kolaghat	829.97
Bakreswar	1211.29
Bandel	0.00
Santaldih	38.54
Sagardighi	0.00
Total	2079.80

4.15.3 The Commission admits an amount of Rs. 2079.79 lakh in APR for 2013 – 2014 towards income tax on profit for the financial year 2013 – 2014 with generating station wise allocation as follows:

(Rs. in Lakh)

Generating Station	Total Income Tax admitted in APR for 2013-14
Kolaghat	829.97
Bakreswar	1211.28
Bandel	0.00
Santaldih	38.54
Sagardighi	0.00
Total	2079.79

4.15.4 WBPDCCL was allowed the income tax for the financial years 2010 – 2011 and 2011 – 2012 on the basis of amount of income tax provided in the respective annual accounts but WBPDCCL has not furnished income tax assessment order for the assessment years 2010 – 2011 and 2011 – 2012 to the Commission.



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4.15.5 WBPDCCL, in the APR order for 2012 – 2013, was directed to submit copy of assessment order for the year 2012 – 2013 and copies of the challans for deposit of income tax by them for the year in APR petition for the year 2013 – 2014 which they have not submitted. Commission directs WBPDCCL to submit a status report on the subject while submitting APR 2016-17, failing which no amount towards Income Tax will be allowed.

4.16 Performance Incentives:

4.16.1 No amount was allowed as performance incentive in the tariff order for 2013 – 2014. WBPDCCL has not achieved generation higher than annual norms in respect during the year 2013– 2014. Further, in schedule – 10 to the Tariff Regulations, it is specifically mentioned that from the third control period, performance incentive for generation higher than the annual norms will not be applicable for any ABT compliant generating station of any generation company. The Commission does not consider any performance incentive in the APR for 2013 – 2014.

4.17 Interest Credit:

4.17.1 In terms of regulation 5.5.3 of the Tariff Regulations, the actual amount of loan repayment during 2013 – 2014 being less than the amount allowed as depreciation, an interest credit at the rate of weighted average cost of debt is provided on such excess depreciation charged in respect of Santaldih generating station. An amount of Rs. 19.65 lakh, as computed hereunder, in respect of Santaldih generating station of WBPDCCL is deductible from the gross amount of fixed charges.

Sl. No.	Particulars	Amount (Rs. in Lakh)
		As admitted in APR 2013-14
1	Amount of Depreciation	9617.62
2	Loan repayment	9452.93
3	Excess of depreciation over loan repayment (1 – 2)	164.69
4	Weighted average rate of interest	11.93%
5	Interest credit	19.65



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4.18 Income from Other Sources / Non-Tariff Income:

4.18.1 As per Note 10 of Unit wise Audited Accounts for 2013-14, income generated by WBPDCCL from the sources other than sale of electricity during the year 2013 – 2014 were reported as under:

Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
Sale of scrap	661.37	528.02	259.96	9.78	213.54	1672.67
Interest on Deposits and Bond	1718.79	1625.48	381.64	755.92	883.70	5365.53
Other General Receipts	257.73	249.18	131.07	154.28	198.17	990.43
Total	2637.89	2402.68	772.67	919.98	1295.41	8028.63

4.18.2 The amount of Rs. 8028.63 lakh, however, excludes the interest amount Rs. 1072.35 lakh accrued towards interest income of fixed deposits relating to reserve for unforeseen exigencies which is required to be invested in the fund itself. WBPDCCL in the Form 1.26 to Annexure I in their APR application for 2013 – 2014 for each generating station has included interest on bond with interest on short term deposit. In their submission under the head ‘other income’, WBPDCCL has stated that the amount of Rs. 5365.53 lakh towards interest income on term deposits and long term bonds made out of investment required for compliance of Accounting Standard AS-15 on ‘employees benefit’. It is observed from the audited annual report and accounts 2013 – 2014 that interest income from term deposits and dividend from bonds is Rs. 5365.53 lakh, which is related to the investment in compliance of AS-15 of employees benefit and thus not to be considered as a pass through item under income from investment. The Commission, thus, does not consider the interest on deposits of Rs. 5365.53 lakh as mentioned above in income from other sources / non-tariff income.

4.18.3 It is observed from Notes on Accounts of the unit wise audited annual accounts for 2013 – 2014 of WBPDCCL that the miscellaneous income includes rent on BOBR wagon leased to Eastern Railway amounting to Rs. 29.60 lakh. In this



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context, vide paragraph 5.17 of the Commission’s order dated 01.12.2012 in case no TP-54/12-13, it was directed to show the income derived from leasing of wagons and simulation package as well as from hydrogen gas plants separately, since the carrying cost of those elements have been allowed in the fixed charge of Bakreswar Unit. Such direction is yet to be complied with in APR 2012 – 2013 and APR 2013-14. WBPDC is further directed to comply with the above direction and submit the report within 3 months from this order failing which necessary adjustment, as may be decided by the Commission, will be made in the APR for 2015 – 2016.

4.18.4 Thus, the Commission admits the amount of Rs. 2663.10 lakh, as shown in the following table, as income from other sources / non-tariff income which is required to be adjusted from the allowable gross amount of fixed charges in the APR for 2013 – 2014:

Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
Sale of scrap	661.37	528.02	259.96	9.78	213.54	1672.67
Other General Receipts	257.73	249.18	131.07	154.28	198.17	990.43
Total	919.10	777.20	391.03	164.06	411.71	2663.10

4.19 Insurance Premium:

4.19.1 The expenditures towards taking appropriate insurance coverage have been categorized as uncontrollable. The actual expenditures on this account as per note 28 to the annual reports of WBPDC for the year 2013 – 2014 totaling to Rs. 414.56 lakh has been admitted by the Commission. The generating station wise allocation of the admitted amount is given below:

Rs. in Lakh	
Generating station	Amount as admitted for 2012 – 2013
Kolaghat	58.26
Bakreswar	159.08
Bandel	1.02
Santaldih	47.77
Sagardighi	148.43
Total	414.56



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4.20 Rent, Rates and Taxes:

4.20.1 In terms of Tariff Regulations, rates and taxes are recognized as separate items and categorized the same as uncontrollable. It is seen from the note 28 to the annual report for the year 2013 – 2014 that the actual expenditure under the head was Rs. 167.50 lakh. As per note 28, ‘other expenses’ of the audited accounts, WBPDCCL incurred expenditure on account of ‘filing fee’ and ‘license and registration fee’ for Rs. 20.16 lakh and Rs. 84.46 lakh, respectively. Such expenses are categorized under ‘rates and taxes’ and are accordingly admitted by the Commission. Thus, the total amount admitted under the head ‘rates & taxes’ comes to Rs. 272.12 lakh (Rs. 167.50 lakh + Rs. 20.16 lakh + Rs. 84.46 lakh). Allocation of the expenditure for different generating stations as per unit wise accounts are as under:

Rs. in Lakh

Generating station	Amount admitted in APR for 2013 – 2014
Kolaghat	32.89
Bakreswar	115.00
Bandel	55.70
Santaldih	43.33
Sagardighi	25.20
Total	272.12

4.21 ERPC Charges:

4.21.1 WBPDCCL has claimed a sum of Rs 16 lakh as below towards ERPC charges and have been shown under other expenses in note 28 of Annual Accounts 2013-14:

Rs in Lakh

Particulars	Generating Station					Total
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	
ERPC Charges	4.87	5.42	1.04	2.09	2.58	16.00

4.21.2 WBPDCCL have stated these expenses to be as statutory charges in their petition. The Commission admits the same as per allocation given by WBPDCCL.



4.22 Release of Regulatory Asset:

4.22.1 No amount has been kept as regulatory asset in respect of WBPDC in the earlier tariff orders or APR orders.

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

4.23.1 The transmission systems constructed by WBPDC for Bakreswar is an integral part of the transmission system being operated by WBSETCL. For Santaldih generating station no cost is, however, recoverable from WBSETCL for the reasons stated under paragraph 4.6.6 of this order. The annual carrying charges of the assets of Bakreswar generating stations are found as under:

Sl. No.	Particulars	Amount in Rs. in Lakh
		Bakreswar
(i)	Interest on loan (refer paragraph 4.6.4 & 4.6.6)	736.61
(ii)	Depreciation (refer paragraphs 4.10.3 & 4.10.4)	1725.42
(ii)	Return on equity (refer paragraph 4.14.11)	1449.80
	Total:	3911.83

4.23.2 Rs. 3911.83 lakh comprising interest, depreciation and return on equity relating to Bakreswar transmission system, considered under the respective cost heads of Bakreswar generating station are deducted from the ARR of Bakreswar generating station as the amount of Rs. 3911.83 lakh related to Bakreswar transmission system stands recoverable from WBSETCL and no cost related to Santaldih transmission system is recoverable by WBPDC since the assets are still yet to be commissioned and handed over to WBSETCL.

4.23.3 In the tariff order for 2013 – 2014 WBPDC 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 2013 – 2014 shall be recoverable from WBSETCL by WBPDC. The amount of Rs. 3911.83 lakh is now admitted for recovery from WBSETCL being the charges for Bakreswar transmission system.



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- 4.23.4 WBPDCCL in their supplementary application has submitted the documentary evidence in support of handing over of two line bays at Bishnupur end of Santaldih Thermal Power Station – Bishnupur 220 kV Double Circuit line to WBSETCL on 11.10.2010 and has also stated that the remaining portion of the transmission system will be handed over to WBSETCL as soon as the same will be ready. It is also stated that the power generated by units V & VI at Santaldih generating station are being evacuated through the existing system of units I to IV. Since the transmission system of Santaldih generating station related to Units V and VI is yet to come into operation, WBPDCCL shall not claim any amount related to Santaldih transmission system to be recovered from WBSETCL till the system is brought to operation. The fixed cost relating to Santaldih transmission system shall be claimed by WBPDCCL only after completion of the work to bring the asset in operation for evacuation of power from Santaldih generating stations (Units V & VI).
- 4.23.5 In the MYT order dated 1.12.2012 under third control period in respect of WBSETCL in case no. TP-50/11-12, amounts of Rs. 6242.88 lakh was reimbursable by WBSETCL to WBPDCCL on account of Bakreswar transmission system for the year 2013 – 2014 including the additional recovery of Rs. 1769.15 lakh in terms of order dated 16.01.2009 in case no. OA-48/08-09.
- 4.23.6 It is seen from the annual accounts of WBPDCCL for the year 2013 – 2014 that WBPDCCL received Rs. 4473.73 lakh during the year 2013 – 2014 from WBSETCL on account of Bakreswar transmission system excluding recoverable arrear amount of Rs. 1769.15 lakh each year in instalments. It is also seen from the annual accounts of WBSETCL for the year 2013 – 2014 that WBSETCL paid WBPDCCL Rs. 6242.88 lakh during the year 2013 – 2014 on account of Bakreswar transmission system which includes the arrear amount of Rs. 1769.15 lakh payable each year in instalments.
- 4.23.7 The amount of Rs. 3911.83 lakh comprising interest, depreciation and return on equity of Bakreswar transmission assets during the year 2013 – 2014 admitted in paragraph 4.23.2 above is recoverable by WBPDCCL from WBSETCL during the



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year 2013 – 2014. No amount on accounts of Santaldih transmission assets is recoverable from WBSETCL for the year 2013 – 2014. WBPDCCL recovered Rs. 4473.73 lakh (Rs. 6242.88 lakh – Rs. 1769.15 lakh) on account of Bakreswar transmission assets from WBSETCL for the year 2013 – 2014. Thus, an amount of Rs. 561.90 lakh (Rs. 4473.73 lakh – Rs. 3911.83 lakh) was recovered in excess during the year 2013 – 2014. Necessary adjustment in this regard will be made in any subsequent tariff order of WBPDCCL.

4.24 Based on the foregoing analyses, the amounts of fixed charges allowable under different heads in respect of the concerned generating stations have been shown in Annexure “4A” to “4E”. As shown in the referred annexure, the total amounts of fixed charges for the concerned generating stations come as under:

Rs. in Lakh	
Generating Station	As admitted in APR for 2013 – 2014
Kolaghat	36927.65
Bakreswar	76420.01
Bandel	15013.56
Santaldih	49282.96
Sagardighi	51447.29
Total	229091.47

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

4.25 As it comes out from the submission of WBPDCCL and also from the statement received from SLDC, the actual PAF achieved during 2013 – 2014 at different generating stations were below in comparison to norms set for the year, except for the Bakreswar generating station, as shown below, resulting in over recovery of capacity charges:

Sl. No.	Generating Station	Normative PAF (%)	PAF achieved (%)
1	Kolaghat	78	70.89
2	Bakreswar	85	82.10
4	Bandel	74	34.59
5	Santaldih	85	73.59
6	Sagardighi	85	69.37



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4.26 The re-determined capacity charges of each generating station are now required to be adjusted as per PAF achieved during the year 2013– 2014 following the provisions of the Tariff Regulations. The computations in this regard are given below:

Sl. No.	Particulars	Kolaghat (10 years or more)	Bakreswar	Bandel (10 years or more)	Santalidih (less than 10 years)	Sagardighi (less than 10 years)
1	Target PAF (%)	78.00	85.00	74.00	85.00	85.00
2	PAF achieved (%)	70.89	82.10	34.59	73.59	69.37
3	Re-determined capacity charge (Rs. lakh)	36927.65	76420.01	15013.56	49282.96	51447.29
4	Coal and Ash Handling charges (Rs. lakh)	1558.76	479.03	424.61	125.12	139.77
5	Water Charges (Rs. lakh)	22.20	27.75	83.40	539.63	6.24
6	Capacity charge to be considered for disallowance (6 = 3- 4-5) (Rs. lakh)	35346.69	75913.23	14505.55	48618.21	51301.28
7	Proportionate capacity charge excluding 4 & 5 (Rs. lakh)	32124.70	73323.25	6780.36	42091.93	41867.88
8	Capacity charge allowable on the basis of PAF achieved (Rs. lakh) (8 = 7 + 4 + 5)	33705.66	73830.03	7288.37	42756.68	42013.89

**ANNEXURE - 4A****KOLAGHAT THERMAL POWER STATION**

		Rs. in Lakh
SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	11316.56
2	Water Charges	22.20
3	Coal and Ash Handling charge	1558.76
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	14540.40
7	Insurances Premium	58.26
8	Financing Charges	42.81
9	Interest on borrowed capital	0.00
10	Interest on Working Capital	2723.38
11	Depreciation	761.54
12	Advance against Depreciation	0.00
	Special allocation	
13	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
14	Income Tax	829.97
15	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	5955.11
16	Rent, Rates and Taxes	32.89
17	ERPC charges	4.87
18	Gross Aggregate Revenue Requirement (1 to 17)	37846.75
19	Less Misc. other income	919.10
20	Aggregate Revenue Requirement (Annual) (20 = 18 - 19)	36927.65

**ANNEXURE - 4B****BAKRESWAR THERMAL POWER STATION**

SI. NO.	PARTICULARS	Rs. in Lakh
		ADMITTED FOR APR 2013 - 2014
1	Employee Cost	7288.80
2	Water Charges	27.75
3	Coal and Ash Handling charge	479.03
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	9754.50
7	Insurances Premium	159.08
8	Financing Charges	341.51
9	Interest on borrowed capital	15167.80
10	Interest on Working Capital	2604.50
11	Depreciation	18694.93
12	Advance against Depreciation	0.00
	Special allocation	
13	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
14	Income Tax	1211.28
15	Rent, Rates and Taxes	115.00
16	ERPC charges	5.42
17	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	25259.44
18	Gross Aggregate Revenue Requirement (1 to 17)	81109.04
19	Less: Misc. other income	777.20
20	Less: Interest Credit	0.00
21	Less: Capital cost recoverable from WBSETCL	3911.83
22	Aggregate Revenue Requirement (Annual) [(22 = 18 - (19 + 20 + 21)]	76420.01

**ANNEXURE – 4C****BANDEL THERMAL POWER STATION**

		Rs. in Lakh
SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	5479.21
2	Water Charges	83.40
3	Coal and Ash Handling Charge	424.61
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	5692.95
7	Insurances Premium	1.02
8	Financing Charges	9.43
9	Interest on borrowed capital	0.00
10	Interest on Working Capital	795.23
11	Depreciation	114.12
12	Advance against Depreciation	0.00
	Special allocation	
13	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
14	Income Tax	0.00
15	Rent, Rates and Taxes	55.70
16	ERPC charges	1.04
17	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	2747.88
18	Gross Aggregate Revenue Requirement (1 to 17)	15404.59
19	Less Misc. other income	391.03
20	Aggregate Revenue Requirement (Annual) (20 = 18 - 19)	15013.56

**ANNEXURE – 4D****SANTALDIH THERMAL POWER STATION**

		Rs. in Lakh
SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	5736.78
2	Water Charges	539.63
3	Coal and Ash Handling Charge	125.12
4	Cost of Outsourcing	0.00
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	3905.00
7	Insurances Premium	47.77
8	Financing Charges	18.61
9	Interest on borrowed capital	15422.75
10	Interest on Working Capital	1175.68
11	Depreciation	9617.62
12	Advance against Depreciation	0.00
13	Special allocation	
	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
14	Income Tax	38.54
15	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	12793.75
16	Rent, Rates and Taxes	43.33
17	ERPC charges	2.09
18	Gross Aggregate Revenue Requirement (1 to 17)	49466.67
19	Less Misc. other income	164.06
20	Less: Interest Credit	19.65
21	Aggregate Revenue Requirement (Annual) [(22 = 18 - (19+20+21))]	49282.96

**ANNEXURE – 4E****SAGARDIGHI THERMAL POWER STATION**

Rs. in lakh

SI. NO.	PARTICULARS	ADMITTED FOR APR 2013 - 2014
1	Employee Cost	4788.06
2	Water Charges	6.24
3	Coal and Ash Handling Charge	139.77
4	Transmission charges paid to PGCIL	547.70
5	Performance Incentive	0.00
6	Operation and Maintenance Expenses	3990.00
7	Insurances Premium	148.43
8	Financing Charges	23.85
9	Interest on borrowed capital	12796.90
10	Interest on Working Capital	1378.22
11	Transmission charges paid to PGCIL	547.70
12	Depreciation	11291.63
13	Advance against Depreciation	182.24
	Special allocation	
14	a) Reserve for Unforeseen Exigencies	0.00
	b) Rebate on sale of power	0.00
15	Income Tax	0.00
16	Return on Equity after adjustment of ROE for 2011-12 and 2012-13	15990.48
17	Rent, Rates and Taxes	25.20
18	ERPC charges	2.58
19	Gross Aggregate Revenue Requirement (1 to 18)	51859.00
20	Less Misc. other income	411.71
21	Aggregate Revenue Requirement (Annual) (21 = 19 - 20)	51447.29

Order on FCA and APR of WBPDCCL for the year 2013-14



ANNEXURE – 4F

KOLAGHAT THERMAL POWER STATION

Rs. in lakh

Sl. No.	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning(Govt. sanction)		83329.40	83329.40	83329.40	83329.40	87329.40	87329.40	87329.40	87329.40
2	Addition to EB during the year (Govt. sanction)		0.00	0.00	0.00	4000.00	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	0.00	0.00
4	Actual equity base at the end of the year (Govt. sanction)	(1+2+3)	83329.40	83329.40	83329.40	87329.40	87329.40	87329.40	87329.40	87329.40
5	Admissible equity base at the beginning of the year		83329.40	83329.40	83329.40	83329.40	84805.01	84830.21	85283.47	85480.77
6	Available Free Reserve at the beginning of the Year	(Annexure-2A)	15750.73	37859.05	42329.78	46777.49	44564.72	46709.46	62071.59	64006.06
7	Net addition to the original cost of fixed assets		893.67	3918.02	510.67	4918.70	83.99	1510.88	657.68	3095.37
8	Normative addition of Fixed Assets @ 30%		268.10	1175.41	153.20	1475.61	25.20	453.26	197.30	928.61
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	1475.61	0.00	0.00	0.00	0.00
10	Addition to equity base considered from available free reserve	Lower of 6& 8	268.10	1175.41	153.20	0.00	25.20	453.26	197.30	928.61
11	Admissible equity base at the closing of the year	(3+5+9+10)	83329.40	83329.40	83329.40	84805.01	84830.21	85283.47	85480.77	86409.38
12	Average Equity Base	(5+11)/2	83329.40	83329.40	83329.40	84067.21	84817.61	85056.84	85382.12	85945.08
13	Return on equity @15.5%							13183.81	13234.23	13321.49



ANNEXURE – 4G

BAKRESWAR THERMAL POWER STATION

Rs. in lakh

Sl. No.	Particulars	ACTUAL					2011-12	2012-13	2013-14	
		2006-07	2007-08	2008-09	2009-10	2010-11				
1	Actual Equity base at the beginning(Govt. sanction)	74854.82	74854.82	74854.82	74854.82	139910.14	139910.14	139910.14	139910.14	
2	Addition to EB during the year (Govt. sanction)	0.00	0.00	0.00	65055.32	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	0.00	0.00	
4	Actual equity base at the end of the year (Govt. sanction)	(1+2+3)	74854.82	74854.82	74854.82	139910.14	139910.14	139910.14	139910.14	
5	Admissible equity base at the beginning of the year	74854.82	74854.82	74854.82	74854.82	135797.89	135819.83	136997.10	137178.52	
6	Available Free Reserve at the beginning of the Year	(Annexure-2A)	0.00	0.00	0.00	5602.84	9844.74	16785.73	33905.88	44092.06
7	Net addition to the original cost of fixed assets	386.57	105.2	0.00	203143.57	73.13	3924.24	604.74	331.87	
8	Normative addition of Fixed Assets @ 30%	115.97	31.56	0.00	60943.07	21.94	1177.27	181.42	99.56	
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	60943.07	0.00	0.00	0.00	
10	Addition to equity base considered from available free reserve	Lower of 6 & 8	0.00	0.00	0.00	0.00	21.94	1177.27	181.42	99.56
11	Admissible equity base at the closing of the year	(3+5+9+10)	74854.82	74854.82	74854.82	135797.89	135819.83	136997.10	137178.52	137278.08
12	Average Equity Base	(5+11/2)	74854.82	74854.82	74854.82	105326.36	135808.86	136408.47	137087.81	137228.30
13	Return on equity @15.5%						21143.31	21248.61	21270.39	



ANNEXURE – 4H

BANDEL THERMAL POWER STATION

Rs. in lakh

Sl. No.	Particulars	ACTUAL					2011-12	2012-13	2013-14	
		2006-07	2007-08	2008-09	2009-10	2010-11				
1	Actual Equity base at the beginning(Govt. sanction)	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	
2	Addition to EB during the year (Govt. sanction)	0.00	0.00	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	0.00	0.00	
4	Actual equity base at the end of the year(Govt. sanction)	(1+2+3)	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	5665.00	
5	Admissible equity base at the beginning of the year	5665.00	5841.68	5849.74	5886.33	5892.32	5909.39	5909.39	5909.39	
6	Available Free Reserve at the beginning of the Year	(Annexure-2A)	849.05	3228.82	3383.85	3566.35	2610.15	0.00	0.00	0.00
7	Net addition to the original cost of fixed assets	588.93	26.88	121.97	19.95	56.90	532.77	97.2	256.23	
8	Normative addition of Fixed Assets @ 30%	176.68	8.06	36.59	5.99	17.07	159.83	29.16	76.87	
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	0.00	
10	Addition to equity base considered from available free reserve	Lower of 6& 8	176.68	8.06	36.59	5.99	17.07	0.00	0.00	
11	Admissible equity base at the closing of the year	(3+5+9+10)	5841.68	5849.74	5886.33	5892.32	5909.39	5909.39	5909.39	
12	Average Equity Base	(5+11/2)	5753.34	5845.71	5868.04	5889.33	5900.85	5909.39	5909.39	
13	Return on equity @15.5%						915.96	915.96	915.96	



ANNEXURE – 4I

SANTALDIH THERMAL POWER STATION

Rs. in lakh

SI No.	Particulars	ACTUAL											2013-14
		2006-07	2007-08	2008-09	2009-10		2010-11		2011-12		2012-13		
					Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	Unit-V	Unit-VI	
1	Actual Equity base at the beginning(Govt. sanction)	13828.00	13828.00	13828.00	0.00	0.00	42900.00	0.00	42900.00	0.00	42900.00	30000.00	72900.00
2	Addition to EB during the year (Govt. sanction)	0.00	0.00	0.00	42900.00	0.00	0.00	0.00	0.00	30000.00	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	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)	13828.00	13828.00	13828.00	42900.00	0.00	42900.00	0.00	42900.00	30000.00	42900.00	72900.00
5	Admissible equity base at the beginning of the year	13828.00	13828.00	13828.00	0.00	0.00	38174.70	0.00	38174.70	0.00	38174.70	30000.00	68174.70
6	Available Free Reserve at the beginning of the Year	(Annexure-2A)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Net addition to the original cost of fixed assets	17.19	2.12	18.66	127249.00	0.00	541.05	0.00	6251.39	104943.25	0.00	1179.95	1633.92
8	Normative addition of Fixed Assets @ 30%	5.16	0.64	5.60	38174.70	0.00	162.32	0.00	1875.42	31482.98	0.00	353.99	490.18
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8	0.00	0.00	0.00	38174.70	0.00	0.00	0.00	30000.00	0.00	0.00	0.00
10	Addition to equity base considered from available free reserve	Lower of 6& 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Admissible equity base at the closing of the year	(3+5+9+10)	13828.00	13828.00	13828.00	38174.70	0.00	38174.70	0.00	38174.70	30000.00	38174.70	68174.70
12	Average Equity Base	(5+11/2)	13828.00	13828.00	13828.00	19087.35	0.00	38174.70	0.00	38174.70	15000.00	38174.70	68174.70
13	Return on equity @15.5%								5917.08	1162.50	5917.08	4650.00	10567.08



ANNEXURE – 4J

SAGARDIGHI THERMAL POWER STATION

Rs. in lakh

Sl. No.	Particulars		ACTUAL					2011-12	2012-13	2013-14
			2006-07	2007-08	2008-09	2009-10	2010-11			
1	Actual Equity base at the beginning(Govt. sanction)				0.00	82500.00	82500.00	82500.00	90700.00	97700
2	Addition to EB during the year (Govt. sanction)				82500.00	0.00	0.00	8200.00	7000.00	38000
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)			82500.00	82500.00	82500.00	90700.00	97700.00	135700.00
5	Admissible equity base at the beginning of the year				0.00	80167.50	80167.50	80167.50	80521.76	81157.03
6	Available Free Reserve at the beginning of the Year	(Annexure-2A)			0.00	0.00	0.00	0.00	0.00	0.00
7	Net addition to the original cost of fixed assets				267225	1694.06	199.73	1180.85	2117.57	8574.79
8	Normative addition of Fixed Assets @ 30%				80167.50	508.22	59.92	354.26	635.27	2572.44
9	Addition to equity base considered from addition to actual equity (Govt. sanction)	Lower of 2 & 8			80167.50	0.00	0.00	354.26	635.27	2572.44
10	Addition to equity base considered from available free reserve	Lower of 6& 8			0.00	0.00	0.00	0.00	0.00	0.00
11	Admissible equity base at the closing of the year	(3+5+9+10)			80167.50	80167.50	80167.50	80521.76	81157.03	83729.46
12	Average Equity Base	(5+11/2)			40083.75	80167.50	80167.50	80344.63	80839.39	82443.24
13	Return on equity @15.5%							12453.42	12530.11	12778.70



ANNEXURE – 4K BALANCE FREE RESERVE AFTER UTILISATION FOR CAPITALISATION

Period	KTPS	BkTPS	BTPS	STPS	SgPTS	TOTAL
Actual As on 01.04.2006	51767.33	-21494.30	2790.55	-16463.80	0.00	16599.78
Actual after adjustment of negative balances as on 01.04.2006	15750.73	0.00	849.05	0.00		16599.78
Addition during 2006-07	16283.02	4280.20	3166.96	1202.69	0.00	24932.87
Utilized for capitalization during 2006-07	268.10	0.00	176.68	0.00	0.00	444.78
Actual As on 01.04.2007	67782.25	-17214.10	5780.83	-15261.11	0.00	41087.87
Actual after adjustment of negative balances as on 01.04.2007	37859.05	0.00	3228.82	0.00		41087.87
Addition during 2007-08	10692.35	2832.00	406.55	-8121.67	0.00	5809.23
Utilized for capitalization during 2007-08	1175.41	0.00	8.06	0.00	0.00	1183.47
Actual As on 01.04.2008	77299.19	-14382.10	6179.32	-23382.78	0.00	45713.63
Actual after adjustment of negative balances as on 01.04.2008	42329.78	0.00	3383.85	0.00	0.00	45713.63
Addition during 2008-09	4344.44	24142.73	70.16	-6660.74	-11473.75	10422.84
Utilized for capitalization during 2008-09	153.20	0.00	36.59	0.00	0.00	189.79
Actual As on 01.04.2009	81490.43	9760.63	6212.89	-30043.52	-11473.75	55946.68
Actual after adjustment of negative balances as on 01.04.2009	46777.49	5602.84	3566.35	0.00	0.00	55946.68
Addition during 2009-10	12890.26	11088.90	-679.03	-11881.81	-10339.40	1078.92
Utilized for capitalization during 2009-10	0.00	0.00	5.99	0.00	0.00	5.99
Actual As on 01.04.2010	94380.69	20849.53	5527.87	-41925.33	-21813.15	57019.61
Actual after adjustment of negative balances as on 01.04.2010	44564.72	9844.74	2610.15	0.00	0.00	57019.61
Addition during 2010-11	3806.71	14448.45	-7066.14	-4627.60	-21.63	6539.79
Utilized for capitalization during 2010-11	25.20	21.94	17.07	0.00	0.00	64.21
Actual As on 01.04.2011	98162.20	35276.04	-1555.34	-46552.93	-21834.78	63495.19
Actual after adjustment of negative balances as on 01.04.2011	46709.46	16785.73	0.00	0.00	0.00	63495.19
Addition during 2011-12	5379.07	22211.86	-8050.99	1841.60	12731.27	34112.81
Utilized for capitalization during 2011-12	453.26	1177.27	0.00			1630.53
Actual As on 01.04.2012	103088.01	56310.63	-9606.33	-44711.33	-9103.51	95977.47
Actual after adjustment of negative balances as on 01.04.2012	62071.59	33905.88	0.00	0.00	0.00	95977.47
Addition during 2012-13	5349.71	18434.71	-14124.92	6388.05	-3548.18	12499.37
Utilized for capitalization during 2012-13	197.30	181.42	0.00	0.00	0.00	378.72
Actual As on 01.04.2013	108240.42	74563.92	-23731.25	-38323.28	-12651.69	108098.12
Actual after adjustment of negative balances as on 01.04.2013	64006.06	44092.06	0.00	0.00	0.00	108098.12
Addition during 2013-14	8904.05	12788.76	-14015.39	340.04	-1247.16	6770.30
Utilized for capitalization during 2013-14	928.61	99.56	0.00	0.00	0.00	1028.17
Actual As on 01.04.2014	116215.86	87253.12	-37746.64	-37983.24	-13898.85	113840.25
Actual after adjustment of negative balances as on 01.04.2014	65022.41	48817.84	0.00	0.00	0.00	113840.25



CHAPTER – 5 AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

- 5.1. Based on the forgoing analyses and admissions of the adjustments under different uncontrollable factors / elements of fixed charges and fuel and power purchase cost, the re-determined allowable fixed charges as well as fuel cost of WBPDCCL during the year 2013 – 2014 came as under:

Particulars	(Rs. in Lakh)					
	Kolaghat	Bakreswar	Bandel	Santaldih	Sagardighi	Total
Admitted Fuel Cost	156229.38	142026.29	42166.53	53827.49	70422.13	464671.82
Fixed / capacity charge	33705.66	73830.03	7288.37	42756.68	42013.89	199594.63
Total	189935.04	215856.32	49454.90	96584.17	112436.02	664266.45

- 5.2. The allowable capacity charges for each generating station are to be adjusted against the capacity charges recovered for respective generating station by WBPDCCL for the year 2013 – 2014. Based on the recovered capacity charges as submitted by WBPDCCL for each generating station and the allowable capacity charges as determined by the Commission in paragraph 4.26 of this order, the net admitted capacity charges are given in the table below:

Generating station	Capacity charges recoverable as determined in para 4.26 of this order (Rs. in lakh)	Capacity charges recovered during 2013-2014 (Rs. in lakh)	Net capacity charges payable / recoverable during 2013 - 2014 (Rs. in lakh)
(1)		(4)	(5) = [(3)+(4)]
Kolaghat	33705.66	51724.97	-18019.31
Bakreswar	73830.03	78218.88	-4388.85
Bandel	7288.37	7930.97	-642.60
Santaldih	42756.68	40199.72	2556.96
Sagardighi	42013.89	38737.74	3276.15
Total	199594.63	216812.28	-17217.65



Order on FCA and APR of WBPDCCL for the year 2013-14

5.3. As it comes out from the findings in paragraphs 5.1 and 5.2 above, WBPDCCL has to recover an amount of Rs. 10475.66 lakh with cost centre-wise breakup as given below:

Rs. in Lakh

Generating station	Energy charges recovered	Capacity charges recovered	Amount recovered from sale of power	Recoverable Fuel Cost as per para 3.20 of this order	Recoverable Capacity Charges as per para 4.26 of this order	Total Recoverable	Balance recoverable
1	2	3	4 [(2)+(3)]	5	6	7 [(5)+(6)]	8 [(7)-(4)]
Kolaghat	140159.90	51724.97	191884.87	156229.38	33705.66	189935.04	-1949.83
Bakreswar	138092.81	78218.88	216311.69	142026.29	73830.03	215856.32	-455.37
Bandel	35459.38	7930.97	43390.35	42166.53	7288.37	49454.90	6064.55
Santaldih	54383.10	40199.72	94582.82	53827.49	42756.68	96584.17	2001.35
Sagardighi	68883.32	38737.74	107621.06	70422.13	42013.89	112436.02	4814.96
Total	436978.51	216812.28	653790.79	464671.82	199594.63	664266.45	10475.66

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 5th September, 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 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

5.4. 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 upto 2012 – 2013 and realizable



Order on FCA and APR of WBPDCCL for the year 2013-14

amount through APR and FCA / FPPCA claim of the two utilities from 2013 – 2014 onwards. There was no balance regulatory asset in respect of WBPDCCL upto 2012 – 2013. The FCA/APR of WBPDCCL for the year 2013 – 2014 has now been finalized and total recoverable amount comes at Rs. 10475.66 lakh. The Commission decides to adjust the entire recoverable amount of Rs. 10475.66 lakh against the grant of Rs. 191607.00 lakh extended by the State Government and no amount will be created as regulatory asset on account of FCA and APR in respect of WBPDCCL for the year 2013 - 2014. After adjustment, the balance amount of Rs. 181131.34 lakh (Rs. 191607.00 lakh – Rs. 10475.66 lakh) will be considered for adjustment subsequently against any recoverable amount through APR and FCA claim of WBPDCCL for the year 2014 – 2015 onwards.

5.5. WBPDCCL is to take a note of this order.

Sd/-
(AMITAVA BISWAS)
MEMBER

Sd/-
(R. N. SEN)
CHAIRPERSON

DATED: 24.08.2017