



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

**FOR THE YEARS 2014 – 2015, 2015 – 2016 AND 2016 – 2017
IN**

CASE NO: APR – 54 / 15 – 16, APR – 61/16 – 17 and APR – 68/18 – 19

IN REGARD TO THE APPLICATION FOR ANNUAL PERFORMANCE REVIEW FOR THE FINANCIAL YEARS 2014-15, 2015-16 AND 2016-17 IN RESPECT OF DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY BY DAMODAR VALLEY CORPORATION FOR THE PART OF THE DAMODAR VALLEY AREA FALLING WITHIN THE TERRITORY OF THE STATE OF WEST BENGAL

**PRESENT:
SRI MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 08.06.2023



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 performances and projected performances under different factors / heads of accounts. Such adjustments are now to be done in the manner as specified in the Tariff Regulations. Damodar Valley Corporation (in short 'DVC') submitted their APR application for the years from 2014 – 2015 to 2016 – 2017 on 14th July, 2022. DVC, however, submitted additional information / data vide letter dated 09.01.2023 in response to the letter of the Commission dated 07.12.2022. It provided the requisite data / information in the specified proforma. Copies of its audited annual accounts for the concerned years were also submitted by DVC along with the application and the adjustment in generation and power purchase cost for the years 2014 – 2015 to 2016 – 2017. The APR application submitted by DVC on 14.07.2022 was admitted by the Commission for processing and the same was numbered as APR-54/15-16, APR-61/16-17 and APR-68/18-19 for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively.
- 1.2 APR for the years 2014 – 2015 to 2016 – 2017 is the review of the different factor elements of fixed charges, categorized as controllable and uncontrollable, allowed to DVC through the ARR order for the years 2014 – 2015 to 2016 – 2017 issued on 25.05.2015 in case no. TP-57/13-14 for the years 2014 – 2015 to 2015 – 2016 and order dated 03.03.2017 in case no. TP-57/13-14 for the year 2016 - 2017, vis-à-vis the actuals as per the audited accounts.



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- 1.3 The instant application of DVC is their second APR application for the years 2014 - 2015 to the year of 2016 – 2017. The adjustments, as may arise out of the review of annual performance for the years 2014 – 2015 to 2016 – 2017 will be considered for giving effect while determining the amount of revenue adjustable through tariff order of any ensuing year or through separate order as specified in regulation 2.6.6 of the Tariff Regulations.
- 1.4 The Commission has taken careful note of the representations made by DVC. The relevant issues will be addressed accordingly while examining the admissibility of expenses under different heads of accounts with reference to the audited data. The APR is to cover the annual fixed charges allowed to the licensee, the effect of gain sharing and incentives as per Schedule – 9B and Schedule – 10 to the Tariff Regulations. The instant application of DVC for the years 2014 – 2015 to 2016 – 2017 is being viewed in the subsequent parts of this order.
- 1.5 In terms of regulation 2.6.12 of the Tariff Regulations, the gist of the application of APR of DVC for the years 2014 – 2015 to 2016 – 2017 was published simultaneously in the 'Ei Samay', the 'Bartaman', 'The Statesman' and 'The Telegraph' on 8th September, 2022. The application of APR for the years 2014 – 2015 to 2016 – 2017 was also posted in the website of DVC. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for APR for the years 2014 – 2015 to 2016 – 2017 of DVC 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 28th September, 2022 (i.e., 21 days from the date of publication). Opportunities were also afforded to all to inspect the application and take copies thereof.
- 1.6 Upon publication of the gist, only Damodar Valley Power Consumers' Association (DVPCA) has submitted objections / suggestions against the APR application of



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DVC for the periods 2014 – 2015 to 2016 – 2017 within the stipulated date and time.



CHAPTER – 2

CASE OF DVC

- 2.0 Damodar Valley Corporation (herein after refer to as the (“DVC”) has filed this application seeking Annual Performance Review (hereinafter refer to as the “APR”) in respect of distribution and retail supply of electricity by DVC as a deemed distribution licensee for the FY 2014 – 15, FY 2015 – 16 and FY 2016 – 17 within the State of West Bengal in accordance with the provisions of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, and subsequent amendments thereof.
- 2.1 DVC had already filed the APR petition for the FY 2014 – 15, FY 2015 – 16 and FY 2016 – 17 before this Commission on 23.02.2016, 17.03.2017 and 01.10.2018 respectively based on available provisional tariff orders of the Central Electricity Regulatory Commission (in short ‘CERC’) for the period 2014 – 19 in respect of some of the generating stations of DVC. However, in respect of some other generating stations and unified T&D network, due to non-issuance of provisional tariff order for the period 2014 – 19 by CERC at the time of filling the applications, the True-Up orders issued by CERC for the period 2009 – 14 period was considered by DVC as the input fixed cost applicable for distribution activity of DVC.
- 2.2 The Commission vide order dated 02.08.2017 and 25.09.2017 in case no. APR-54/15-16 directed DVC to file APR petitions afresh only after CERC issue all the Tariff orders for the period 2014-19. DVC vide letter dated 19.10.2020 informed the commission that CERC has issued all the Provisional Tariff order for the period 2014-19 in respect of own generating stations and unified T&D network, however the True-up orders for the period 2014-19 were not issued by CERC and sought direction from the commission whether the application for APR is to be submitted based on the provisional orders of CERC or to be submitted only after the passing of True-Up orders which are to be issued by CERC. Commission vide letter dated 02.12.2020 directed DVC to file APR petition for the



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respective years only after issuance of all the Final True-Up orders for the period 2014-19 by CERC.

- 2.3 The Commission vide order dated 17.06.2022 in case no APR-54/15-16 has directed DVC to file revised petition for Annual Performance Review for the years 2014 – 15, 2015 – 16 and 2016 – 17 in suppression of any previous directive of this Commission. Accordingly, DVC is filling this revised APR petition afresh for the years 2014 – 15, 2015 – 16 and 2016 – 17.
- 2.4 DVC as a deemed distribution licensee undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area and the same is covered by Section 62(1)(d) of the Electricity Act, 2003. DVC also supplies electricity to the licensees located in the state of West Bengal viz. West Bengal State Electricity Distribution Company Limited (WBSEDCL) at eleven (11) different off take points and to the India Power Corporation Limited (IPCL) at four (4) different off take points in consumer mode through its own T & D network. Each such point of supply has a specific contract demand as per the respective PPAs. Aforesaid mode of supply, as per the subsisting PPAs, is covered by Section 62(1)(d) of the Electricity Act, 2003.
- 2.5 DVC, in the Tariff petition in case no TP-57/13-14, had submitted the Annual Revenue Requirement and Tariff Design considering the total sale volume on projection basis, which includes the sale to WBSEDCL and IPCL (erstwhile DPSCL). The Commission vide tariff orders dated 25.05.2015 and 03.03.2017 determined ARR and tariff schedule for different category of consumers based on the submission of DVC and suggestions & objections of different stake holders including WBSEDCL & IPCL, and no separate tariff applicable only for the licensees in the DVC command area in the state of West Bengal has been approved by the Commission in the afore-said tariff orders. Accordingly, DVC raised power bills based on the said tariff orders to these consumers like all others consumers of DVC.



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- 2.6 It is submitted that, after the judgement dated 23.07.2018 of Hon'ble Supreme Court, at present there are no pending legal proceedings of DVC that may cause any obstruction for fixing the norms of Transmission loss for DVC by this Commission. DVC also in this regard humbly submits that since the transmission activity and distribution activity of the grid networks of DVC are inseparable, the Commission may be pleased to allow composite T&D Loss to DVC instead of only the distribution loss.
- 2.7 DVC has achieved composite T&D loss of 3.03%, 3.04% and 2.68% during the FY 2014 – 15, FY 2015 – 16 and FY 2016 – 17 respectively which is comparatively lower.
- 2.8 Accordingly, DVC prayed before the commission to remove the difficulty being faced by DVC in this regard in terms of Regulations 8.2, 8.3 and 8.4 of WBERC (Terms and Conditions of Tariff) Regulations, 2011 and allow the actual composite T&D loss of DVC in place of only the Distribution loss for finalization of Energy Balance and ARR of DVC for the period under consideration.
- 2.9 It is submitted that, DVC has filed all the True-Up petition for the period 2014 – 19 before CERC in respect of all the generating stations, however, CERC is yet to issue the final orders for 2014-19 period (in the meantime, some True-Up orders have been issued by CERC). In absence of the true-up orders, DVC has considered the available Tariff order for the period 2014-19 in respect of generating stations of DVC. DVC craves leave before this Commission to modify the ARR of the distribution activity based on the True-Up orders for the period 2014-19 once they are available.
- 2.10 CERC while issuing tariff orders for different generating stations and T&D system for the period 2014-19 has not allowed the claim of DVC in respect of contribution to Pension & Gratuity fund (P&G fund), additional O&M expenditure etc. for the period FY 2014-19. Being aggrieved DVC has filed appeals before the Hon'ble Appellate Tribunal challenging the tariff orders of CERC for the period 2014-19. DVC craves leave to revise the APR based on decision of the Hon'ble Tribunal on the said appeals filed by DVC.



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- 2.11 Apart from the conventional power purchase, DVC also procures 40 MW solar power from NTPC and NTPC Vidyut Vyaper Nigam Limited (NVVNL) on long term agreement for fulfilling its Renewable Purchase Obligation (RPO). DVC entered into such arrangement as per directive of Ministry of Power, GoI under Jawahar Lal Nehru National Solar Mission (JNNSM) program. DVC has fulfilled a part of its Solar RPO through these Long-Term arrangements during FY 2014-15, FY 2015-16 and FY 2016-17. Due to paucity of RECs at desired price, DVC could only able to fulfill a part of the Solar and Non-Solar RPO. DVC is constantly trying to arrange the required quantum of Renewable power to meet the RPO obligation. In the recent past DVC has installed solar power plant of a capacity of 4 MW. DVC has also entered into an agreement with SECI for procurement of 200 MW solar Power. Accordingly, DVC prays before this commission to allow the cost of purchase of Solar power and Solar and Non-Solar RECs actually incurred by DVC for the years 2014-15, 2015-16 and 2016-17.
- 2.12 The cost of renewable power purchase is segregated between the two states i.e., West Bengal and Jharkhand based on the respective purchase obligation.
- 2.13 During emergency condition, due to sudden outage of any generating units sometimes DVC has to draw UI power from the grid in order to avoid any shedding to the consumers to maintain uninterrupted power. Accordingly, the cost of UI import is claimed in the instant APR petition as per annual accounts of DVC. Therefore, DVC prayed before this Commission to allow the expenses actually incurred by DVC for UI drawal during the period 2014-15 to 2016-17 as claimed in the instant APR application.
- 2.14 In compliance with the directives dated 18.05.2018 of the Commission (JSERC) and also the directives received from MOP, GOI vide letters No.1/10/2007-IT (pt.) dated 12.04.2010, no. 1/6/2011/IT-Pt. VIII (238324) dated 08.08.2017 and no. 1/6/2011-IT (204430) dated 20.04.2018, to avoid breach of cyber security DVC has invested in cyber security measures. DVC accordingly submits before the Commission to allow it to recover the actual expenditures towards investment on Cyber Security in the ARR



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through tariff. Relevant details with respect to expenditure, directives etc. related to cyber security are submitted with the petition.

- 2.15 DVC has claimed expenditure during FY 2015-16 and FY 2016-17 for annual maintenance contract for the Automatic Meter Reading (AMR) system as such cost is purely related to distribution activity of DVC.
- 2.16 DVC has claimed the expenditure made for the Payment of Tariff Filing/Licensee Fees and APR Fees to WBERC and associated publication expenses for the publication of Tariff Petition/Orders etc. in the instant APR petition on actual basis.
- 2.17 DVC has prayed the following before the Commission:
- (a) re-determine the ARR based on submissions made herewith in respect of Annual Performance Review for the years FY 2014-15 to FY 2016-17 and allow DVC to adjust the under/over recovery as deemed proper;
 - (b) settle other commercial issues based on the present submission and submissions made earlier by DVC for the relevant periods;
 - (c) pass such other order(s) as the Commission may deem fit and proper keeping in view the facts and circumstances of the case.



CHAPTER – 3

SUGGESTIONS, OBJECTIONS AND COMMENTS RECEIVED AGAINST THE PETITION

3.0 OBJECTIONS / SUGGESTIONS:

- 3.1 Objections and Comments have been received from Damodar Valley Power Consumers' Association (DVPCA) against the APR Petitions filed by Damodar Valley Corporation (DVC). Observations and comments have been dealt with hereunder.
- 3.2 At the very outset, the Objector strongly opposes the instant Petition and prays that the same be rejected in limine in the interest of justice and equity.
- 3.3 The Commission had determined the MYT ARR for FY 2014-17 vide the Order dated 25.05.2015 and Tariff for FY 2016-17 vide the Order dated 03.03.2017 in Case No.: TP-57/13-14. It is submitted that there are pending Appeals in the Hon'ble Appellate Tribunal for Electricity (Hon'ble APTEL or Hon'ble Tribunal) that have been filed by DVC as well as DVPCA against the aforementioned Orders. It is prayed that the Commission may take cognizance of the proceedings of the above Appeals and pass on the effect of the final judgement in the same in the instant APR proceedings.

View of the Commission:

The instant APR petition is admitted since Hon'ble APTEL has not prohibited this Commission for trueing up exercise.

- 3.4 Notwithstanding the objections against the Maintainability of the instant Petition, the Objector has submitted other objections as follows:
- 3.5 DVC has claimed Power Purchase from Own Generation for FY 2014-17 by considering the entire pension, gratuity and sinking fund contribution as



determined by the CERC for its stations without applying the actual availability factor on the same.

- 3.5.1 On the issue of consideration of Pension and Gratuity and Sinking fund in the AFC approved by CERC, it may be noted that the same has already been considered by the CERC in the Annual Fixed Charges of the DVC's generating stations.
- 3.5.2 As per Section 21 of the CERC (Terms and Conditions of Tariff) Regulations, 2014, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of DVC to exclude pension and gratuity contribution and sinking fund (from AFC approved by CERC before applying availability factor) finds no merit and ought to be disallowed by the State Commission.
- 3.5.3 It is pertinent to point out that DVC had contended the same issue before Hon'ble APTEL in Appeal No. 255 of 2014 (against the Order of Jharkhand State Electricity Regulatory Commission dated 04.09.2014 for the years FY 2013 – 14 to FY 2015 – 16), which was decided by Hon'ble APTEL vide its judgement dated 23.3.2016, which, inter-alia, states that "the Hon'ble APTEL is in agreement with the view of the Commission that Commission has not undertaken any determination/re-determination on the same and this cost has in fact been allowed as input cost as part of the power procurement cost from the Appellant's generating stations and as such no part of it is required to be re-determined by the State Commission".
- 3.5.4 As is evident from the above findings of Hon'ble APTEL, the issue of adjustment of contribution to P&G and sinking fund based on the actual availability has already been settled by Hon'ble APTEL as well as by both the JSERC & the WBERC in plethora of Orders. DVC, despite being fully aware of this fact is trying



to rake up the same issue every time before the Commission. The Objector humbly requests the Commission to reprimand DVC for such conduct and issue strict directions for not raising the same issue repeatedly before the Commission.

View of the Commission:

The Commission has noted the contentions of DVPCA; the issues are dealt in para 4.5.11 of Chapter-4.

- 3.6 Furthermore, DVC has claimed Interest on Differential AFC of T&D System for FY 2014-17. It is submitted that DVC has erred in its computation of Interest on Differential AFC of T&D System for FY 2014-17. The correct computation as per Objector's Assessment, considering actual Transmission Availability Factor (TAF) and duration of two separate True up orders, is Rs. 23595.97 lakhs, Rs. 23503.23 lakhs and Rs. 21704.93 lakhs for the years 2014-15, 2015-16 and 2016-17 respectively.

View of the Commission:

The Commission has noted the contentions of DVPCA. The issue of interest on differential AFC of T&D System is dealt in para 4.11 of Chapter-4.

- 3.7 Detailed computations of Fixed Cost Component of Power Purchase Cost from Own Generating Station and T&D Network of DVC have been given in the Objector's petition. The Commission may approve the Fixed Cost Component of Power Purchase Cost from Own Generating Station and T&D Network of DVC as per the Objector's assessment, subject to due prudence check and suitable provision in the WBERC Tariff Regulations.

View of the Commission:



The Commission has noted the contentions of DVPCA. The issues of Fixed Cost Component of Own Generating Station and Fixed Cost Component T&D Network are dealt in para 4.5.13 and para 4.10 of Chapter-4 respectively.

- 3.8 DVC has prayed the WBERC to allow the actual composite T&D loss of DVC in place of only the Distribution loss for finalization of Energy Balance and ARR of DVC for the period under consideration. But the regulatory power for the transmission systems of DVC is to be exercised by the Central Commission and thus transmission losses, which are an integral part of the tariff are to be decided by the CERC and not the WBERC. The WBERC may take the same into consideration.

View of the Commission:

The Commission has noted the contentions of DVPCA. The issue is dealt in para 4.4.4 of Chapter-4.

- 3.9 DVC has claimed Power Purchase Cost from other Generating Stations including Transmission Charges. It is submitted that the Jharkhand State Electricity Regulatory Commission has issued True-up for FY 2014-17 for DVC (Jharkhand) on the basis of actuals. In the said Orders, the JSERC has determined the Power Purchase Cost from other Generating Stations including Transmission Charges based on actuals. Accordingly, it is prayed that the WBERC may approve the Power Purchase Cost from other Generating Stations including Transmission Charges as per Objector's Assessment, which has been made on the basis of the JSERC's True-up Orders for FY 2014-17 instead of that claimed by DVC. The assessment of power purchase cost from other generating station vis-à-vis claim by DVC has been given in the objection filed.

View of the Commission:



The Commission has noted the contentions of DVPCA. The issue is dealt in para 4.6 of Chapter-4.

- 3.10 DVC has claimed expenses pertaining to i) AMC charge for Communication schemes under ULDC scheme, ii) AMC charges for AMR system and iii) Expenses related to Cyber Security scheme. It is submitted that DVC had also made a similar claim in its True-up Petition for FY 2018-19 filed before the JSERC, which has been disallowed by the JSERC vide tariff order dated 30.09.2020.
- 3.10.1 Furthermore, the JSERC has not approved any AMC charge for Communication schemes under ULDC scheme, AMC charges for AMR system and Expenses related to Cyber Security scheme in its True-up Orders for DVC (Jharkhand) for FY 2014-15 (dated 19.04.2017), for FY 2015-16 (dated 18.05.2018) or for FY 2016-17 (dated 28.05.2019).
- 3.10.2 It is prayed that the Commission may also follow a similar approach and accordingly disallow such claims of DVC in the instant APR petition of DVC for 2014-17.

View of the Commission:

The Commission has noted the contentions of DVPCA. The issues of AMC charge for Communication schemes under ULDC scheme, Cyber Security and AMC charges for AMR system are dealt in para 4.16, 4.17 and 4.18 of Chapter-4 respectively.

- 3.11 DVC has claimed Water & Environment Cess to the tune of Rs. 2.54 Crores for FY 2014-15. It is submitted that the Jharkhand State Electricity Regulatory Commission in its Order dated 19.04.2017 pertaining to True-up Order for FY 2014-15 has approved Water Pollution & Other Cess at Rs. 2.50 Crores.



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- 3.11.1 Accordingly, it is prayed that the WBERC may allow the Water & Environment Cess as approved by the JSERC for FY 2014-15 instead of the Water & Environment Cess claimed by DVC in the instant Petition for FY 2014-15.

View of the Commission:

The Commission has noted the contentions of DVPCA. The issue is dealt in para 4.12 of Chapter-4.

- 3.12 DVC has claimed Interest on Temporary Financial Accommodation for FY 2014-17 in the instant APR petition. It is submitted that the WBERC had disallowed DVC's claim towards Interest on Temporary Financial Accommodation in its APR Order dated 31.05.2021 for FY 2009 - FY 2014.
- 3.12.1 It is submitted that DVC has not provided a reconciliation with the audited accounts at actuals substantiating the amount towards the short-term loans taken for delayed payment/short-payment by consumers. In the absence of such reconciliation, it is prayed that the WBERC may disallow DVC's claim towards Interest on Temporary Financial Accommodation for FY 2014-17.
- 3.12.2 Additionally, it is pertinent to mention that the JSERC has not allowed any Interest on Temporary Financial Accommodation for FY 2014-16 as per its True-up Order for FY 2014-15 dated 19.04.2017 and its True-up Order for FY 2015-16 dated 18.05.2018.
- 3.12.3 Furthermore, it is also brought to the notice of the Commission that it has disallowed DVC's claim towards Interest on Temporary Financial Accommodation for FY 2017-18, FY 2018-19 and FY 2019-20 vide its Orders dated 05.05.2022 and 17.06.2022 respectively.

View of the Commission:



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The Commission has noted the contentions of DVPCA. The issue is dealt in para 4.15 of Chapter-4.

- 3.13 DVC has claimed non-tariff income for DVC as a whole as Rs. 22.45 Crores, Rs. 15.03 Crores and Rs. 198.25 Crores for FY 2014-15, FY 2015-16 and FY 2016-17, respectively.
- 3.13.1 Evidently, the Tariff Regulations clearly provide for the items to be excluded from Non-tariff income (NTI). Any other income earned by DVC is also to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR. In fact, the above regulations clearly provide for the items to be reduced from ARR besides non-tariff income also.
- 3.13.2 A detailed analysis of the audited accounts of DVC for FY 2014-17 reveals that the actual incomes earned by DVC are far in excess of what it has applied for reduction in the yearly ARR submitted in the current petition (DVC has claimed only the delayed/late payment surcharge under Non-tariff income and has not considered other income items for arriving at the final ARR).
- 3.13.3 It is pointed out that even in case of other Licensees, such as WBSEDCL, CESC, in the State of West Bengal the Commission (WBERC) has considered the entire 'other income' for reduction in the ARR.
- 3.13.4 DVC's contention that only DPS is liable to be treated as NTI because its entire capital expenditure is accounted for in its generation and transmission activity is incorrect, baseless and, therefore, denied.
- 3.13.5 Under the WBERC Tariff Regulations 2011, NTI has to be assessed in accordance with Regulation 1.2 (lxxi) and there is, admittedly, no provision which allows a utility to segregate different heads of NTI on the basis of the capital expenditure attributed to a particular activity.



- 3.13.6 It is submitted that the explanation given by DVC in respect of various heads of NTI is required to be examined by the Commission in accordance with the applicable Tariff Regulations, 2011.

View of the Commission:

The Commission has noted the contentions of DVPCA. The issue is dealt in para 4.19 of Chapter-4.

- 3.14 It is submitted that the interest on working capital has to be determined in accordance with the applicable provisions of the Tariff Regulations. Since, the actual power purchase allowable to Petitioner would reduce in terms of the justifications/explanations provided, the allowable working capital shall also undergo change.
- 3.14.1 Further, the rate of interest for computation of interest on working capital is to be considered in terms of regulation 5.6.5.2 of the Tariff Regulations. The interest on working capital has been worked out at the prevailing State Bank of India (SBI) Prime Lending Rate (PLR) as on April 1st of the year preceding the year for which tariff is proposed to be determined or actual rate of borrowing whichever is less.
- 3.14.2 In terms of the provisions of the Tariff Regulations the amount of interest on working capital comes to Rs. 13.51 crores, 10.41 crores and 10.79 crores for the years 2014-15, 2015-16 and 2016-17 respectively.
- 3.14.3 It is prayed that the Commission may approve the interest on working capital as per the Objector's assessment.

View of the Commission:

The Commission has noted the suggestion. The Commission has considered applicable interest rate as per provision in the regulation on the admitted working



capital requirement on the admitted tariff elements of distribution activity of DVC in West Bengal. The issues have been dealt with justifications in para 4.7 of Chapter – 4.

- 3.15 DVC has claimed revenue from sale of power to licensees, viz. WBSEDCL and IPCL at a reduced rate consequent upon the order of the Commission issued in cases no. OA-272/ 18-19 and OA-273/ 18-19 and proceeded to claim the balance from command area consumers.
- 3.15.1 It is submitted that the shortfall in recovery from WBSEDCL and IPCL cannot be recovered from command area consumers. The segregation of ARR recovered from WBSEDCL & IPCL, and recovery of the balance ARR from command area consumers has resulted in a situation where any under-recovery of cost of supply/tariff from WBSEDCL & IPCL is being loaded on to command area consumers. This is akin to DVC's consumers cross-subsidizing the consumers of WBSEDCL and IPCL. Furthermore, under-recovery of any revenues for supply to WBSEDCL and IPCL was liable to be borne by DVC alone in terms of regulation 2.1.10 of the Tariff Regulations.
- 3.15.2 It is prayed that the Commission may reconsider its judgement in Cases No. OA-272/ 18-19 and OA-273/ 18-19 and undertake comprehensive cost reflective tariff determination exercise by including the supply of power by DVC to WBSEDCL and IPCL. The Commission may treat the supply to WBSEDCL and IPCL at par with supply to consumers, due to which the ARR allocated to consumers would become significantly lower.

View of the Commission

The Commission has noted the suggestion. The issue has been dealt with justifications in para 5.3 of Chapter – 5.



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- 3.16 Clause 5.15(2)(iv) and 5.15(2)(vii) of the Tariff Regulations provide for sharing of gains or losses between the Distribution Licensee and the Consumers on Revenue Accounts. It is submitted that DVC has not submitted a statement of sharing of gains or losses, in accordance to the aforementioned provisos.
- 3.16.1 It is prayed that the Commission may direct DVC to submit a statement of sharing of gains or losses and accordingly grant the benefit of the same to the consumers.

View of the Commission

The Commission has not considered the energy for sale to others and cost thereof in the input cost calculation for distribution activity for consumers and licensee in radial mode in West Bengal part of DVC command area. Thus, sharing of gain from such activities with consumers does not arise.



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CHAPTER – 4**OWN GENERATION AND T&D COST AND POWER PURCHASE COST**

4.1 The True-up orders or tariff orders, as the case may be, of T&D network and DVC's own generating stations passed by CERC for the period 2014 – 15 to 2016 – 17 are utilized for arriving DVC's own generating stations and T&D network cost for this period.

4.2 Energy sales by DVC and energy balance:

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

4.3 Energy sales

4.3.1 The following table depicts the sales (MU) as made by the petitioner for the command area of DVC in West Bengal for the period 2014 – 15 to 2016 – 17 vis-à-vis total sale in DVC command area. The Commission approves the actual energy sales as submitted by the Petitioner for FY 2014-15 to FY 2016-17 after prudence check.

(MU)

Sl. No.	Particulars	14-15	15-16	16 - 17
1	Sale to consumers in WB other than Licensee	5983.83	6392.74	7155.42
2	Sale to Licensee - IPCL in radial mode	728.99	641.91	229.40
3	Sale to Licensee - WBSEDCL in radial mode	270.33	214.15	375.95
4	Total Annual Sale in WB area [1+2+3]	6983.15	7248.80	7760.77
5	Energy sales by DVC in Jharkhand area	9815.15	10237.62	10361.15
6	Total annual sale of DVC in their command area in the State of West Bengal and Jharkhand [4+5]	16798.30	17486.42	18121.92
7	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	41.571	41.454	42.825



4.3.2 Total energy utilization in West Bengal as admitted by the Commission is as follows:

(MU)

Sl. No	Particulars	Unit	Admitted		
			14-15	15-16	16 - 17
1	Energy sale in West Bengal area	MU	6983.15	7248.80	7760.77
2	Energy sale within DVC Area	MU	16798.30	17486.42	18121.92
3	Energy Wheeled	MU	279.00	206.00	272.00
4	Units utilized in own premises including Construction Power	MU	97.00	107.00	104.00
5	Overall Utilization (2+3+4)	MU	17174.30	17799.42	18497.92
6	Proportionate utilization in West Bengal (5 x 1 / 2)	MU	7139.46	7378.55	7921.79

4.4 Sources of energy

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

4.4.2 Generation of Power from own power stations

4.4.2.1 The quantum of ex-bus energy in MU, as submitted by the petitioner during the period and admitted by the Commission, is summarized below:

(MU)

Name of the generating station	14 – 15	15 – 16	16 – 17
BTPS 'B'	1438.87	1634.27	1272.53



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Name of the generating station	14 – 15	15 – 16	16 – 17
CTPS U#1-3	1561.71	1993.28	1705.26
DTPS U# 3&4	1153.65	790.02	518.24
MTPS U#1 to 3	2063.36	1914.16	2078.56
MTPS U# 4	251.35	339.10	306.80
HYDEL	274.28	185.60	267.81
MTPS U# 5 & 6	3207.11	2872.57	3330.97
MTPS U# 7 & 8	5110.98	5882.55	6189.11
CTPS U# 7 & 8	2926.34	2592.60	3401.09
DSTPS U # 1 & 2	3633.40	4179.27	6327.28
KTPS U# 1 & 2	1679.99	3128.29	3579.80
BTPS 'A'	0.00	0.00	191.56
RTPS U # 1&2	0.00	0.00	1831.84
KTPS U # 2 (INFIRM)	26.99	0.00	0.00
BTPS 'A' (INFIRM)	0.00	0.28	122.77
RTPS U # 1 & 2 (INFIRM)	35.14	354.41	0.00
TOTAL	23363.17	25866.40	31123.62

4.4.2.2 The net sent out energy in MU available for supply to the consumers in command area in West Bengal in different years under the period has been considered by the Commission as follows:

Admitted share of net generation from own generating stations for supply in command area in West Bengal for FY 2014 – 15

(MU)

Sl. No	Name of the generating station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
[1]	[2]	[3]	[4]	[5] = [4] / [3]	[6]	[(7) = (4)x(6)/100]
1	BTPS 'B'	1438.87	1267.88	88.12%	41.571	527.07
2	CTPS U#1-3	1561.71	1455.86	93.22%	41.571	605.21



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Sl. No	Name of the generating station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
3	DTPS U# 3&4	1153.65	1058.66	91.77%	41.571	440.09
4	MTPS U#1 to 3	2063.36	1892.36	91.71%	41.571	786.66
5	MTPS U# 4	251.35	194.35	77.32%	41.571	80.79
6	HYDEL	274.28	234.33	85.43%	41.571	97.41
7	MTPS U# 5 & 6	3207.11	1460.54	45.54%	41.571	607.15
8	MTPS U# 7 & 8	5110.98	2745.71	53.72%	41.571	1141.41
9	CTPS U# 7 & 8	2926.34	708.73	24.22%	41.571	294.62
10	DSTPS U # 1 & 2	3633.40	2169.72	59.72%	41.571	901.97
11	KTPS U# 1	373.52	291.59	78.07%	41.571	121.22
12	KTPS U# 2	1306.47	1168.72	89.46%	41.571	485.84
13	KTPS U # 2 (Infirm)	26.99	26.99	100.00%	41.571	11.22
14	RTPS U # 1 (Infirm)	35.14	35.14	100.00%	41.571	14.61
15	TOTAL	23363.17	14710.58			6115.27

Admitted share of net generation from own generating stations for supply in
command area in West Bengal for FY 2015 – 16

(MU)

Sl. No.	Name of the generating station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
[1]	[2]	[3]	[4]	[5] = [4] / [3]	[6]	[(7) = (4)x(6)/100]
1	BTPS 'B'	1634.27	1457.95	89.21%	41.454	604.38
2	CTPS U#1-3	1993.28	1784.01	89.50%	41.454	739.54
3	DTPS U# 4	790.02	683.20	86.48%	41.454	283.21
4	MTPS U#1 to 3	1914.16	1647.47	86.07%	41.454	682.94



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Sl. No.	Name of the generating station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
5	MTPS U# 4	339.10	319.87	94.33%	41.454	132.60
6	HYDEL	185.60	169.93	91.56%	41.454	70.44
7	MTPS U# 5 & 6	2872.57	844.18	29.39%	41.454	349.95
8	MTPS U# 7 & 8	5882.55	2943.27	50.03%	41.454	1220.10
9	CTPS U# 7 & 8	2592.60	86.65	3.34%	41.454	35.92
10	DSTPS U # 1 & 2	4179.27	2590.72	61.99%	41.454	1073.95
11	KTPS U# 1 & 2	3128.29	2659.94	85.03%	41.454	1102.65
12	BTPS 'A' (INFIRM)	0.28	0.28	100.00%	41.454	0.12
13	RTPS U # 1&2 (INFIRM)	354.41	354.41	100.00%	41.454	146.92
14	TOTAL	25866.40	15541.88			6442.72

Admitted share of net generation from own generating stations for supply in
command area in West Bengal for FY 2016 – 17

(MU)

Sl. No.	Name of the generating Station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
[1]	[2]	[3]	[4]	[5] = [4] / [3]	[6]	[(7) = (4)x(6)/100]
1	BTPS 'B'	1272.53	1272.53	100.00%	42.825	544.97
2	CTPS U#1-3	1705.26	1705.26	100.00%	42.825	730.28
3	DTPS U# 4	518.24	518.24	100.00%	42.825	221.94
4	MTPS U#1 to 3	2078.56	2078.56	100.00%	42.825	890.15
5	MTPS U# 4	306.80	306.80	100.00%	42.825	131.39
6	HYDEL	267.81	267.81	100.00%	42.825	114.69



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Sl. No.	Name of the generating Station	Ex- bus Energy	Share of Energy for sale to consumers of DVC	% share of generation for own consumers	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(MU)	(%)	(%)	(MU)
7	MTPS U# 5 & 6	3330.97	1594.06	47.86%	42.825	682.66
8	MTPS U# 7 & 8	6189.11	1925.04	31.10%	42.825	824.40
9	CTPS U# 7 & 8	3401.09	379.59	11.16%	42.825	162.56
10	DSTPS U # 1 & 2	6327.28	4147.16	65.54%	42.825	1776.03
11	KTPS U# 1 & 2	3579.80	1293.83	36.14%	42.825	554.09
12	BTPS 'A'	191.56	191.56	100.00%	42.825	82.04
13	RTPS U # 1&2	1831.84	951.98	51.97%	42.825	407.69
14	BTPS 'A' (INFIRM)	122.77	122.77	100.00%	42.825	52.58
15	TOTAL	31123.62	16755.19			7175.47

4.4.3 Power Purchase from CSGS and renewable energy sources

4.4.3.1 After meeting the energy requirement as earmarked above from own generating stations of DVC for supply to consumers in the West Bengal command area, the balance energy is catered through the power purchase from the CSGS and other sources including renewable energy during the period of FY 2014 – 15 to FY 2016 – 17. The energy purchased by the petitioner from different sources has been apportioned for the balance requirement of energy for sale to consumers in West Bengal in the ratio of actual sale of energy in West Bengal area to the total sale of DVC during the respective years.

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

Agency	2014 – 15			2015 – 16			2016 – 17		
	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase
NHPC	MU	MU	MU	MU	MU	MU	MU	MU	MU
Rangit	31.02	0.53	30.49	33.29	0.52	32.77	32.64	0.51	32.13



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Agency	2014 – 15			2015 – 16			2016 – 17		
	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase
Teesta	217.48	4.36	213.12	225.32	4.61	220.71	231.41	5.10	226.31
NTPC									
Talcher STPS-I	59.77	1.38	58.39	59.27	1.50	57.77	49.44	1.18	48.26
Farakka -I&II	70.71	1.45	69.26	67.91	1.33	66.58	67.02	1.31	65.71
Farakka -III	225.47	4.65	220.82	214.66	4.27	210.39	249.08	4.82	244.26
KHTPS - I	33.94	0.70	33.24	32.30	0.68	31.62	30.46	0.63	29.83
KHTPS - II	68.83	1.41	67.42	71.39	1.53	69.86	61.80	1.26	60.54
NTPC Solar (Talcher, Unchhar)	21.39	0.00	21.39	23.70	0.00	23.70	27.89	0.00	27.89
NTPC VVNL Solar	32.69	1.31	31.38	34.19	1.38	32.81	34.69	1.39	33.30
PTC power from Bhutan									
Chukha (PTC)	168.90	3.40	165.50	185.96	3.49	182.47	213.11	4.62	208.49
Kurichu (PTC)	29.94	0.63	29.31	20.14	0.40	19.74	38.21	0.82	37.39
Tala (PTC)	181.61	3.68	177.93	181.40	3.30	178.10	183.24	3.98	179.26
MPL	1305.23	26.80	1278.43	1616.59	33.12	1583.47	915.45	18.45	897.00
WBSEDCL	135.65	0.00	135.65						
Total	2582.63	50.30	2532.33	2766.12	56.13	2709.99	2134.44	44.07	2090.37
Percentage of share for sale in West Bengal	41.571			41.454			42.825		
Share for sale in West Bengal	1052.70			1123.40			895.21		

4.4.4 Distribution Loss

The petitioner has claimed T&D loss to the tune of 3.03 %, 3.04% and 2.68% for the years 2014 – 2015, 2015 – 2016 and 2016 – 17 respectively and has prayed to allow actual composite T&D loss in place of only the Distribution loss as pointed out in para 2.6 and 2.7 of Chapter-2 of this order. DVC has prayed before this Commission to remove the difficulty being faced by DVC in this regard in terms of Regulations 8.2, 8.3 and 8.4 of WBERC (Terms and Conditions of Tariff) Regulations, 2011 and allow the actual composite T&D loss of DVC in place of only the Distribution loss for finalization of Energy Balance and ARR of DVC for the period under consideration. The Commission admits the distribution



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loss at 2.2% as per the norms specified in the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 for the respective year against the proportionate utilization of energy by the petitioner in their command area in West Bengal. Accordingly, the distribution loss, as admitted by the Commission, is shown in the following table.

(MU)

Particulars	Unit	Claimed			Admitted		
		14 – 15	15 – 16	16 – 17	14 – 15	15 – 16	16 – 17
Proportionate utilization in West Bengal [from table in para 4.3.2]	MU	7139.46	7378.55	7921.79	7139.46	7378.55	7921.79
T & D Loss (%) for West Bengal		3.03	3.04	2.68	2.2	2.2	2.2
T & D Loss (MU) for West Bengal	MU	223.23	230.90	218.41	160.60	165.98	178.20

4.4.5 Energy balance

On the basis of the analysis done in the foregoing paragraphs, the Commission admits the energy balance for supply to their command area in West Bengal for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 in below table. For the year 2014 – 2015, energy drawal through Unscheduled Interchanges (UI) is admitted by deducting proportionate own generation and proportionate purchase from Energy requirement for distribution business in West Bengal. However, for the years 2015 – 2016 and 2016 – 17 proportionate own generation and proportionate purchase are more than Energy requirement for distribution business in West Bengal, hence additional purchase of 129.37 MU and 96.60 MU are netted off from proportionate purchase.

Sl. No	Particulars	Unit	Admitted		
			14-15	15-16	16 - 17
A	Sales within West Bengal	MU	6983.15	7248.80	7760.77



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Sl. No	Particulars	Unit	Admitted		
			14-15	15-16	16 - 17
B	Sales within Jharkhand	MU	9815.15	10237.62	10361.15
C	Total Sales within DVC Area (A+B)	MU	16798.30	17486.42	18121.92
D	Energy Wheeled	MU	279.00	206.00	272.00
E	Units utilized in own premises including Construction Power	MU	97.00	107.00	104.00
F	Overall Utilization (C+D+E)	MU	17174.30	17799.42	18497.92
G	Proportionate utilization in West Bengal ($F \times A/C$)	MU	7139.46	7378.55	7921.79
H	T & D Loss (%) for West Bengal	%	2.2	2.2	2.2
I	T & D Loss (MU) for West Bengal [$(G/(1-H\%)-G)$]	MU	160.60	165.98	178.20
J	Energy Requirement for DVC for distribution business in West Bengal (G+I)	MU	7300.06	7544.53	8099.99
K	Total Energy receipt for Wheeling	MU	296.00	260.00	294.00
L	Proportionate Energy receipt for Wheeling for distribution business in West Bengal ($K \times A / C$)	MU	123.05	107.78	125.91
M	Energy requirement for DVC for distribution business in West Bengal from generation and power purchase (J - L)	MU	7177.01	7436.75	7974.08
N	Proportionate Generation available for sale within West Bengal [From para 4.4.2.2]	MU	6115.27	6442.72	7175.47
O	Additional Requirement beyond generation (M – N)	MU	1061.74	994.03	798.61
P	Proportionate Purchase for sale in West Bengal [from para 4.4.3]	MU	1052.70	1123.40	895.21
Q	Admissible energy drawal through UI (O – P)	MU	9.04		
R	Power Purchase through UI disallowed (P – O)	MU	-	129.37	96.60
S	Share of energy requirement in West Bengal against the total requirement of DVC [A / C]	%	41.571	41.454	42.825

4.5 Cost arising from own generation



- 4.5.1 DVC being a statutory body controlled by the Central Government as envisaged under Section 79(1)(a) of the Electricity Act, 2003, the tariff for generation of electricity is being decided by the CERC. Similarly, in view of its activities in respect of transmission and distribution of power extending in multi states, the inter-state transmission and distribution being an integrated activity, DVC is again regulated by the Central Electricity Regulatory Commission and tariff for composite T & D is being determined by the Central Commission in terms of Section 79(1)(c) and (d) of the Electricity Act, 2003. In regard to retail sale and supply of electricity, however, DVC is governed by the provisions of Section 62 read in conjunction with Section 86(1) of the Electricity Act, 2003 by the respective State Commissions in the States of West Bengal and Jharkhand.
- 4.5.2 Accordingly, the cost of generation and transmission of DVC, as determined by the Central Commission through trueing up orders, is taken as an input cost for determination of annual performance review (APR).
- 4.5.3 DVC in the instant petition had submitted the available Truing-up Orders of CERC leading to determination of the Fixed Cost of the transmission tariff for integrated transmission and distribution (T&D) system of DVC dated 02.03.2022 and 10.06.2022 for new and existing elements respectively. Further, they submitted that trueing up orders for power stations of DVC were yet to be issued by the Central Commission at the time of submission of the petition dated 14.07.2022 and prayed for considering issuance of APR orders based on their submission. However, the Commission has observed from the website of CERC that till 31.03.2023, trueing up orders have been issued by CERC for MTPS U#1-3, MTPS U#4, MTPS U#5&6, MHS, THS, PHS and third order of integrated T&D system of DVC for the period 2014 – 15 to 2018 – 19. The Commission finds it prudent to consider the input cost as per the True up orders for the period 2014 – 15 to 2018 – 19 issued by CERC upto 31.03.2023 for finalization of APR for the years 2014 – 15, 2015 – 16 and 2016 – 17. In respect of the other power stations



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of DVC for which trueing up order has not been issued by CERC till 31.03.2023, fixed costs as per MYT orders are considered. Therefore, the Commission considers Truing-up Orders in respect of MTPS U#1-3, MTPS U#4, MTPS U#5&6, MHS, THS and PHS in determination of proportionate fixed cost of the respective generating stations towards allocation to consumers and licensees in radial mode in West Bengal part. Trueing up orders issued by CERC for the period 2014 – 15 to 2018 – 19 in respect of integrated T&D system of DVC have been considered for allocation of fixed cost of T&D system. The list of orders of CERC considered by the Commission are as tabulated below:

Sl. No	Name of the generating Station	Installed Capacity (MW)	Date of CERC Orders	MYT / True up order
1	BTPS 'B'	630 MW (3 x 210 MW)	27.09.2016 and 19.05.2017	MYT
2	CTPS U#1-3	390 MW (3 x 130 MW)	23.9.2016	MYT
3	DTPS U# 3&4	350 MW (1 x 140 MW + 210MW)	20.7.2017	MYT
4	MTPS U#1 to 3	630 MW (3 x 210 MW)	17.02.2023	True up
5	MTPS U# 4	210 MW (1 x 210 MW)	30.11.2022, 27.01.2023	True up
6	MHS	63.2MW (2x20MW + 1x23.2 MW)	16.02.2023	True up
7	PHS	80MW (2 x 40MW)	28.02.2023	True up
8	THS	4MW (2 x 2MW)	16.03.2023	True up
9	MTPS U# 5 & 6	500 MW (2 x 250 MW)	14.03.2023	True up
10	MTPS U# 7 & 8	1000MW (2 x 500MW)	03.10.2016	MYT
11	CTPS U# 7 & 8	500 MW (2 x 250 MW)	17.2.2017	MYT
12	DSTPS U # 1 & 2	1000MW (2 x 500MW)	17.03.2017	MYT
13	KTPS U# 1 & 2	1000MW (2 x 500MW)	28.02.2017	MYT
14	BTPS 'A'	500MW (1 x 500MW)	30.05.2018	MYT
15	RTPS U # 1&2	1200MW (2 x 600MW)	28.9.2017	MYT
16	T&D		02.03.2022, 10.06.2022 (Corrigendum dated 23.07.2022)	True up

However, after issuance of True up orders by CERC in respect of BTPS 'B', CTPS U#1-3, DTPS U# 3&4, MTPS U# 7&8, CTPS U# 7&8, DSTPS U # 1&2,



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KTPS U# 1&2, BTPS 'A' and RTPS U # 1&2, DVC shall compute the adjustment amount, if any, based on respective truing up orders and submit the same along with the subsequent APR.

- 4.5.4 Actual running days, considering Date of commercial operation (COD) of new units as well as retirement of old units during the period, have been factored by DVC with the Annual Fixed Charge (AFC) for its own power stations for the respective years as determined by CERC for the period 2014 – 19 in the tariff Orders. The COD and retirement dates of units during the period are as follows:

Description	Date
COD for KTPS U # 2	14.06.2014
COD of BTPS 'A' U # 1	23.02.2017
Retirement of DTPS U # 3	10.03.2016
Retirement of CTPS U# 1	13.01.2017

Accordingly, the installed capacity (IC) of KTPS for first 74 days in the financial year 2014 – 15 (01.04.14 to 13.06.14) is considered 500 MW and 1000 MW thereafter. Installed capacity of DTPS U#3&4 is 350MW for first 344 days of 2015 – 16 (01.04.15 to 10.03.16) and 210 MW thereafter. Installed capacity of BTPS 'A' is 500 MW for last 37 days of 2016 – 17 (23.02.17 to 31.03.17). Installed capacity of CTPS U#1-3 is 390MW for first 287 days of 2016 – 17 (01.04.16 to 13.01.17) and 260 MW thereafter.

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



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(Rs lakh)

Name of the generating Station	2014 – 15		2015 – 16		2016 – 17	
	AFC in CERC Order	AFC factoring unit running days	AFC in CERC Order	AFC factoring unit running days	AFC in CERC Order	AFC factoring unit running days
BTPS 'B'	24342.36	24342.36	25508.24	25508.24	27338.06	27338.06
CTPS U#1-3 [*]	20349.62	20349.62	21382.13	21382.13	22434.48	20836.41
DTPS U# 3&4 [#]	16963.23	16963.23	18141.02	17704.84	18430.62	11058.37
MTPS U#1 to 3	31713.17	31713.17	33937.48	33937.48	34567.95	34567.95
MTPS U# 4	16706.91	16706.91	17255.45	17255.45	17485.67	17485.67
MHS	3208.86	3208.86	3354.93	3354.93	3523.51	3523.51
PHS	2338.76	2338.76	2506.98	2506.98	2611.58	2611.58
THS	792.66	792.66	842.92	842.92	877.51	877.51
MTPS U# 5 & 6	48818.59	48818.59	50209	50209.00	48768.52	48768.52
MTPS U# 7 & 8	111191.37	111191.37	108636.85	108636.85	106235.87	106235.87
CTPS U# 7 & 8	55986.48	55986.48	55216.14	55216.14	54467.83	54467.83
DSTPS U # 1 & 2	121631.19	121631.19	119270.98	119270.98	116104.88	116104.88
KTPS U# 1 & 2 [\$]	58205.15, 115165.65	103617.49	114877.21	114877.21	117669.11	117669.11
BTPS 'A' [^]	0.00	0.00	0.00	0.00	70955.72	7192.77
RTPS U # 1&2	0.00	0.00	0.00	0.00	138443.65	138443.65

Note:

[*] Rs 22434.48 lakh was approved by CERC for 3 x 130 MW CTPS U#1-3 for the year 2016 – 17. Due to retirement of CTPS U# 1 on 13.01.2017, installed capacity of CTPS U#1-3 is 390MW for first 287 days of 2016 – 17 (01.04.16 to 13.01.17) and 260 MW for rest 78 days. So, AFC factoring unit running days comes to = (Rs 22434.48 lakh/390 MW) x (390 MW x 287 + 260 MW x 78)/365=**Rs 20836.41 lakh**.

[#] Rs 18141.02 lakh and Rs 18430.62 lakh was approved by CERC for 350MW DTPS U#3&4 for the year 2015 – 16 and 2016 – 17 respectively. Due to retirement of U#3 (140MW) on 10.03.2016, installed capacity of DTPS U#3&4 is 350MW for first 344 days of 2015 – 16 (01.04.15 to 10.03.16) and 210 MW for rest 22 days of 2015 - 16. The installed capacity of DTPS U#3&4 remained 210MW throughout 2016 – 17. So, AFC factoring unit running days comes to (Rs 18141.02 lakh /350) x (350 x 344 + 210 x 22)/366=**Rs 17704.84 lakh** for 2015 – 16 and Rs 18430.62 lakh x 210 MW/350MW=**Rs 11058.37 lakh** for 2016 – 17.



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Name of the generating Station	2014 – 15		2015 – 16		2016 – 17	
	AFC in CERC Order	AFC factoring unit running days	AFC in CERC Order	AFC factoring unit running days	AFC in CERC Order	AFC factoring unit running days
<p>[\$] Rs 58205.15 lakh was approved by CERC for KTPS for the year 2014 – 15 from 01.04.14 to 13.06.14 and Rs 115165.65 lakh was approved for 14.06.14 to 31.03.15. COD of KTPS U#2 is 14.06.14. AFC considered for KTPS U#1&2 for 14 – 15 is $(58205.15 \text{ lakh} \times 74/365) + (115165.65 \text{ lakh} \times 291/365) = \mathbf{103617.49}$ lakh</p> <p>[^] Rs 70955.72 lakh was approved by CERC for BTPS 'A' for the year 2016 – 17. COD of BTPS 'A' is 23.02.2017. AFC considered for BTPS 'A' for 16 – 17 is $(70955.72 \text{ lakh} \times 37/365) = \mathbf{7192.77}$ lakh</p>						

4.5.6 The fixed cost claimed to be recovered for the own generating stations of DVC are guided by formula laid down in regulation 30 of CERC tariff regulations, 2014 and aforesaid tariff/True-up orders passed by CERC for the period 2014 -19 with Plant Availability Factor achieved during the year (PAFY) and Normative Annual Plant Availability Factor (NAPF).

4.5.7 DVC has claimed contribution to Sinking Fund without linking with the availability factor referring Section 40 of the DVC Act and para 23 to 26 of judgment dated 23.11.2007 of the Appellate Tribunal. The claim has been objected by DVPCA as detailed in para 3.5 of this Order.

DVC has also prayed to revise the APR based on decision of the Hon'ble Tribunal on the appeals filed by DVC against the tariff orders of CERC for different generating stations and T&D system for the period 2014-19 where the claim of DVC in respect of contribution to Pension & Gratuity fund (P&G fund), additional O&M expenditure etc. for the period FY 2014-19 has been disallowed.

4.5.8 The Commission has noted that CERC has determined the Annual Fixed Charge (AFC) for all the generating stations of DVC in the respective tariff orders/True-up



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orders of each generating station for the years 2014 – 15 to 2018 – 19. CERC in the said tariff orders/True-up orders has allowed Sinking Fund as part of AFC but disallowed the claim of DVC on the share of Pension & Gratuity (P&G) fund stating that these expenses may be met through the normative O&M expenses allowed to the generating station.

- 4.5.9 The Commission has further noted that DVC had contended the same issue before APTEL in Appeal No. 255 of 2014 (against the Order of Jharkhand State Electricity Regulatory Commission dated 04.09.2014 for the years FY 2013 – 14 to FY 2015 – 16), which was decided by APTEL vide its judgement dated 23.3.2016. APTEL, in the said Order, is in agreement with the view of the State Commission of Jharkhand that the contribution to Pension and Gratuity and Sinking fund has already considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as normative plant availability factor.
- 4.5.10 The Commission in the Tariff Order dated 25.05.2015 for the years 2014 – 15 to 2016 – 17, has accordingly admitted contribution to sinking fund, where it was linked with the Plant Availability Factor achieved during the year (PAFY).
- 4.5.11 The Commission has noted that the CERC in its True-up orders for the period 2014 – 15 to 2018 – 19 has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. As per Section 21 and 30 of the CERC Tariff Regulations, 2014 the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of DVC to recover contribution to Sinking Fund as allowed by CERC in AFC in full without factoring



the availability of the Generating stations is not correct and denied in the instant order. However, the petitioner has liberty to approach the Commission if CERC issues any order based on the decision of the Hon'ble Tribunal on the appeals filed by DVC.

4.5.12 The Commission has observed that CERC in the Trueing-up orders for thermal generating stations of DVC, has allowed the Ash Disposal Expenses to be recovered from beneficiaries based on the MOEF&CC notification as a separate item not making a part of the O&M expenses and the consequent annual fixed charges being determined in the said Trueing-up orders under the 2014 Tariff Regulations. Accordingly, apart from AFC, the Commission considers Ash Disposal Expenses approved by CERC beyond O&M expenses to be separately recoverable by DVC as per the respective Trueing-up orders of the Central Commission in respect of thermal generating stations of DVC.

4.5.13 The Commission in the instant order has considered the AFC as determined by CERC for the respective generating stations as input cost with due factoring of commercial running. Accordingly, the Commission allows the recovery of fixed cost against each generating station as per AFC determined by CERC (Col-5 of following tables) for the respective generating station based on the actual yearly Plant Availability Factor (PAFY) of each generating station (Col-4 of following tables) against normative PAF (NAPF) as per CERC Tariff Regulations 2014 – 19 (Col-3 of following tables) and share for the firm consumers in West Bengal (Col-6&7 of following tables). The admitted fixed charge of cost of own generation (Col-10 of following tables) for the years 2014 – 15, 2015 – 16 and 2016 – 17 for sale to firm consumers and other licensee in radial mode in West Bengal and Jharkhand command area of DVC is as follows.

**Fixed charges of own generating stations of DVC for sale to consumers
including other licensees for the year 2014 – 15**



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Sl. No.	Generating Station	Normative PAF	Actual PAF	AFC factoring unit running days (Rs Lakh)	Ex- bus Energy (MU)	Share of Energy for sale to consumers of DVC (MU)	Recoverable Fixed Charge as per CERC formula (Rs Lakh)	Ash Disposal Expense	Recoverable AFC for consumers of DVC (Rs Lakh)
[1]	[2]	[3]	[4]	[5]	[6]	[7]	$8=\text{MIN}(5,5 \times 4/3)$	9	$10=(8+9) \times (7/6)$
1	BTPS 'B'	75	58.09	24342.36	1438.87	1267.88	18853.97		16613.43
2	CTPS U#1-3	75	55.21	20349.62	1561.71	1455.86	14980.03		13964.71
3	DTPS U# 3&4	74	64.25	16963.23	1153.65	1058.66	14728.21		13515.51
4	MTPS U#1 to 3	83	67.48	31713.17	2063.36	1892.36	25783.19	0.00	23646.42
5	MTPS U# 4	83	64.48	16706.91	251.35	194.35	12979.05	0.00	10035.72
6	HYDEL	80	80.00	6340.28	274.28	234.33	6340.28		5416.79
7	MTPS U# 5 & 6	83	89.76	48818.59	3207.11	1460.54	48818.59	0.00	22232.32
8	MTPS U# 7 & 8	83	69.56	111191.37	5110.98	2745.71	93186.41		50061.41
9	CTPS U# 7 & 8	85	77.86	55986.48	2926.34	708.73	51283.62		12420.37
10	DSTPS U # 1 & 2	83	57.02	121631.19	3633.40	2169.72	83559.16		49898.16
11	KTPS U# 1 & 2	83	25.68	103617.49	1679.99	1460.31	32059.00		27866.88
	TOTAL								245671.72

Fixed charges of own generating stations of DVC for sale to consumers including other licensees for the year 2015 – 16

Sl. No.	Generating Station	Normative PAF	Actual PAF	AFC factoring unit running days (Rs Lakh)	Ex- bus Energy (MU)	Share of Energy for sale to consumers of DVC (MU)	Recoverable Fixed Charge as per CERC formula (Rs Lakh)	Ash Disposal Expense	Recoverable AFC for consumers of DVC (Rs Lakh)
[1]	[2]	[3]	[4]	[5]	[6]	[7]	$8=\text{MIN}(5,5 \times 4/3)$	9	$10=(8+9) \times (7/6)$
1	BTPS 'B'	75	60.16	25508.24	1634.27	1457.95	20461.01		18253.49
2	CTPS U#1-3	75	79.73	21382.13	1993.28	1784.01	21382.13		19137.27
3	DTPS U# 3&4	74	61.77	17704.84	790.02	683.20	14778.76		12780.49
4	MTPS U#1 to 3	83	62.04	33937.48	1914.16	1647.47	25367.24	497.90	22261.49
5	MTPS U# 4	83	60.76	17255.45	339.10	319.87	12631.82	89.28	11999.70
6	HYDEL	80	80.00	6704.83	185.60	169.93	6704.83		6138.75
7	MTPS U# 5 & 6	83	82.44	50209.00	2872.57	844.18	49870.24	722.50	14868.00
8	MTPS U# 7 & 8	83	80.29	108636.85	5882.55	2943.27	105089.79		52580.54
9	CTPS U# 7 & 8	85	70.24	55216.14	2592.60	86.65	45628.02		1524.98
10	DSTPS U # 1 & 2	83	58.10	119270.98	4179.27	2590.72	83489.69		51755.07
11	KTPS U# 1 & 2	83	40.35	114877.21	3128.29	2659.94	55846.93		47485.84
	TOTAL								258785.62

Fixed charges of own generating stations of DVC for sale to consumers including other licensees for the year 2016 – 17



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Sl. No.	Generating Station	Normative PAF	Actual PAF	AFC factoring unit running days (Rs Lakh)	Ex- bus Energy (MU)	Share of Energy for sale to consumers of DVC (MU)	Recoverable Fixed Charge as per CERC formula (Rs Lakh)	Ash Disposal Expense	Recoverable AFC for consumers of DVC (Rs Lakh)
[1]	[2]	[3]	[4]	[5]	[6]	[7]	8=MIN(5,5x4/3)	9	10=(8+9)x(7/6)
1	BTPS 'B'	75	78.09	27338.06	1272.53	1272.53	27338.06		27338.06
2	CTPS U#1-3	75	78.08	20836.41	1705.26	1705.26	20836.41		20836.41
3	DTPS U# 3&4	74	52.86	11058.37	518.24	518.24	7899.26		7899.26
4	MTPS U#1 to 3	83	90.08	34567.95	2078.56	2078.56	34567.95	1947.02	36514.97
5	MTPS U# 4	83	96.46	17485.67	306.80	306.80	17485.67	291.57	17777.24
6	HYDEL	80	80.00	7012.60	267.81	267.81	7012.60		7012.60
7	MTPS U# 5 & 6	83	94.16	48768.52	3330.97	1594.06	48768.52	3027.51	24787.37
8	MTPS U# 7 & 8	83	86.46	106235.87	6189.11	1925.04	106235.87		33043.25
9	CTPS U# 7 & 8	85	91.87	54467.83	3401.09	379.59	54467.83		6079.06
10	DSTPS U # 1 & 2	83	90.60	116104.88	6327.28	4147.16	116104.88		76099.92
11	KTPS U# 1 & 2	83	49.91	117669.11	3579.80	1293.83	70757.41		25573.51
12	BTPS 'A'	83	64.32	7192.77	191.56	191.56	5573.96		5573.96
13	RTPS U # 1&2	83	21.87	138443.65	1831.84	951.98	36479.07		18957.63
	TOTAL			707181.69					307493.24

4.5.14 DVC has submitted the station wise monthly energy charge rate (ECR) for the years 2014 – 2015 to 2016 – 2017 for their generating stations based on the actual fuel cost including the primary fuel (coal) and secondary fuel (oil) and the formula prescribed in the Regulation 30(5) and 30(6) of the Tariff Regulation, 2014 of CERC and the normative parameters set in the regulation. In this respect, a statement showing the station wise monthly ECR duly certified by a chartered accountant firm (Auditor) has been submitted with the petition. DVC has further submitted yearly ECR of own generating stations for the years 2014 – 2015 to 2016 – 2017 with Auditor's certificate vide letter dated 09.01.2023 in response to the letter of the Commission dated 07.12.2022.

4.5.15 The Commission admits the ECR and cost thereof for firm power from generating stations of DVC for all the years of 2014 – 15, 2015 – 16 and 2016 – 17. However, the Commission disallows cost of infirm power since the same is already adjusted by CERC in project cost approval. The admitted energy charge of own generation for the years 2014 – 15, 2015 – 16 and 2016 – 17 for sale to



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firm consumers and other licensee in radial mode in West Bengal and Jharkhand command area of DVC is as follows:

Energy charges of own generating stations of DVC for sale to consumers including other licensees for the year 2014 – 15

Name of the generating Station	Claim			Admitted		
	Share of Energy for sale to consumers of DVC (MU)	Energy Charge Rate (P/kwh)	Energy Charge (Rs Lakh)	Share of Energy for sale to consumers of DVC (MU)	Energy Charge Rate (P/kwh)	Energy Charge (Rs Lakh)
1	2	3	4	5	6	7=5 x 6
BTPS 'B'	1267.88	204.70	25953.45	1267.88	204.70	25953.50
CTPS U#1-3	1455.86	286.90	41768.55	1455.86	286.90	41768.62
DTPS U# 3&4	1058.66	287.10	30394.08	1058.66	287.10	30394.13
MTPS U#1 to 3	1892.36	235.40	44546.19	1892.36	235.40	44546.15
MTPS U# 4	194.35	249.20	4843.16	194.35	249.20	4843.20
HYDEL	234.33	0.00	0.00	234.33	0.00	0.00
MTPS U# 5 & 6	1460.54	232.50	33957.50	1460.54	232.50	33957.56
MTPS U# 7 & 8	2745.71	228.40	62711.95	2745.71	228.40	62712.02
CTPS U# 7 & 8	708.73	204.80	14514.70	708.73	204.80	14514.79
DSTPS U # 1 & 2	2169.72	215.70	46800.89	2169.72	215.70	46800.86
KTPS U# 1	291.59	204.90	5974.77	291.59	204.90	5974.68
KTPS U# 2	1168.72	199.80	23351.08	1168.72	199.80	23351.03
KTPS U # 2 (Infirm)	26.99	199.80	539.17	26.99	0.00	0.00
RTPS U # 1 (Infirm)	35.14	221.72	779.19	35.14	0.00	0.00
TOTAL			336134.68			334816.54

Energy charges of own generating stations of DVC for sale to consumers including other licensees for the year 2015 – 16

Name of the	Claim	Admitted
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generating Station	Share of Energy for sale to consumers of DVC (MU)	Energy Charge Rate (P/kwh)	Energy Charge (Rs Lakh)	Share of Energy for sale to consumers of DVC (MU)	Energy Charge Rate (P/kwh)	Energy Charge (Rs Lakh)
1	2	3	4	5	6	7=5 x 6
BTPS 'B'	1457.95	244.96	35713.49	1457.95	244.96	35713.94
CTPS U#1-3	1784.01	276.14	49263.68	1784.01	276.14	49263.65
DTPS U# 4	683.20	318.55	21763.37	683.20	318.55	21763.34
MTPS U#1 to 3	1647.47	216.73	35706.10	1647.47	216.73	35705.62
MTPS U# 4	319.87	227.15	7266.09	319.87	227.15	7265.85
HYDEL	169.93	0.00	0.00	169.93	0.00	0.00
MTPS U# 5 & 6	844.18	217.11	18327.62	844.18	217.11	18327.99
MTPS U# 7 & 8	2943.27	208.56	61383.84	2943.27	208.56	61384.84
CTPS U# 7 & 8	86.65	223.98	1940.76	86.65	223.98	1940.79
DSTPS U # 1 & 2	2590.72	237.32	61483.93	2590.72	237.32	61482.97
KTPS U# 1 & 2	2659.94	211.66	56301.50	2659.94	211.66	56300.29
BTPS 'A' (INFIRM)	0.28	205.40	5.66	0.28	0.00	0.00
RTPS U # 1&2 (INFIRM)	354.41	201.50	7141.46	354.41	0.00	0.00
TOTAL			356297.49			349149.28

Energy charges of own generating stations of DVC for sale to consumers including other licensees for the year 2016 – 17

Name of the generating station	Claim			Admitted		
	Share of Energy for sale to consumers of DVC	Energy Charge	Energy Charge	Share of Energy for sale to consumers of DVC	Energy Charge	Energy Charge
	MU	P/kwh	Rs Lakh	(MU)	P/kwh	Rs Lakh
1	2	3	4	5	6	7=5 x 6
BTPS 'B'	1272.53	241.87	30778.01	1272.53	241.87	30778.68
CTPS U#1-3	1705.26	254.61	43417.95	1705.26	254.61	43417.62
DTPS U# 4	518.24	260.33	13491.33	518.24	260.33	13491.34
MTPS U#1 to 3	2078.56	234.00	48637.52	2078.56	234.00	48638.30
MTPS U# 4	306.80	233.41	7161.01	306.80	233.41	7161.02



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Name of the generating station	Claim			Admitted		
	Share of Energy for sale to consumers of DVC	Energy Charge	Energy Charge	Share of Energy for sale to consumers of DVC	Energy Charge	Energy Charge
HYDEL	267.81	0.00	0.00	267.81	0.00	0.00
MTPS U# 5 & 6	1594.06	221.89	35370.36	1594.06	221.89	35370.60
MTPS U# 7 & 8	1925.04	213.77	41152.41	1925.04	213.77	41151.58
CTPS U# 7 & 8	379.59	186.98	7097.41	379.59	186.98	7097.57
DSTPS U # 1 & 2	4147.16	224.21	92983.79	4147.16	224.21	92983.47
KTPS U# 1 & 2	1293.83	211.00	27300.31	1293.83	211.00	27299.81
BTPS 'A'	191.56	198.50	3802.52	191.56	198.50	3802.47
RTPS U # 1&2	951.98	211.95	20177.23	951.98	211.95	20177.22
BTPS 'A' (INFIRM)	122.77	198.50	2437.00	122.77	0.00	0.00
TOTAL			373806.85			371369.68

4.5.16 The station wise fixed charge, energy charge of different power stations of DVC in respective years of the control period on the basis of availability and percentage utilization by the consumers and other licensee in radial mode in command area of West Bengal calculated on the basis of sales ratio of West Bengal to the total sales of DVC in their command area in West Bengal and Jharkhand as shown in preceding paragraphs have been summarized below:

(Rs lakh)

Year	Energy Charge for sale to consumers of DVC	AFC for sale to consumers of DVC	Total Cost of Generation	Sale in West Bengal command area	Sale in DVC command area	Cost of generation for share to consumers in West Bengal
[1]	[2]	[3]	[4] = [2] + [3]	[5]	[6]	[7] = [4] x [5]/[6]
2014 - 15	334816.54	245671.72	580488.26	6983.15	16798.30	241312.31
2015 - 16	349149.28	258785.62	607934.90	7248.80	17486.42	252012.62



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Year	Energy Charge for sale to consumers of DVC	AFC for sale to consumers of DVC	Total Cost of Generation	Sale in West Bengal command area	Sale in DVC command area	Cost of generation for share to consumers in West Bengal
2016 - 17	371369.68	307493.24	678862.92	7760.77	18121.92	290725.21

4.5.17 Thus, the claim of DVC vis-à-vis admission by the Commission of cost of own generation for sale to consumers and other licensee in radial mode in West Bengal command area of DVC is as follows:

(Rs lakh)

Claim			Admitted		
14-15	15-16	16-17	14-15	15-16	16-17
242811.07	254611.47	289558.97	241312.31	252012.62	290725.21

4.5.18 Incentive from CTPS U#7&8

DVC has also claimed incentive for CTPS U#7&8 since it had achieved Annual Plant Load Factor (PLAF) of 85.33% in the financial year 2016 – 17. As per provision in regulation 30 (4) of Terms and Regulation of Tariff, 2014 issued by CERC, incentive is claimed at the flat rate of 50 Paise per Kwh of Ex-Bus energy in excess of Normative Annual Plant Load Factor (NAPLF) as specified in the regulation.

The Commission admits incentive for CTPS U#7&8 for the year 2016 – 17 in terms of provision in regulation 30 (4) of CERC Tariff Regulation, 2014 as an input cost for sale to consumers and other licensee in radial mode in West Bengal command area of DVC as follows:

Sl. No.	Description	Derivation	Unit	Claim	Admitted
A	Ex-Bus Generation in FY 16-17		MU	3401.09	3401.09
B	Normative Generation	$(500 \text{ MW} \times 0.91 \times 24 \times)$	MU	3985.80	3985.80



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Sl. No.	Description	Derivation	Unit	Claim	Admitted
		$365 \times 1000 / 10^6$			
C	Achieved PLF	A / B	%	85.33%	85.33%
D	Normative PLF		%	85.00%	85.00%
E	Generation i.r.o Normative PLF	$0.85 \times B$	MU	3387.93	3387.93
F	Excess generation over Normative PLF generation	A - E	MU	13.16	13.16
G	Incentive for generation over normative PLF (@50 paise/Kwh)	$F \times 0.50 \times 10$	Rs. Lakhs	65.80	65.80
H	Energy utilised for distribution activity form CTPS	from table under para 4.4.2.2	MU	379.59	379.59
I	Incentive to be recovered from Firm consumers	$G \times H/A$	Rs. Lakhs	7.34	7.34
J	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)		%	42.825	42.825
K	Share for above in West Bengal Area	$I \times J$	Rs. Lakhs	3.14	3.14

4.5.19 The Commission admits the balance energy requirement from power purchase from other agencies on the basis of merit order considering normative distribution loss and cost thereof in subsequent paragraphs.

4.6 Purchase cost from CSGS and Renewable Sources for sale to consumers in the command area in West Bengal

4.6.1 The Commission has considered the power purchase costs from CSGS, PTC, MPL, Renewable Energy (RE) Sources, Regional Energy Certificate (REC) etc as well as transmission and other incidental charges related to power purchase viz Transmission charge to CTU for availing the transmission corridor (POC charges), POSOCO charges, ULDC charge, RLDC/SLDC charge, and contribution to ERPC fund etc. for the years 2014 – 15 to 2016 – 17 for DVC



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command area in West Bengal and Jharkhand as per submission of the petitioner for all the years.

- 4.6.2 The breakup of source wise power purchase costs viz fixed charge, energy charge, related incidental charges like transmission charge etc as considered by the Commission for sale to consumers of DVC in the command area in West Bengal and Jharkhand are shown in Annexures 4A, 4B and 4C.
- 4.6.3 The Commission also considers the cost of Unscheduled Interchanges (UI) drawal during the period 2014 – 2015 at average rate of Unscheduled Interchanges (UI) drawal during the year on the admitted quantum of UI drawal in the energy balance. However, for the years 2015 – 2016 and 2016 – 17, there being purchase of power in excess of requirement over and above own generation as determined in Energy Balance, such purchase cost is disallowed at average power purchase cost excluding renewable sources.
- 4.6.4 For the year 2015 – 16, purchase of 129.37 MU is disallowed (Refer Para 4.4.5). The rate of power purchase cost excluding renewable sources is @415.56 paise/kwh. The corresponding non admissible power purchase cost comes to Rs 5376.10 lakh.
- 4.6.5 For the year 2016 – 17, purchase of 96.60 MU is disallowed (Refer Para 4.4.5). The rate of power purchase cost excluding renewable sources is @410.44 paise/kwh. The corresponding non admissible power purchase cost comes to Rs 3964.83 lakh.
- 4.6.6 However, in terms of regulation 2.8.6.1 of the Tariff Regulations, the disallowance on account of excess power purchase cost due to excess distribution loss over the norms in distribution loss will be limited to Return on Equity and net UI receivable amount subject to the following conditions:



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- (i) Net UI receivable amount = UI receivable amount over the year – UI payable amount over the year;
- (ii) Net UI receivable amount ≥ 0

4.6.7 DVC has submitted over the years amount of UI purchased and payable amount thereof, amount of UI sale and receivable amount thereof. The petitioner has also submitted with calculation that since the weightage average energy charge of DVC is more than average rate of UI sale there is no gain from the energy exported through UI mode as the revenue earned from such export is much lower than the cost of fuel used to generate such energy. However, the Commission does not consider fuel cost in determining 'UI receivable amount over the year' as below:

(Rs lakh)

Sl. No	Particulars	14 – 15	15 – 16	16 – 17
1	UI Payable for purchase	7940.46	1365.01	434.58
2	UI Receivable for sale	3847.85	3798.71	2806.28
3	Net UI receivable (2 – 1)	0	2433.70	2371.70
4	Net UI receivable for WB part of DVC (3x5/6)	0	1008.86	1015.69
5	Sale in WB command area of DVC	6983.15	7248.80	7760.77
6	Sale in WB & JH command area of DVC	16798.30	17486.42	18121.92

4.6.8 In CERC Order dated 10.06.2022 for true up of integrated T&D system of DVC for the years 2014 – 19, the Return on Equity (RoE) allowed for the years 2014 – 15, 2015 – 16 and 2016 – 17 are Rs 9041.97 lakh, Rs 9213.14 lakh and 9334.60 lakh respectively. Thus, the RoE to be considered for distribution activity and retail sale of DVC in the command area of West Bengal is determined as below:

(Rs lakh)

Sl. No	Particulars	14 – 15	15 – 16	16 – 17
1	Return on Equity (RoE) of T&D of DVC	9041.97	9213.14	9334.60
2	Above for WB part of DVC (1 x 3 / 4)	3758.80	3819.20	3997.57
3	Sale in WB command area of DVC	6983.15	7248.80	7760.77



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Sl. No	Particulars	14 – 15	15 – 16	16 – 17
4	Sale in WB & JH command area of DVC	16798.30	17486.42	18121.92

4.6.9 Therefore, in terms of regulation 2.8.6.1 of the Tariff Regulations, the disallowance on account of excess power purchase cost due to excess distribution loss over the norms in distribution loss will be limited to as below:

(Rs lakh)

Sl. No	Particulars	14 – 15	15 – 16	16 – 17
1	Net UI receivable for WB part of DVC	0	1008.86	1015.69
2	RoE of T&D of DVC for WB command area	3758.80	3819.20	3997.57
3	Limit of disallowance of power purchase cost (1+2)	3758.80	4828.06	5013.26

The limit of disallowance of power purchase cost determined above is utilized in Annexure – 4A, 4B and 4C.

4.6.10 DVC has stated that the solar power and Renewable Energy Certificates (RECs) are procured for supply of power in both the state, accordingly, the cost of renewable power purchase is segregated between the two state based on the respective renewable purchase obligation (RPO). The utility has claimed Rs 1145.35 lakh, Rs 1489.69 lakh and Rs 6988.22 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively for West Bengal command area of DVC. The claim is summarized below:

Particulars	Derivation	14 - 15	15 - 16	16 - 17
Net Solar energy purchased for DVC area in JH and WB (MU)	A	52.76	56.51	61.18
Cost of above (Rs Lakh)	B	5986.69	6193.96	6664.52
Ratio of Solar RPO requirement in WB area of DVC to Solar RPO requirement of DVC in JH and WB (%)	C	18.7642%	23.69%	20.65%
Share of above for WB as per RPO	D=B x C	1123.36	1467.19	1376.22
Solar REC purchased for DVC in JH and WB (Nos.)	E			24910.00



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Particulars	Derivation	14 - 15	15 - 16	16 - 17
Cost of above (Rs Lakh)	F			871.85
Solar REC purchased for WB part of DVC (Nos.)	G			5140.00
Cost of above (Rs Lakh)	H			179.90
Solar Non REC purchased for DVC in JH and WB (Nos.)	I	3332.00	3332.00	468360.00
Cost of above (Rs Lakh)	J	49.98	49.98	7025.40
Non Solar REC purchased for WB part of DVC (Nos.)	K	1466.00	1500.00	362140.00
Cost of above (Rs Lakh)	L	21.99	22.50	5432.10
Total cost of purchase for RPO for DVC area in JH and WB (Rs Lakh)	M=B+F+J	6036.67	6243.94	14561.77
Total cost of purchase for RPO for West Bengal area of DVC (Rs Lakh)	N=D+H+L	1145.35	1489.69	6988.22

4.6.11 The Commission observes that the total cost of purchase of renewable energy including REC for Renewable Purchase Obligation (RPO) in DVC command area in both states for the years 2014 – 15, 2015 – 16 and 2016 – 17 are Rs 6036.67 lakh, Rs 6243.94 lakh and Rs 14561.77 lakh respectively. The Commission finds it prudent to admit the cost of renewable energy (RE) purchase for the years 2014 – 15, 2015 – 16 and 2016 – 17 as per the RPO requirements stipulated by the respective Commissions and actual RPO compliance by the Petitioner. The Commission also admits costs of purchase of REC for West Bengal command area of DVC. Thus, the Commission admits the cost of purchase for renewable energy for West Bengal command area of DVC as claimed by the utility at Rs 1145.35 lakh, Rs 1489.69 lakh and Rs 6988.22 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively.

4.6.12 The power purchase cost from CSGS, MPL, PTC, Renewable Sources and cost of Unscheduled Interchanges (UI) drawal, as admitted by the Commission for sale to consumers of DVC in the command area in West Bengal are shown in Annexures 4A, 4B and 4C. The claim of DVC vis-à-vis the admission of the Commission for power purchase cost for sale to consumers in the command area in West Bengal is summarized below:



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(Rs lakh)

Claim			Admitted		
14-15	15-16	16-17	14-15	15-16	16-17
53513.84	44705.64	42841.51	50427.36	39311.75	38690.58

4.7 Interest on Working Capital:

- 4.7.1 DVC has claimed interest on working capital requirement on power purchase and other cost for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 at Rs. 1404.37 lakh, Rs. 1212.11 lakh and Rs 1152.07 lakh respectively.
- 4.7.2 DVC has stated that they did not claim MVCA during the years 2014-15, 2015-16 & 2016-17. Accordingly, as per the regulation 5.6.5.1 of Tariff Regulation – 2011, 18% rate for computation of working capital is considered by the petitioner.
- 4.7.3 In terms of regulations 5.6.5.1 of the Tariff Regulations, as amended, working capital requirement shall be assessed on normative basis @ 18% on the base amount derived by summation of annual fixed charges and fuel and power purchase cost reduced by the amount of depreciation, deferred revenue expenditure, return on equity and other non cash expenditures such as, the provision for bad-debt, reserve for unforeseen exigencies, special appropriation against any withheld amount of previous year, arrear on account of adjustment due to Annual Performance Review, FPPCA, etc. It is also provided in the said regulation that where Monthly Variable Cost Adjustment (MVCA) exists the interest on working capital requirement will be 10% instead of 18%.
- 4.7.4 The Commission has introduced MVCA for all the distribution licensees with effect from April, 2011 and the MYT order for the control period was issued on 25.05.2015. The Commission, thus, considers the working capital requirement @ 10% only.



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- 4.7.5 DVC has considered rate of interest at SBI Short Term PLR at 14.45%, 14.75% and 14.75% for the years 2014 – 15, 2015 – 16 and 2016 – 17.
- 4.7.6 The short-term PLR rate of State Bank of India as on 1st April of the year preceding the year for which tariff is proposed to be determined was 14.75% per annum as on 01.04.2014 and 01.04.2015. The Commission thus has considered normative Interest on working capital at the rate of 14.75 % for interest calculation for the years 2014 – 15 and 2015 – 16 as per regulation 5.6.5.1 of Tariff Regulations.
- 4.7.7 The yearly Marginal Cost of Lending Rates (MCLR) of the State Bank of India as on 1st April, 2016 was 9.20%. The Commission thus has considered normative Interest on working capital at the rate of 12.70 % (9.20 % + 3.50 %) for interest calculation for the year 2016 – 17 as per regulation 5.6.5.2 of Tariff Regulations and suo-motu order of the Commission dated April 6, 2022 in Case No SM-30/21-22.
- 4.7.8 Thus, taking in view of the above consideration, the Commission has admitted the above interest rate on Working Capital for the command area of West Bengal. The computations are as below:

(Rs lakh)

Sl. No	Particular	Admitted		
		14-15	15-16	16-17
1	Total Power purchase cost for WB part of DVC	50427.36	39311.75	38690.58
2	Water Cess on Generation for WB part of DVC	65.34	64.91	41.20
3	Interest on security deposit payable to West Bengal consumers	41.66	35.84	54.05
4	Diff petition filing fees to regulators and publication expenses for WB part of DVC	264.14	716.03	307.41
5	Cost of AMC charges for ULDC for WB part of DVC	24.99	34.03	20.62
6	Cost of AMC charges for AMR System for WB part of DVC	0.00	0.00	0.00



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Sl. No	Particular	Admitted		
		14-15	15-16	16-17
7	Cyber Security expenses for WB part of DVC	0.00	0.00	0.00
8	Legal Charges for WB part of DVC	42.97	29.41	39.63
9	Total [SUM (1:8)]	50866.46	40191.97	39153.49
10	Rate of Working Capital Requirement on power purchase cost Net off Bad debt write off	10.00%	10.00%	10.00%
11	Working Capital Requirement in West Bengal area (9 x 10)	5086.65	4019.20	3915.35
12	Rate of interest (%) [Refer para 4.7.6 and 4.7.7]	14.75	14.75	12.70
13	Interest on working capital (11 x 12)	750.28	592.83	497.25

4.8 Interest on Security Deposit to the consumers of West Bengal:

The Petitioner has claimed interest on the Security Deposit for the consumers of West Bengal at Rs 41.66 lakh, Rs 35.84 lakh and Rs 54.05 lakh for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively along with auditor's certificate. The Commission allows the above claim of the petitioner.

4.9 Different fees to CERC and WBERC and related publication expenses:

- 4.9.1 The petitioner has claimed regulatory petition filing fees and publication expenses along with auditor's certificate.
- 4.9.2 The Commission considers the different fees paid to WBERC and the publication expenses in total related to WBERC, as submitted by DVC, to the tune of Rs. 139.72 lakh, Rs. 523.70 lakh and Rs. 88.48 lakh for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively. The Commission has also considered the tariff filing fees to CERC and related publication expense on the basis of sales ratio of West Bengal to the total sales of DVC in their command area in West Bengal and Jharkhand to the tune of Rs.124.42 lakh, Rs.192.33 lakh and Rs. 218.93 lakh for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively. The admitted amount under this head is as follows:



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(Rs lakh)

Sl. No.	Item	14-15	15-16	16-17
1	Tariff filing fees for WBERC	56.81	35.42	37.99
2	Publication expenses for WBERC	46.85	454.04	13.57
3	Licensee Fee	36.06	34.24	36.92
4	Total fees paid to WBERC and publication expense related to WBERC (1+2+3)	139.72	523.70	88.48
5	Tariff filing fees to CERC & related publication expenses	299.30	463.95	511.21
6	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	41.57	41.45	42.83
7	Share for above in West Bengal Area (5 x 6)	124.42	192.33	218.93
8	Total fees paid to WBERC & CERC and publication fees as admitted by the Commission (4 + 7)	264.14	716.03	307.41

4.10 Transmission and Distribution expenses:

4.10.1 CERC has determined the tariff for integrated transmission and distribution activities of DVC for the period 2014 – 2015 to 2018 – 2019 vide their Trueing-up orders dated 02.03.2022 and 10.06.2022 (corrigendum dated 23.07.2022) for New and Existing Transmission and Distribution (T&D) System Network respectively. DVC has claimed fixed cost for T&D network in their APR petition based on the Trueing-up orders of CERC and availability of the T&D network in terms of CERC Tariff Regulation, 2014 and then proportionate cost for West Bengal consumers at Rs 31611.89 lakh, Rs 33131.32 lakh and Rs 35846.67 for the years 2014 – 2015, 2015 – 16 and 2016 – 17 respectively. However, DVC in the above claim has not linked availability factor of the T&D network for contribution to sinking fund.

4.10.2 DVC has not claimed any further expenditure on account of distribution systems. As per CERC order, the admitted expenditure on account of unified transmission and distribution systems of DVC for the years 2014 – 2015, 2015 – 2016 and



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2016 – 2017 are Rs. 76408.66 lakh, Rs. 79923.34 lakh and Rs. 83172.26 lakh respectively as follows:

(Rs lakh)

Particulars	14 – 15	15 – 16	16 – 17
True up AFC approved in T&D Order dt 10.06.22, 23.07.22	76401.70	78218.71	80544.15
AFC of Asset-I [CERC T&D Order dt 02.03.2022]		823.01	979.7
AFC of Asset-II [CERC T&D Order dt 02.03.2022]		769.84	1500.84
AFC of Asset-III [CERC T&D Order dt 02.03.2022]	4.16	71.38	73.92
AFC of Asset-IV [CERC T&D Order dt 02.03.2022]	2.80	40.40	73.65
Total	76408.66	79923.34	83172.26

4.10.3 The Commission has noted that (i) DVC has not claimed the tariff approved in CERC Order dated 28.02.2022 for 400 kV Transmission Lines carrying ISTS Power of Damodar Valley Corporation in Eastern Region (ii) CERC in para 215 of the order dated 10.06.2022 and para 212 of the order dated 02.03.2022 has directed that the charges of existing as well as new T&D System shall be included as an input cost, in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC. Relevant portion of the above mentioned para is reproduced below:

*“215. It is observed that the Petitioner has prayed for separate sharing methodology for 2014-19 and 2019-24 tariff periods. The Petitioner’s prayer for sharing of trued-up charges of 2014-19 tariff period is in line with the earlier orders dated 9.8.2019 in Petition No. 150/TT/2018 and dated 5.2.2020 in Petition No. 335/TT/2018 for 2014-19 tariff period, wherein **the Commission directed that the charges of existing as well as new T&D System (i.e. Non-ISTS system) shall be included as an input cost, in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC and shall not be included in the PoC charges as specified in the 2010 Sharing Regulations.**”*

Therefore, the Commission is of the view that as per CERC Trueing-up orders dated 02.03.2022 and 10.06.2022 for New and Existing elements of T&D system network respectively, charges of existing as well as new T&D System (i.e. Non-



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ISTS system) approved by CERC in these orders shall be included as an input cost, in the ARR and recovered from the distribution consumers on approval by WBERC and JSERC.

The Commission considers that amount to arrive at the admissible amount for sale to consumers in West Bengal area on the basis of admitted utilization of energy during the respective year. The Commission has considered applicable formula in regulation 33(2) of CERC Tariff Regulations, 2014 on the total approved AFC (including Sinking fund for T&D assets) for integrated T&D system of DVC based on Normative Annual Transmission System Availability Factor (NATAF) in regulation 38 of CERC Tariff Regulations, 2014 and actual availability for the years.

4.10.4 Such admitted amount for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 comes respectively as follows:

(Rs lakh)

Sl. No.	Particulars	14-15	15-16	16-17
1	Normative Annual Transmission System Availability Factor (NATAF)	98.00%	98.00%	98.50%
2	Actual Yearly Availability (TAFY)	97.52%	98.43%	99.15%
3	Total Annual Transmission charge (ATC) as per CERC True up Orders mentioned	76408.66	79923.34	83172.26
4	Recoverable fixed charge as per CERC formula: AFC x (TAFY/ NATAF) [#]	76034.41	79923.34	83721.11
5	Share of Sale in WB Command area of DVC (MU) [para 4.3.1]	6983.15	7248.80	7760.77
6	Sale in DVC Command area (MU) [para 4.3.1]	16798.30	17486.42	18121.92
7	T&D Cost in WB Command area of DVC (4 x 5 / 6)	31607.94	33131.33	35853.83
Note #: The Transmission charge (inclusive of incentive) payable for a calendar month for				



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Sl. No.	Particulars	14-15	15-16	16-17
	transmission system or part as per CERC Regulation 33(2):			
	a) For TAFY < 98%, Annual Tr. Charge=AFC x (TAFY/98%)			
	b) For 98%< TAFY < 98.5%, Annual Tr. Charge=AFC			
	c) For 98.5%< TAFY < 99.75%, Annual Tr. Charge=AFC x (TAFY/98.5%)			

4.11 Interest on Differential AFC:

4.11.1 DVC has claimed the interest cost for the differential AFC being the difference of the AFC allowed by CERC in the True-Up order and AFC considered by this Commission in the order dated 25.05.2015 in accordance with the Regulation 8 (13) of Terms and Condition of Tariff Regulation, 2014 of CERC. DVC has computed the interest until the date of issuance of the True-Up order by CERC from the end of respective years at simple interest rate of the bank rate as specified in the CERC regulation as of 1st April of the respective years. The interest rate considered by DVC was 13.50%, 13.50% and 13.35% for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively. The proportionate claims for West Bengal part of DVC for the years 2014 – 15, 2015 – 16 and 2016 – 17 are Rs 9960.37 lakh, Rs 9769.13 lakh and Rs 9336.37 lakh respectively. In the above-mentioned claim, DVC had considered Trueing-up order of unified T&D network which was only issued till submission of the instant petition.

DVC, however, has replied in letter dated 09.01.2023 that the applicable Bank rate for the year 2016 – 17 will be 12.80% (SBI rate of 9.30% as on 01.04.2016 + 3.50% as per CERC Tariff Regulations, 2014) instead of 13.35% claimed in the petition. In the above-mentioned letter, DVC has clarified that Base Rates of State Bank of India as on 01.04.2014 and 01.04.2015 was 10.00%, therefore, the bank rates in accordance with the CERC Tariff Regulation, 2014 are 13.50% (SBI rate of 10.0% + 3.50%) for both years as claimed in the petition.

4.11.2 Regulation 8(13) of CERC Tariff Regulations, 2014 is reproduced below:



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(13) *The amount under-recovered or over-recovered, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, shall be recovered or refunded by the generating company or the transmission licensee, as the case may be, in six equal monthly instalments starting within three months from the date of the tariff order issued by the Commission.*

4.11.3 The Commission considers that interest on differential AFC is admissible as per regulation 8(13) of CERC Tariff Regulations, 2014 since the cost of own generation and integrated T&D network of DVC determined by CERC is an input cost to this Commission. The Commission has considered actual yearly Transmission Availability Factor (TAFY)/ yearly Plant Availability Factor (PAFY) while admitting interest on differential AFC based on all the true up orders issued by CERC till 31.03.2023 as shown in Annexure – 4D,4E and 4F for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively. The Commission admits Rs (-) 1853.85 lakh, Rs (-) 4695.18 lakh and Rs 1365.97 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively as interest on differential AFC.

4.12 **Water, pollution, and other Cess on generation**

4.12.1 DVC has claimed different cess i.e. water cess, pollution cess etc. directly paid to different state authority as statutory fees to run its generating stations in terms of Schedule – 5, item Sl. No. 2.1(f) of WBERC (Terms and Conditions of Tariff) Regulations, 2011. It is submitted that such expenditures are not included in either the station wise Fixed Cost as determined by the CERC or the Energy Charges computed in terms of the formula specified by the Central Commission in respect of different generating stations. DVC has stated that such cost is directly recoverable from the beneficiary as per direction contained in several orders of CERC. In this regards, an Auditors' Certificate is submitted by the petitioner for its claim under this head amounting Rs 254.40 lakhs, Rs 260.62 lakh and 178.69 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively for DVC command area in West Bengal and Jharkhand.



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4.12.2 The Commission directed DVC through letter dated 07.12.2022 to clarify the difference of claim under this head between State Commissions of Jharkhand and West Bengal as raised by DVPCA detailed in Chapter-3. In response to the above mentioned letter of this Commission, DVC has submitted station wise break up of cess with Auditor's certificate in the letter dated 09.01.2023. The Commission has noted that the claim of Rs 254.40 lakh for the year 2014 – 15 includes environment cess of Rs 4.77 lakh which was borne for Bermo Mines. In absence of any further clarity on whether coal from the above mentioned mine was utilized for its own generating stations, such cost of Rs 4.77 lakh is disallowed for 2014 – 15.

4.12.3 The Commission admits water pollution, and other Cess on the basis of sales ratio in the command area of West Bengal to the total sales to consumers of DVC as shown below:

(Rs lakh)

Particulars	Derivation	Unit	14-15	15-16	16-17
Cess for own generation of DVC	A	Lakh	249.63	260.62	178.69
Ex-Bus Own Generation of DVC	B	MU	23363.17	25866.40	31123.62
Ex-Bus Own Generation of DVC for Consumers	C	MU	14710.58	15541.88	16755.19
Cess for consumers of DVC	$D = A \times (C / B)$	Lakh	157.18	156.59	96.20
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	E	%	41.571	41.454	42.825
Cess for consumers of DVC in WB part	$F = D \times E / 100$	Lakh	65.34	64.91	41.20

4.13 Rebate on sale of power

4.13.1 DVC has claimed rebate given to consumers on payment of bills in due time and also on payment made through online mode in accordance to the directive given in the tariff order dated 25.05.2015 and 03.03.2017. The petitioner has stated



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that such payment rebate is booked in the Annual Accounts of the respective years as an expenditure item and is not included in the Revenue side, accordingly, in the instant petition the timely payment rebate booked in the Annual Accounts of each year for the consumers of DVC in the state of West Bengal is claimed with Auditor's Certificate.

4.13.2 The Commission admits the claim of Rs 1087.88 lakh, Rs 6237.48 lakh and Rs 6326.73 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively.

4.14 Legal charges

4.14.1 DVC has claimed Legal charges amounting Rs 103.37 lakh, Rs 70.95 lakh, Rs 92.54 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively related to distribution activities and proportionate amount of Rs 42.97 lakh, Rs 29.41 lakh and 39.63 lakh respectively as per sales ratio in the State of West Bengal in accordance with Regulation 5.7.2 (ii) of the WBERC (Terms and Conditions of Tariff) Regulations, 2011. In this regard an Auditor's certificate is submitted with the petition. The claim is admitted by the Commission.

4.15 Interest on temporary financial accommodation

4.15.1 DVC has stated that due to short payment/no payment made by the consumers of both the state i.e. West Bengal and Jharkhand, they had to resort to short term line of credit loan during the years 2014 – 15, 2015 – 16 and 2016 – 17 for smooth operation of its generating stations and also for payment of power purchase bill in time to bridge the gap between the Revenue Billed and Revenue realized. This is submitted that JBVNL being the major defaulter, in the foot note of the line of credit loan of the annual accounts of the respective year it is mentioned that such loan was availed against outstanding amount on account of JBVNL. The petitioner has also mentioned that the entire Delay payment



surcharge on account of all the firm consumers of DVC of both the state is adjusted as Non-tariff Income in the instant APR petition.

4.15.2 The cost of temporary accommodation has been claimed based on the annual accounts of DVC at Rs 31195.68 lakh, Rs 35978.77 lakh and Rs 34469.65 lakh for the respective years in the common part of the ARR which is meant for both Jharkhand and West Bengal and claim for West Bengal part have been derived by DVC in proportion to the sales ratio during the respective years.

4.15.3 The Commission observes that in the Annual Statement of Accounts of DVC for the years 2014 – 15, 2015 – 16 and 2016 – 17, the 'Short Term Bank Borrowings (Line of Credit)' for the respective years are for financing overdues of Jharkhand State Electricity Boards (JSEB) amounting Rs 340000.00 lakh, Rs 335000.00 lakh and Rs 437500.00 lakh respectively. Therefore, the Commission finds it prudent not to admit any interest on temporary accommodation in terms of Regulation 5.6.5.4 of the Tariff Regulations.

4.16 O&M Expenses on ULDC communication system

4.16.1 The petitioner has submitted that in terms of the tariff approved by CERC in Order dated 14.12.2017, in petition no. 232/TT/2016 filed by Power Grid Corporation of India Limited (PGCIL), the ULDC charges billed by PGCIL excludes O&M charges related to the communication assets established by PGCIL under ULDC scheme. Since operation & maintenance of the ULDC hardware connected with the system of the utility is the responsibility of the respective utilities as per the aforesaid order, DVC entered into a contract with PGCIL for maintenance of the entire ULDC scheme established by PGCIL for system of DVC. Accordingly, PGCIL prefers separate bills to DVC for O&M charges related to the ULDC scheme. DVC pays charges related to O&M expenses to PGCIL and other vendors under different Annual Maintenance



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Contract (AMC) for Operation & Maintenance (O&M) of the communication assets established by PGCIL under ULDC scheme.

4.16.2 DVC has prayed before this Commission to allow the AMC charges, as the said expenses form a part of the cost towards purchase of power and is uncontrollable in nature. In this regards, auditor's certificate is submitted with the petition for claim of Rs 60.12 lakh, 82.08 lakh and 48.14 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively for DVC command area in Jharkhand and West Bengal. The proportionate claim for West Bengal part of DVC comes to Rs. 24.99 lakh, 34.03 lakh and 20.62 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively.

4.16.3 DVPCA has raised their objection on the claim of DVC for allowing AMC charges as detailed in para 3.10 of this order. However, CERC in their order dated 14.12.2017 has observed that annual maintenance contract for SCADA EMS System established under ULDC Scheme for all the constituents is the responsibility of the respective SLDCs. The relevant portion of the above mentioned CERC order dated 14.12.2017 in the matter of approval of transmission tariff for Main SCADA EMS System-5 assets under project – "Expansion/upgradation of SCADA/EMS System of SLDCs of Eastern Region" filed by PGCIL, is reproduced below:

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

4.16.4 Since O&M expenses of SCADA/EMS system of ULDC, claimed separately by DVC in the instant petition is excluded from the ULDC charges claimed under power purchase cost, the Commission admits the same as shown below:



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(Rs lakh)

Sl. No.	Particulars	Unit	14-15	15-16	16-17
A	O&M Expenses on ULDC communication system	Lakh	60.12	82.08	48.14
B	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	%	41.571	41.454	42.825
C	O&M Expenses on ULDC communication system for consumers of DVC in WB part (C= A x B)	Lakh	24.99	34.03	20.62

4.17 Cyber Security expenses

4.17.1 The petitioner has stated that in compliance with the directive of the Jharkhand State Electricity Regulatory Commission (JSERC) in the tariff order of DVC dated 18.05.2018 as well as the directives received from MOP, GOI time-to-time (vide letter No.1/10/2007-IT (pt.) dated 12.04.2010, letter no. 1/6/2011/IT-Pt. VIII (238324) dated 08.08.2017 and letter no. 1/6/2011-IT (204430) dated 20.04.2018) to avoid breach of cyber security, DVC has invested in cyber security measures. Accordingly, it is prayed before this Commission to allow it to recover the actual expenditures towards investment on Cyber Security in the ARR through tariff at Rs 52.55 lakh for DVC command area in Jharkhand and West Bengal for the year 2016 – 17.

4.17.2 The Commission has observed that expense incurred by the Petitioner towards Investment in Cyber Security is a part of the Capital Expenditure of the Petitioner which is determined by CERC. Therefore, such expense is not approved to be recovered from the Distribution Business by this Commission.

4.18 Maintenance Charges for Automatic Meter Reading (AMR) System

4.18.1 DVC has incurred Rs 59.75 Lakh and Rs. 70.53 Lakh during FY 2015-16 and FY 2016-17 respectively for DVC command area in Jharkhand and West Bengal as Annual Maintenance Contract (AMC) for the Automatic Meter Reading (AMR)



system used for remote billing from smart meters at the premises of consumers and record keeping. DVC has stated that such cost is purely related to distribution activity, therefore, the expenditure is claimed with Auditor's Certificate in the instant petition.

4.18.2 The Commission has observed that DVC has not claimed any expenditure for distribution system in Form 1.15 stating that it is already included in the tariff orders passed / petitions submitted before CERC in respect to DVC generating stations and T & D system for the tariff period 2014-19. Hence, expense incurred by the Petitioner towards Annual Maintenance Contract (AMC) for the Automatic Meter Reading (AMR) is a part of O&M charges of integrated T&D system which is determined by CERC. Therefore, such expense is not approved to be recovered separately from the Distribution Business by this Commission.

4.19 Non Tariff Income

4.19.1 DVC has considered only the Delayed Payment Surcharge (DPS) amount on account of firm consumers of DVC as Non-Tariff Income (NTI) and deducted it from the gross Aggregate Revenue Requirement of DVC. It is submitted that in the annual account of DVC, Rs.71.57 Crore, Rs.28.27 Crore and Rs. 621.42 Crore is booked as DPS in the FY 2014 – 15, FY 2015 – 16 and FY 2016 – 17 respectively for both bilateral and firm consumers out of which Rs. 22.45 Crore, Rs. 15.03 Crore and Rs. 198.25 Crore are on account of firm consumers of DVC in Jharkhand and West Bengal for respective years. The petitioner has claimed proportionate amount of DPS in sales ratio. However, detailed break-up of the DPS amount segregated between Firm consumers of Jharkhand and West Bengal duly certified by Chartered Account Firm is attached with the petition. Commission considers the same. The claim of DVC is summarized below:

(Rs lakh)



Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Sl. No	Particulars	14-15	15-16	16-17
1	Total DPS booked in Annual Accounts	7156.79	2826.67	62141.81
2	DPS of Bilateral Consumers	4911.82	1323.44	42317.09
3	DPS of Firm Consumers in Jharkhand	424.02	351.74	17614.01
4	DPS of Firm Consumers in West Bengal	1820.94	1151.49	2210.71
5	DPS of Firm Consumers in West Bengal and Jharkhand (3 + 4)	2244.96	1503.23	19824.72
6	Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	41.571	41.454	42.825
7	DPS of Firm Consumers in West Bengal (5 x 6)	933.24	623.15	8490.00

4.19.2 DVC has submitted that (i) entire capital expenditure incurred by DVC for electricity business is accounted for in respect of its generating stations and deemed unified inter-state transmission and distribution network is serviced either through Generation Tariff or Transmission Tariff approved by CERC and even if there is some nominal capital expenditure for its retail supply business is not being serviced through tariff (ii) DVC also does not claim any separate profit margin i.e. Return on Equity while proposing the distribution tariff in addition to that approved by CERC in the generation and transmission (iii) As such profit from sale of power, if any, earned by DVC is attributable to its generation and transmission activity only and not attributable to its distribution activity. (iv) Non-tariff income of DVC, if any, which are attributable to Generation and Transmission assets / activities are required to be ascertained by CERC as per the relevant CERC Regulations (here CERC Tariff Regulations, 2014) which do not envisage any concept of considering Non-Tariff Income, as the O&M expenditure, IWC and Fuel Cost etc. are determined based on Normative parameters.

4.19.3 Inferring the above, DVC has concluded that since there is no capital investment and no asset attributed to the distribution activity and there is no profit margin in the distribution tariff of DVC, only the delayed payment surcharge related to distribution activity is considered as Non-Tariff Income by the petitioner.



4.19.4 DVC has further submitted that there are some other incomes apart from the DPS which is booked under the head of Others Income in the Annual Report but such other income except the DPS does not necessarily qualifies as Non-Tariff income in terms of Tariff regulation, 2011. Element wise reasons for non-qualification as non-tariff income are furnished in the petition. DVPCA has also submitted comments against the reasons of DVC in respect of various heads of Non-Tariff Income.

4.19.5 The elements under 'Other income' which are not considered by DVC as non-tariff income are as follows:

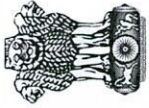
- a) Interest on IT Refund & Provision Written Back-Income Tax
- b) Interest on Security Deposit for Power Purchase
- c) Provision Written Back (Doubtful Debts)
- d) Dividend income
- e) Interest on Short Term deposit
- f) Interest on Non Current Investment
- g) Profit on Disposal of Fixed Assets
- h) Other Miscellaneous Income

4.19.6 The Commission has reviewed the submissions made by DVC and DVPCA. The Commission has considered only Late Payment Surcharge (LPS) or Delayed Payment Surcharge (DPS) from consumers of West Bengal as Non-Tariff Income for retail supply in West Bengal part of DVC in the instant APR order.



Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

4.19.7 The Commission admits Non-Tariff Income for West Bengal part of DVC in the instant APR order at Rs 1820.94 lakh, Rs 1151.49 lakh and Rs 2210.71 lakh for the years 2014 – 15, 2015 – 16 and 2016 – 17 respectively.



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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4A
Power Purchase Cost for the year 2014 – 15

Agency	Gross Purchased Energy MU	Net Purchased Energy MU	Fixed Charge (Rs Lakh)	Energy Charge (Rs Lakh)	Fuel & Power Cost Adjustment (Rs Lakh)	Incidental Charge (Rs Lakh)	Others (Rs Lakh)	Total Purchase Cost (Rs Lakh)
NHPC								
Rangit	31.02	30.49	497.48	465.35		171.92	-7.49	1127.26
Teesta	217.48	213.12	2816.3	2815.84		1205.21	-79.04	6758.31
NTPC								
Talcher STPS-I	59.77	58.39	561.24	1121.65	0.58	331.25	96.14	2110.86
Farakka -I&II	70.71	69.26	632.83	1993.13	14.05	391.85	113.73	3145.59
Farakka -III	225.47	220.82	4127.26	6369.05	55.98	1249.48	362.64	12164.41
KHTPS - I	33.94	33.24	341.84	888.13	-0.79	188.07	54.58	1471.83
KHTPS - II	68.83	67.42	843.42	1638.71	-5.67	381.45	110.71	2968.62
NTPC Solar (Talcher, Unchhar)	21.39	21.39	0	1999.74		49.55		2049.29
NTPC VVNL Solar	32.69	31.38	0	3463.25		475.37	-1.21	3937.41
PTC power from Bhutan								
Chukha (PTC)	168.90	165.50	0	3107.79	0	935.98		4043.77
Kurichu (PTC)	29.94	29.31	0	607.78		165.92	124.98	898.68
Tala (PTC)	181.61	177.93	0	3669.25		1006.45		4675.70
MPL	1305.23	1278.43	30058.49	24511.09		7233.16	16048.76	77851.50
WBSEDCL	135.65	135.65	0	817.88				817.88
Non Solar REC							49.98	49.98
Total Purchase cost including RE	2582.63	2532.33				13736.11		124071.09
Total Purchase cost excluding RE	2528.55	2479.56				13260.74		118034.41

Power Purchase Cost excluding RE cost for DVC (Rs Lakh)

Percentage of share for sale in West Bengal (%)

Power Purchase Cost excluding RE cost for Share of sale in West Bengal (Rs Lakh)

Net Power Purchase for sale in DVC (MU)

Net Power Purchase for Share of sale in West Bengal (MU) from Energy Balance

Admissible(+) / Non-Admissible(-) energy drawal through UI/purchase for sale in West Bengal (MU)

Net UI drawal by DVC in WB and JH (MU)

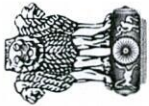
Net UI Charge Payable by DVC in WB and JH (Rs lakh)

Admissible UI Charge Payable (Rs lakh) in WB part of DVC

Power purchase cost including UI to supply consumer and Licensees in WB (Rs Lakh)

Power purchase cost including UI and RE to supply consumer and Licensees in WB (Rs Lakh)

A	118034.41
B	41.571
C=AxB	49067.58
D	2532.33
E=DxB	1052.70
F	9.04
G	172.54
H	4092.61
I=Fx(H/G)	214.43
J=C+I	49282.01
K=J+145.35	50427.36



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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4B
Power Purchase Cost for the year 2015 – 16

Agency	Gross Purchased Energy	Net Purchased Energy	Fixed Charge	Energy Charge	Fuel & Power Cost Adjustment	Incidental Charge	Others	Total Purchase Cost	Average Power purchase cost
	MU	MU	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs/kwh)
NHPC									
Rangit	33.29	32.77	536.42	498.77		114.52	370.99	1520.70	
Teesta	225.32	220.71	2782.02	2622.23		775.18	639.47	6818.90	
NTPC									
Talcher STPS-I	59.27	57.77	537.2	1029.28		203.91	17.53	1787.92	
Farakka -I&II	67.91	66.58	618.56	1718.54		233.64	-36.07	2534.67	
Farakka -III	214.66	210.39	3839.22	5492.48		738.5	-2.81	10067.39	
KHTPS - I	32.30	31.62	329.13	746.19		111.14	2.25	1188.71	
KHTPS - II	71.39	69.86	786.41	1517.58		245.59	-1.65	2547.93	
NTPC Solar (Talcher, Unchhar)	23.70	23.70		2215.94			-20.53	2195.41	
NTPC VNLL Solar	34.19	32.81		3627.2		348.81	22.54	3998.55	
PTC power from Bhutan									
Chukha (PTC)	185.96	182.47		3421.58		639.75	3.27	4064.60	
Kurichu (PTC)	20.14	19.74		408.79			61.12	539.19	
Tala (PTC)	181.40	178.10		3684.28		624.08	0.03	4288.39	
MPL	1616.59	1583.47	30914.69	30975.81		5561.64	75.16	67527.30	
Non Solar REC							49.98	49.98	
Total Purchase cost including RE	2766.12	2532.33				9666.04		109129.64	4.3095
Total Purchase cost excluding RE	2708.23	2475.82				9317.23		102885.70	4.1556

Power Purchase Cost excluding RE cost for DVC (Rs Lakh)

Percentage of share for sale in West Bengal (%)

Power Purchase Cost excluding RE cost for Share of sale in West Bengal (Rs Lakh)

Net Power Purchase for sale in DVC (MU)

Net Power Purchase for Share of sale in West Bengal (MU) from Energy Balance

Admissible (+)/Non-Admissible(-) energy drawal through UI/purchase for sale in West Bengal (MU)

Corresponding Non-Admissible power purchase cost for sale in WB (Rs Lakh)

ROE and Net UI Charge received

Power Purchase Cost eligible for disallowance in terms of Tariff Regulation 2.8.6.1 (Rs Lakh)

Power purchase cost including UI to supply consumer and Licensees in WB (Rs Lakh)

Power purchase cost including UI and RE to supply consumer and Licensees in WB (Rs Lakh)

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B 41.454

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D 2709.99

E=BxD 1123.40

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G 5376.10

H 4828.06

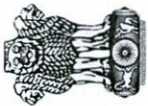
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39311.75

(F@Rs4.1556/u)



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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4C
Power Purchase Cost for the year 2016 – 17

Agency	Gross Purchased Energy MU	Net Purchased Energy MU	Fixed Charge (Rs Lakh)	Energy Charge (Rs Lakh)	Fuel & Power Cost Adjustment (Rs Lakh)	Incidental Charge (Rs Lakh)	Others (Rs Lakh)	Total Purchase Cost (Rs Lakh)	Average Power purchase cost (Rs/kwh)
NHPC									
Rangit	32.64	32.13	643.44	576.41		200.97	44.07	1464.89	
Teesta	231.41	226.31	2850.91	2657.51		1424.81	-158.01	6775.22	
NTPC									
Talcher STPS-I	49.44	48.26	632.31	927.25	6.56	304.43	86.36	1956.91	
Farakka -I&II	67.02	65.71	636.99	1687.62	27.42	412.63	57.35	2822.01	
Farakka -III	249.08	244.26	3937.80	6103.84	-63.57	1533.61	-558.29	10953.39	
KHTPS - I	30.46	29.83	364.63	689.83	3.56	187.54	8.53	1254.09	
KHTPS - II	61.80	60.54	683.43	1314.00	4.90	380.50	2.69	2385.52	
NTPC Solar (Talcher, Unchhar)	27.89	27.89		2607.02			-19.28	2587.74	
NTPC VVNL Solar	34.69	33.30		3682.50		371.84	22.43	4076.77	
PTC power from Bhutan									
Chukha (PTC)	213.11	208.49		4454.08		1312.19		5766.27	
Kurichu (PTC)	38.21	37.39		775.70		235.28	56.72	1067.70	
Tala (PTC)	183.24	179.26		3711.96		1128.23		4840.19	
MPL	915.45	897.00	20483.10	17826.10		5636.59	53.31	43999.10	
Solar and Non Solar REC							7897.25		
Total Purchase cost including RE	2134.44	2090.37				13128.62		97847.05	4.6808
Total Purchase cost excluding RE	2071.86	2029.18				12756.78		83285.29	4.1044

Power Purchase Cost excluding RE cost for DVC (Rs Lakh)

Percentage of share for sale in West Bengal (%)

Power Purchase Cost excluding RE cost for Share of sale in West Bengal (Rs Lakh)

Net Power Purchase for sale in DVC (MU)

Net Power Purchase for Share of sale in West Bengal (MU) from Energy Balance

Admissible(+) / Non-Admissible(-) energy drawal through UI/purchase for sale in West Bengal (MU)

Corresponding Non-Admissible power purchase cost for sale in WB (Rs Lakh)

ROE and Net UI Charge received

Power Purchase Cost eligible for disallowance in terms of Tariff Regulation 2.8.6.1 (Rs Lakh)

Power purchase cost including UI to supply consumer and Licensees in WB (Rs Lakh)

Power purchase cost including UI and RE to supply consumer and Licensees in WB (Rs Lakh)

A 83285.29

B 42.285

C=A x B 35667.19

D 2090.37

E=B x D 895.21

F -96.60

G 3964.83

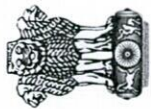
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[96.60 MU x 83285.29 lakh / 2029.18 MU]



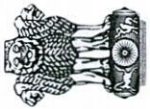
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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4D
Differential Interest on AFC for 2014 – 15

Particulars	Derivation	T&D	MTPS U#4	MTPS U#5&6	MTPS U#1-3	MHS	PHS	THS
'Fixed cost as per CERC order/petition' in WBERC Order dt 25.05.2015 (Rs lakh)	A1	51767.69	24284.78	49124.85	54097.74	3783.78	2788.98	857.31
'Allowable Fixed cost as per PAF' considered by WBERC in Tariff order dt 25.05.2015	A2	51767.69	21347.75	49668.11	46187.59	3783.78	2788.98	857.31
AFC as allowed by CERC in True-up order (Rs lakh)	B1	76408.66	16706.91	48818.59	31713.17	3208.86	2338.76	792.66
Above considering TAF/PAF (Rs lakh)	B2	76034.41	12979.05	48818.59	25783.19	3208.86	2338.76	792.66
Differential Amount (Rs lakh)	C=B2-A2	24266.72	-8368.70	-849.52	-20404.40	-574.92	-450.22	-64.65
Normative TAF/PAF (%)	D	98.00%	83.00%	83.00%	83.00%	80.00%	80.00%	80.00%
Actual TAF/PAF (%)	E	97.52%	64.48%	89.76%	67.48%	80.00%	80.00%	80.00%
Date of CERC True-up order	F	10-06-2022	30-11-2022	14-03-2023	17-02-2023	16-02-2023	28-02-2023	16-03-2023
No. of days from 01.04.15 to date of CERC True Up Order	G	2628	2801	2905	2880	2879	2891	2907
Bank rate (%)	H	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Simple Interest on differential AFC (Rs lakh)	$I = C \times \frac{(G/365)}{(H/100)} \times$	23587.25	-8669.86	-912.77	-21734.88	-612.2	-481.41	-69.51
Share for consumers of DVC (%)	J	100%	77.32%	45.54%	91.71%	85.43%	85.43%	85.43%
Share of Sale in WB Command area of DVC (%)	K	41.571	41.571	41.571	41.571	41.571	41.571	41.571
Above Cost in WB Command area of DVC (Rs lakh)	$L = I \times J \times K$	9805.36	-2786.79	-172.80	-8286.52	-217.43	-170.98	-24.69
TOTAL (Rs lakh)	M							-1853.85



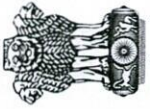
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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4E
Differential Interest on AFC for 2015 – 16

Particulars	Derivation	T&D	MTPS U#4	MTPS U#5&6	MTPS U#1-3	MHS	PHS	THS
'Fixed cost as per CERC order/petition' in WBERC Order dt 25.05.2015 (Rs lakh)	A1	51767.69	24284.78	49124.85	54097.74	3783.78	2788.98	857.31
'Allowable Fixed cost as per PAF' considered by WBERC in Tariff order dt 25.05.2015	A2	51767.69	24407.63	48951.47	55997.76	3783.78	2788.98	857.31
AFC as allowed by CERC in True-up order (Rs lakh)	B1	79923.34	17255.45	50209.00	33937.48	3354.93	2506.98	842.92
Above considering TAF/PAF (Rs lakh)	B2	79923.34	12631.82	49870.24	25367.24	3354.93	2506.98	842.92
Differential Amount (Rs lakh)	C=B2-A2	28155.65	-11775.81	918.77	-30630.52	-428.85	-282.00	-14.39
Normative TAF/PAF (%)	D	98.00%	83.00%	83.00%	83.00%	80.00%	80.00%	80.00%
Actual TAF/PAF (%)	E	98.43%	60.76%	82.44%	62.04%	80.00%	80.00%	80.00%
Date of CERC True-up order	F	10-06-2022	30-11-2022	14-03-2023	17-02-2023	16-02-2023	28-02-2023	16-03-2023
No. of days from 01.04.16 to date of CERC True Up Order	G	2262	2435	2539	2514	2513	2525	2541
Bank rate (%)	H	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Simple Interest on differential AFC (Rs lakh)	$I = C \times (G/365) \times (H/100)$	23555.87	-10605.49	862.8	-28481.35	-398.6	-263.36	-13.52
Share for consumers of DVC (%)	J	100%	94.33%	29.39%	86.07%	91.56%	91.56%	91.56%
Share of Sale in WB Command area of DVC (%)	K	41.454	41.454	41.454	41.454	41.454	41.454	41.454
Above Cost in WB Command area of DVC (Rs lakh)	L=I x J x K	9764.82	-4147.07	105.11	-10161.67	-151.28	-99.96	-5.13
TOTAL (Rs lakh)	M							-4695.18



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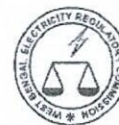
Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Annexure – 4F
Differential Interest on AFC for 2016 – 17

Particulars	Derivation	T&D	MTPS U#4	MTPS U#5&6	MTPS U#1-3	MHS	PHS	THS
'Fixed cost as per CERC order/petition' in WBERC Order dt 25.05.2015 (Rs lakh)	A1	51767.69	24284.78	49124.85	54097.74	3783.78	2788.98	857.31
'Allowable Fixed cost as per PAF' considered by WBERC in Tariff order dt 25.05.2015	A2	51767.69	22856.26	49124.85	52778.28	3783.78	2788.98	857.31
AFC as allowed by CERC in True-up order (Rs lakh)	B1	83172.26	17485.67	48768.52	34567.95	3523.51	2611.58	877.51
Above considering TAF/PAF (Rs lakh)	B2	83721.11	17485.67	48768.52	34567.95	3523.51	2611.58	877.51
Differential Amount (Rs lakh)	C=B2-A2	31953.42	-5370.59	-356.33	-18210.33	-260.27	-177.40	20.20
Normative TAF/PAF (%)	D	98.50%	83.00%	83.00%	83.00%	80.00%	80.00%	80.00%
Actual TAF/PAF (%)	E	99.15%	96.46%	94.16%	90.08%	80.00%	80.00%	80.00%
Date of CERC True-up order	F	10-06-2022	30-11-2022	14-03-2023	17-02-2023	16-02-2023	28-02-2023	16-03-2023
No. of days from 01.04.17 to date of CERC True Up Order	G	1897	2070	2174	2149	2148	2160	2176
Bank rate (%)	H	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Simple Interest on differential AFC (Rs lakh)	$I = C \times (G/365) \times (H/100)$	21256.99	-3898.61	-271.66	-13723.7	-196.05	-134.38	15.41
Share for consumers of DVC (%)	J	100%	100.00%	47.86%	100.00%	100.00%	100.00%	100.00%
Share of Sale in WB Command area of DVC (%)	K	42.825	42.825	42.825	42.825	42.825	42.825	42.825
Above Cost in WB Command area of DVC (Rs lakh)	$L = I \times J \times K$	9103.37	-1669.59	-55.68	-5877.22	-83.96	-57.55	6.60
TOTAL (Rs lakh)	M							1365.97



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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

CHAPTER – 5

AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

- 5.1 As shown in the previous chapter, the different allowable charges separately for each year for the period from 2014 – 15 to 2016 – 17 of the generating stations of DVC as well as for its distribution functions including retail selling activities are summarized as under:

(Rs lakh)

Sl. No.	Particulars	Claim			Admitted		
		14-15	15-16	16-17	14-15	15-16	16-17
1	Power Purchase Cost	53513.84	44705.64	42841.51	50427.36	39311.75	38690.58
2	Generation cost	242811.07	254611.47	289558.97	241312.31	252012.62	290725.21
3	Incentive from CTPS (7&8)	0.00	0.00	3.14	0.00	0.00	3.14
4	Water, pollution, and other Cess on Generation	105.76	108.04	76.52	65.34	64.91	41.20
5	Transmission and distribution (T&D) cost	31611.89	33131.32	35846.67	31607.94	33131.33	35853.83
6	Interest on Differential AFC	9960.37	9769.13	9336.37	-1853.85	-4695.18	1365.97
7	Interest on Working capital	1404.37	1212.11	1152.07	750.28	592.83	497.25
8	Interest on security deposit payable to West Bengal consumers	41.66	35.84	54.05	41.66	35.84	54.05
9	Interest on Temporary Accommodations	12968.22	14914.60	14761.74	0.00	0.00	0.00
10	Diff petition filing charges to regulators and publication fees	264.14	716.02	307.41	264.14	716.03	307.41
11	Legal Charges	42.97	29.41	39.63	42.97	29.41	39.63
12	Rebate on sale of Power	1087.88	6237.48	6326.73	1087.88	6237.48	6326.73
13	O&M Expenses on ULDC communication system	24.99	34.03	20.62	24.99	34.03	20.62
14	Maintenance Charges for Automatic Meter Reading (AMR) System	0.00	24.77	30.20	0.00	0.00	0.00



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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Sl. No.	Particulars	Claim			Admitted		
		14-15	15-16	16-17	14-15	15-16	16-17
15	Cyber Security expenses	0.00	0.00	22.50	0.00	0.00	0.00
16	Gross Total	353837.16	365529.86	400378.13	323771.02	327471.05	373925.62
17	Less: Non-tariff income	933.24	623.15	8490.00	1820.94	1151.49	2210.71
18	Net ARR for sale to consumers and Licensees in radial mode in West Bengal	352903.92	364906.71	391888.13	321950.08	326319.56	371714.91

5.2.1 DVC has submitted that IPCL and WBSEDCL have been making payment of the power supply bills (for sale in radial mode) based on the rate of purchase of power from DVC as considered by the Commission in their respective tariff orders for the 3rd and 4th Control Period.

5.2.2 DVC has also mentioned that in response to the petitions filed by WBSEDCL and IPCL before the Commission seeking direction on the applicability of the tariff orders (dated:25.05.2015 and 03.03.2017) on bulk sale from a licensee to another, the Commission has issued orders on 01.03.2019 (Case No. OA-272/18-19 & Case No. OA-273/18-19) where the Commission has decided that DVC's sale of power to other licensees WBSEDCL and IPCL on radial mode cannot be treated as sale of power by a generating company to a consumer and both the parties are at liberty to settle the issues as per the provisions of law now in force. Being aggrieved of the afore-mentioned orders of the Commission, DVC has filed appeals before the Appellate Tribunal for Electricity (APTEL) (Appeal Nos: 190 of 2019 and 216 of 2019) which are currently pending before the APTEL, as per the petitioner.

5.2.3 DVC has prayed before the Commission to consider the revenue realized amount from IPCL and WBSEDCL with auditor's certificate as below:

(Rs Lakh)

Particulars	14-15	15-16	16-17
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Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Particulars	14-15	15-16	16-17
Revenue recovered from IPCL in radial mode in WB command area of DVC	31106.02	29862.41	7940.42
Revenue recovered from WBSEDCL in radial mode in WB command area of DVC	5576.39	9567.83	16759.45
Total	36682.41	39430.24	24699.87

- 5.3 The Commission maintains that DVC's sale of power to other licensees WBSEDCL and IPCL on radial mode cannot be treated as sale of power by a generating company to a consumer and both the parties are at liberty to settle the issues as per the provisions of law now in force, as decided in the Order dated 01.03.2019 in Case No. OA-272/ 18 – 19 and Order dated 01.03.2019 in Case No. OA-273/ 18 – 19. The Commission has also noted that the appeals of DVC to APTEL against the above mentioned orders being Appeal Nos. 190 of 2019 and 216 of 2019 are under scrutiny of the Appellate Tribunal. In absence of any bilateral settlement between DVC and WBSEDCL as well as DVC and IPCL, the revenue realized from the respective licensees for radial sale have been considered by the Commission as claimed by DVC. Accordingly, year wise revenue gaps for the consumers of DVC in the state of West Bengal area are shown for the period from 20014 – 15 to 2016 – 17 as follows:

(Rs Lakh)

Sl. No.	Particulars	14 – 15	15 – 16	16 – 17
1	Total revenue to be recovered through tariff	321950.08	326319.56	371714.91
2	Revised Revenue billed to Consumers excluding Licensees (in radial mode) after implementation of Tariff Order 25.05.2015	281951.84	291694.71	327958.14
3	Revenue realized from IPCL in radial mode in WB command area of DVC	31106.02	29862.41	7940.42
4	Revenue realized from WBSEDCL in radial mode in WB command area of DVC	5576.39	9567.83	16759.45



Order on APR of DVC for the years from 2014 – 15 to 2016 – 17

Sl. No.	Particulars	14 – 15	15 – 16	16 – 17
5	Revenue Gap (+)/Surplus (-) [1 – 2 – 3 – 4]	3315.83	-4805.39	19056.90
6	Accumulated Revenue gap during the period 2014 – 2015 to 2016 - 2017	17567.34		

- 5.4 In terms of regulation 2.6.6 of the Tariff Regulations, the entire recoverable amount of Rs. 17567.34 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2020 – 2021 or any subsequent year as may be decided by the Commission.
- 5.5 After issuance of True up orders by CERC in respect of BTPS 'B', CTPS U#1-3, DTSPS U# 3&4, MTPS U# 7&8, CTPS U# 7&8, DSTPS U # 1&2, KTPS U# 1&2, BTPS 'A' and RTPS U # 1&2, DVC shall compute the adjustment amount, if any, based on respective trueing up orders and submit the same along with the subsequent APR.
- 5.6 DVC is to take note of this order.

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

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

Dated: 08.06.2023

**Sd/-
SECRETARY**