



ORDER

OF THE

**WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO.: APR – 24 / 11 – 12

**IN RE THE APPLICATION OF THE
DPSC LIMITED FOR
ANNUAL PERFORMANCE REVIEW
FOR THE FINANCIAL
YEAR 2010 – 2011**

DATE: 26.03.2013



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, were subject to an Annual Performance Review (in short ‘APR’). DPSC Limited (in short “DPSC”) have submitted their application for APR for the year 2010 – 2011 on 29 November, 2011 as per provisions of Tariff Regulations. The application was admitted by the Commission for processing and the same was numbered as APR-24/11-12.
- 1.2 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.
- 1.3 The instant application of DPSC Limited is their fifth application for the APR, the first, the second, the third and the fourth ones were for the financial years 2006 – 2007, 2007 – 2008, 2008 – 2009 and 2009 – 2010 respectively. The adjustments, as were found necessary on review of the performances of those years, were effected while determining the amount recoverable through tariff during the years following the years of such review. Similarly, the adjustments, as may arise out of the review of the instant application for 2010 – 2011 will be considered for giving effect while determining the amount of revenue recoverable through tariff order of any ensuing year or through separate order as specified in regulation 2.6.6 of Tariff Regulations.



- 1.4 The APR for the year 2010 – 2011 is the review of the different factor elements of fixed charges, categorized as controllable and uncontrollable, allowed to DPSCL through the Aggregate Revenue Requirement (in short 'ARR') for the year 2010 – 2011, vis-à-vis actuals as per the audited accounts. The Tariff Regulations (vide regulation 2.5.5) provides that the variations out of uncontrollable factors of expenses are to be passed through the tariffs in an appropriate manner as may be decided by the Commission.
- 1.5 The APR is to cover the annual fixed charges allowed to the licensee, incentives and the effect of gain sharing as per Schedule – 10 and Schedule – 9B to the Tariff Regulations. Element of performance incentive or gain sharing on account of achieving better operational norms, however, was not considered for DPSCL while determining its Aggregate Revenue Requirement (in short 'ARR') for the year 2010 – 2011. The analyses of the Commission and taking views thereon will be with reference to the audited data. The instant application of DPSCL for the year 2010 – 2011 is being viewed in the subsequent parts of this order.
- 1.6 In its application for APR for the financial year 2010 – 2011, DPSCL brought out the following major issues for the consideration of the Commission.
- 1.6.1 The actual Plant Load Factor (PLF) achieved at its Dishergarh and Chinakuri generating stations were 17.86% and 38.41% respectively as against normative of 48% and 80% respectively. As per submission of DPSCL, such low PLF resulting in considerable shortfall in the target generation was attributable to non-availability of requisite supply of coal and grade slippages. DPSCL has also mentioned the annual Plant Availability Factor (PAF) for Dishergarh and Chinakuri generating station at 60.20% and 48.30% respectively in Form 1.1 in Annex 1 in volume I of their submission. This PAF is however includes outage due to unavailability of coal as stated by DPSCL. Such position shall be kept in view while deciding upon the recovery of capacity charges in terms of the Tariff Regulations.



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- 1.7 DPSC provided requisite data / information in the specified proforma with clarifying notes. A copy of its annual reports and audited annual accounts for the concerned year was also submitted by DPSC along with the instant application.
- 1.8 The Commission has taken careful note of the above representations made by DPSC. The relevant issues will be addressed to and the views will be taken accordingly while examining the admissibility of expenses under different heads of accounts.
- 1.9 In terms of regulation 2.6.12 of the Tariff Regulations, the gist of the application of APR of DPSC Limited for the year 2010 – 2011 was published simultaneously in 'The Statesman', 'Bartaman', 'Dainik Lipi, Asansol' and 'Prabhat Khabar' on 23 November, 2012. The application of APR for 2010 – 2011 along with the gist of APR was also posted in the website of DPSC Limited. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for APR for the year 2010 – 2011 of DPSC Limited and requested for submission of objections, comments etc., if any, on the application to the Commission by 17 December, 2012 at the latest. Opportunities were also afforded to all to inspect the application and take copies thereof.
- 1.10 No comment, suggestion, objection on application for APR for the year 2010 – 2011 of DPSC has been received.



CHAPTER – 2 FIXED CHARGES

2.1 The uncontrollable elements of fixed charges are those elements where variations of actual expenditures with the expenditures allowed by the Commission in the tariff order for the concerned year are caused by the factors beyond the control of the generating company or the licensee. The amounts of actual expenses / charges under such different heads of accounts are, therefore, to be considered on prudent check for carrying out positive or negative adjustments, as the case may be. On the contrary, in case of controllable head of expenses, the applicant is supposed to contain the expenditure within the total amount so allowed and savings located under controllable head will go to their account. The review of each of such controllable and uncontrollable head of fixed charges with reference to the amount allowed through tariff and the actuals based on the audited accounts of DPSCS is being taken up hereunder one by one.

2.2 **Employee Cost:**

2.2.1 DPSCS was allowed a total amount of Rs. 2683.44 lakh towards employees' cost which includes salaries, wages, bonus, contribution to PF and other funds as well as staff welfare expenses including terminal benefits. The actual expenditure for salary and wages, etc. including terminal benefits as provided in the annual reports and accounts 2010 – 2011 comes to Rs. 4263.63 lakh vide schedule – 15 to the profit and loss account. The amount of Rs. 4263.63 lakh is inclusive of provision for Rs. 1124.16 lakh towards liability of arrear payment due to wage settlement of employees. Earlier, the Commission in its order dated 21.03.2013 in case no. OA-124/11-12 has approved the additional liability towards employee cost for the year 2010 – 2011 due to revision of pay of employees with effect from 01.04.2007 as under:



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i)	Arrear Salary for 2007-2008 to 2009-2010 and 2010-2011	Rs. 896.13 lakh
ii)	Gratuity Liability	Rs. 197.70 lakh
iii)	Leave Encashment Liability	Rs. 30.33 lakh
	Total	Rs.1124.16 lakh

2.2.2 DPSCCL has claimed Rs. 4069.64 lakh towards employee cost for 2010 – 2011 including directors' fees for Rs. 4.47 lakh without which their claim is Rs. 4065.17 lakh (Rs. 4069.64 lakh – Rs. 4.47 lakh). In their submission, DPSCCL has justified the increase in employee cost owing to the impact of wage settlement for Rs. 896.13 lakh towards arrear payment from the year 2007 – 2008 to 2010 – 2011 besides increased gratuity payment limit raised from Rs. 3.50 lakh to Rs. 10.00 lakh in 2010 – 2011. In this regard, it is to be noted that the payments to contract employees on the regular establishment are to be treated as employee cost only. It is seen from the Note to Accounts under schedule – 17 of the annual report and accounts that the payments to contract labour are related to repair and maintenance of plant and machinery and building and booked under repair and maintenance head. The entire amount of Rs. 64.20 lakh towards payment to contract labours included in claim of DPSCCL for Rs. 4065.17 lakh is, therefore, not to be classified under employee cost. The amount of directors' fees stands at Rs. 4.35 lakh as per schedule 15 of the profit and loss account for 2010 – 2011. The Commission thus allows a total amount of Rs. 4005.32 lakh (Rs. 4065.17 lakh – Rs. 64.20 lakh + Rs. 4.35 lakh) under the head employee cost.

2.2.3 The cost center-wise breakup of the amount allowed through tariff for the year 2010 – 2011 and the amount as admitted above after allocating the centrally maintained expenses are found as under:



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Rs. In Lakh

Particulars	As per Tariff Order for 2010 – 2011	Admitted in APR for 2010 – 2011
Generation		
Dishergarh	443.68	875.98
Chinakuri	709.75	1211.73
Total	1153.43	2087.71
Distribution	1530.01	1917.61
Grand Total	2683.44	4005.32

2.2.4 DPSCCL is directed to submit a detailed reconciliation statement in respect of the amount of expenditure for Rs. 4263.63 lakh booked in the profit and loss account 2010 – 2011 under schedule – 15 and their claim for Rs. 4069.64 lakh for different sub-heads of employee cost distinguishing between the current payment and the arrear payment separately, along with APR petition for 2012 – 2013.

2.3 Coal and Ash Handling Charges:

2.3.1 The actual expenditure on this score as per notes on accounts under Schedule 17 of the annual reports and accounts is found as Rs. 70.23 lakh and the same has been claimed by DPSCCL as under:

Rs. In Lakh

Generating Station	As per tariff order	Actual
Dishergarh	45.05	29.77
Chinakuri	52.02	40.46
Total	97.07	70.23

2.3.2 However the coal and ash handling charges are mostly variable with the quantum of generation and use of coal and the Commission decides to view the amount claimed with reference to the actual generation vis-à-vis targets set for generation and amount admitted in the tariff order. The position in this regard comes as under:



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Rs. In Lakh

Generating Station	Target generation (MU)	Expenses as per tariff order	Actual generation (MU)	Expenses proportionate to actual generation	Actual expenses	Expenses admitted in APR 2010 – 2011
Dishergarh	51.299	45.05	19.08	16.76	29.77	16.76
Chinakuri	210.240	52.02	100.93	24.97	40.46	24.97
Total	261.539	97.07	120.01	41.73	70.23	41.73

2.3.3 It may be seen from the above table that actual expenses under this head are higher than the expenses proportionate to actual generation in both Dishergarh and Chinakuri generating stations. The Commission thus considers not to allow the actual expenses under this head and admits the same proportionate to the actual generation for 2010 – 2011 for the respective generating station. The station wise allocation will remain same at Rs. 16.76 lakh and Rs. 24.97 lakh for Dishergarh and Chinakuri generating stations respectively.

2.4 **Water Charges:**

2.4.1 As per notes on accounts under schedule 17 of the annual reports and accounts, the actual expenditure on this score is found as Rs. 4.48 lakh which has been incurred by DPSCL for Chinakuri Plant only and the same has been claimed as against Rs. 7.52 lakh allowed in the tariff for the concerned year. No amount has been claimed for DPS plant. Hence, no amount has been considered for DPS plant. It is found that though the actual expenditure for Chinakuri plant under this head is lower than the expenditure allowed in the tariff order, the actual generation in that generating station during the year was less than the target generation. The Commission, thus, decides not to allow the actual expenditure for Chinakuri plant under this head but to consider the amount claimed with reference to the actual generation vis-à-vis target generation and amount admitted in the tariff order. The position in this regard comes as under:



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Rs. in lakh

Generating Station	Target generation (MU)	Expenses as per tariff order	Actual generation (MU)	Expenses proportionate to actual generation	Actual expenses	Expenses admitted in APR 2010 – 2011
Dishergarh	51.299	0.39	19.08	0.15	-	-
Chinakuri	210.240	7.13	100.93	3.42	4.48	3.42
Total	261.539	7.52	120.01	3.57	4.48	3.42

2.5 Interest on Capital Borrowings:

2.5.1 DPSCCL made capital borrowings from the single source, i.e., State Bank of India.

As per the details submitted in Form – C, the capital borrowings were made for the construction of additional three floors in its existing building at Salt Lake, Kolkata and for incurring capital expenditures in its distribution system. The amount of chargeable interest against term loan during the year as per schedule 16 of the annual reports and accounts 2010 – 2011 came to Rs. 66.40 lakh out of which Rs. 38.13 lakh pertains to construction of additional three floors in the existing building at Salt Lake leaving the balance amount of Rs. 28.27 lakh towards interest on actual capital loan.

2.5.2 DPSCCL, however, claimed an amount of Rs. 266.15 lakh as interest on normative borrowings for capital expenditures. As per the details submitted in form 1.19(a), the capital expenditures incurred and capitalized during the year after netting off value of assets retired from operation and the amount of capital contributions received from the consumers was Rs. 908.56 lakh.

2.5.3 The amount allowable towards interest on normative loan computes as under:

Particulars	Derivative	Amount in Rs. in Lakh
Opening normative debt	a	1790.12
Actual addition to debt for the year	b	-
Addition to the fixed assets during the year	c	908.56



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Normative addition to debt @ 70% of the addition to fixed asset during the year	$d = c \times 0.7$	635.99
Addition to debt for the year to be considered to ARR	$e = \text{higher of } b \text{ and } d$	635.99
Additional normative debt during the year	$f = e - b$	635.99
Closing balance of additional normative debt	$g = a + f$	2426.11
Average normative debt	$h = (a+g)/2$	2108.12
Weighted average rate of interest paid on term loan during the year	$i = 11.81\%$	
Interest on normative debt allowed in APR for 2010 – 2010	$j = h \times i$	248.97

2.5.4 The allocation of this admissible amount of capital borrowings to generation and distribution functions, in the line as suggested by DPSCL, comes as under:

Rs. In Lakh

Sl. No.	Particulars	Amount
1.	Generation	
	Dishergarh	0.00
	Chinakuri	45.38
2.	Distribution	203.59
	Total	248.97

2.6 Interest on Working Capital:

2.6.1 An amount of Rs. 666.78 lakh was considered in the tariff for the year towards interest on working capital. In its application for APR, DPSCL claimed an amount of Rs. 929.83 lakh on this account considering the normative need of working capital borrowing. It has been observed from the submission as well as from the audited accounts that DPSCL, in actual, arranged working capital by way of cash credit from the banks. The outstanding opening balance of such borrowings through cash credit was Rs. 627.07 lakh and same rose to Rs. 1500.50 lakh at the end of the year. The actual total interest charged in the annual accounts for the year 2010 – 2011 was Rs. 20.63 lakh.

2.6.2 In terms of the Tariff Regulations, working capital requirement shall be assessed on normative basis @ 18% on the summation of annual fixed charges and FPPC



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reduced by the amounts of depreciation etc. The following are the calculation in this regard.

Sl. No.	Particulars	Amount in Rs. in lakh	Amount in Rs. in lakh
1	Net Fixed charges excluding interest on working capital	-	7355.57
2	Fuel and Power Purchase Cost as admitted in FPPCA Order dated 17.12.2012	-	32874.17
	Total	-	40229.74
	Less:		
3	Depreciation	496.46	
4	Deferred Revenue Expenditure	0.00	
5	Return on Equity	1196.67	
6	Provision for Bad Debt	11.78	
7	Reserve for Unforeseen Exigencies	32.11	
8	Withheld amount of previous year	0.00	1737.02
9	Total		38492.72
10	Normative requirement of Working Capital [18% on (9) above]		6928.69
11	Interest allowable on above @ 11.75%		814.13

2.6.3 The allocations of amount considered in the tariff as well as the amount now admitted on APR, in the line as proposed by DPSCL are as follows:

Rs. In Lakh

Sl. No.	Particulars	As admitted in APR for 2010 - 2011
1.	Generation	
	Dishergarh	34.37
	Chinakuri	89.67
2.	Distribution	690.09
	Total	814.13

2.7 Interest on Consumers' Security Deposit:

2.7.1 The actual amount of interest paid / payable on the Consumers' Security Deposits as per the audited account was Rs. 21.62 lakh as against Rs. 19.50 lakh allowed in the tariff for the year 2010 – 2011. As seen from the audited balance sheet, the total amount of such deposits at the beginning of the year was



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Rs. 294.57 lakh and the same rose to Rs. 394.73 lakh at the end of the year. The Commission admits the actual amount of such interest of Rs. 21.62 lakh in APR for 2010 – 2011 and allocates the same to distribution function.

2.8 Other Finance Charges:

2.8.1 Other Finance Charges stated to have been incurred towards bank charges, etc. was Rs. 67.85 lakh. It has been observed that DPSCL has claimed an amount of Rs. 62.15 lakh towards amortization of debenture issue expenses. Further, on going through the Form – C of the application made as well as schedule 3 of the annual reports and accounts 2010 – 2011 it was found that DPSCL has obtained a loan for Rs. 10000.00 lakh by issue of 10.75% secured non-convertible debentures (privately placed) by first pari-passu charge against immovable properties consisting of land and building at Kolkata, Asaboni and Sanctoria (Burdwan) and Iswarpura (Gujarat). The purpose of securing such a loan and whether the same has been utilized for core business i.e., distribution and generation purpose involving the interest of the consumers at large has not been explained by DPSCL. The Commission, therefore, decides not to allow the expenses for Rs. 62.15 lakh as above. However, under the Appendix – I of the petition, DPSCL has submitted the details of miscellaneous expenses duly audited wherein it is found that an amount of Rs. 5.75 lakh has been incurred by DPSCL towards bank charges. The admitted amount is thus found as Rs. 5.75 lakh which is allocated to Dishergarh, Chinakuri and distribution system as proposed by DPSCL.

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	0.09
	Chinakuri	0.50
2.	Distribution	5.16
	Total	5.75



2.9 Rent:

2.9.1 An amount of Rs. 22.50 lakh was allowed in tariff order for 2010 – 2011 towards rent, rates and taxes for distribution function only and provision for rent was not separately considered for generation function in the tariff order. As per audited annual reports and accounts of DPSCCL, actual expenditure on rent is Rs. 9.23 lakh. According to the details submitted by DPSCCL in Appendix 1, no rent was paid for any generating station.

2.9.2 In terms of regulation 5.7.1 and 5.7.2 of the Tariff Regulations, administrative and general expenses also include rent and lease charge for asset other than generating station. In view of the above, rent and lease rental for function other than generating station will be dealt appropriately under O&M head of distribution function. Since no amount has been claimed to be paid as rent for any generating station, the Commission does not allow any amount on account of rent in the APR for 2010 – 2011 for generation function.

2.9.3 In view of above, the Commission decides not to allow expenditure on rent amounting to Rs. 9.23 lakh relating to distribution function which is decided to be dealt as a part of O & M expenses appropriately.

2.10 Lease Rental (For Generating Station):

2.10.1 As per audited account, DPSCCL has spent Rs. 394.16 lakh on lease rental. This amount includes Rs. 7.27 lakh towards expenditure other than in respect of generating station. An amount of Rs. 393.26 lakh was considered in the tariff order towards lease rental payable to M/s Eastern Coalfields Limited for Chinakuri generating station. In terms of regulation 5.7.2(i) of the Tariff Regulations, the lease rental charges for generating station are uncontrollable and the Commission decides to admit the amount of actual payment of Rs. 386.89 lakh (Rs. 394.16 lakh – Rs. 7.27 lakh) for Chinakuri generating station in APR for 2010 – 2011.



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2.10.2 As discussed earlier in this order, rent and lease rental for function other than generating station are treated as controllable being part of O & M expenses and thus restrict to admit their claim corresponding to the amount allowed in the tariff order for 2010 – 2011 and will be dealt appropriately under O&M head of distribution function.

2.11 Rates & Taxes (Other than on Income & Profit):

2.11.1 No amount was separately considered towards Rates & Taxes (Other than tax on Income & Profit) in the tariff order for the year 2010 – 2011 for generation function and an amount of Rs. 22.50 lakh was allowed towards rent, rates and taxes for distribution function.

2.11.2 As per schedule 15 of audited accounts of DPSCl for 2010 – 2011, the expenditure on rates and taxes was Rs. 23.39 lakh. DPSCl in its application for APR for 2010 – 2011 further claimed that licence and filing fees paid during 2010 – 2011 to the Commission and Appellate Tribunal amounting to Rs. 13.44 lakh is to be included under rates and taxes. The amount of licence fees and filing fees is identifiable from the audited certified details of miscellaneous expenses although not categorised as rates and taxes in the audited accounts of DPSCl. The Commission decides to admit Rs. 13.44 lakh along with Rs. 23.39 lakh, the audited amount of rates and taxes. The actual amount of Rs. 36.83 lakh (Rs. 23.39 lakh + Rs. 13.44 lakh) during the year on that head of accounts is being admitted with following cost centre-wise allocation as proposed by DPSCl:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	0.50
	Chinakuri	6.23
2.	Distribution	30.10
	Total	36.83



2.12 Insurance Premium:

2.12.1 The provision towards insurance expenses was clubbed with the overall allowable amount towards operation and maintenance expenses. Since as per Tariff Regulations the expenditures towards taking appropriate insurance coverage have been categorized as uncontrollable, the actual expenditure totaling to Rs. 21.71 lakh as per annual reports and accounts 2010 – 2011 has been admitted with the following cost centre-wise allocation.

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	0.00
	Chinakuri	10.40
2.	Distribution	11.31
	Total	21.71

2.12.2 However, in order to avail the same, DPSCCL is to confirm in its next APR application that the provision stipulated under regulation 5.23.1 of the Tariff Regulations has been complied with in this regard.

2.13 Depreciation:

2.13.1 As shown in Form – B of the submission as well as in Schedule – 4 to the audited annual reports and accounts, the total amount of chargeable depreciation for the year 2010 – 2011 came to Rs. 554.39 lakh as against Rs. 543.65 lakh considered in the tariff order for the said year. The positive variation of Rs. 10.74 lakh is mainly due to net addition of Rs. 1254.00 lakh to the opening gross block of fixed assets. DPSCCL, however, proposed to allow it an amount of Rs. 496.46 lakh as against the amount of actual chargeable depreciation by making the following adjustments:



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Sl. No.	Particulars	Amount (Rs. in Lakh)	
1.	Depreciation charges in the books of accounts	554.39	
	Less::		
2	Depreciation on cost of additional 3 floors of its building at Salt Lake in Kolkata including the cost of air conditioning, plant and elevator	53.20	
3	Depreciation on leasehold land at Salt Lake in Kolkata	4.39	
4	Depreciation on defunct Sibpur generating station	0.34	57.93
5	Depreciation claimed in APR for 2010 – 2011		496.46

2.13.2 The Commission thus allows the amount of depreciation charged in the audited accounts reduced by the adjustments as proposed by DPSCL. The amount so allowed comes to Rs. 496.46 lakh. The allocation of this amount to generation and distribution functions in the line as proposed by DPSCL comes as follows:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	27.38
	Chinakuri	105.80
2.	Distribution	363.28
	Total	496.46

2.14 Reserve for Unforeseen Exigencies:

2.14.1 In terms of regulation 5.11 of the Tariff Regulations, generating companies and the licensees may provide and maintain a reserve up to 0.25% of the value of the gross fixed assets at the beginning of the year annually for dealing with unforeseen exigencies subject to an overall ceiling of 5% of such gross value of fixed assets. Accordingly, DPSCL was allowed undernoted provisions in the tariff since 2006 – 2007.



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Year	Order Reference	Amount (Rs. in Lakh)
2006 - 2007	Order dated 15.09.2008 in Case No. APR-4/07-08	21.30
2007 - 2008	Order dated 28.05.2009 in Case No. APR-6/08-09	23.37
2008 - 2009	Order dated 26.07.2010 in Case No. APR-12/09-10	26.01
2009 - 2010	Order dated 24.08.2012 in Case No. APR-19/10-11	30.90
2010 - 2011	Tariff Order dated 29.07.2010 in Case No. TP-40/08-09	38.06
Total		139.64

2.14.2 DPSCCL was allowed an amount of Rs. 38.06 lakh as above towards reserve for unforeseen exigencies computed @ 0.25% of the value of projected gross fixed assets at the beginning of the year 2010 – 2011 under the provisions of the Tariff Regulations. The actual gross value of fixed assets as on 1 April, 2010, as per the audited accounts, vide Schedule – 4 thereto was Rs. 14755.69 lakh. However, the above fixed assets are to be reduced by the cost of additional three floors of corporate office of Kolkata and cost of lease hold land to arrive at the gross value of opening fixed assets of Rs. 12842.96 lakh for the purpose of computation of reserve for unforeseen exigencies. The allowable reserve for unforeseen exigencies, thus, comes to Rs. 32.11 lakh being 0.25% of above amount of Rs. 12842.96 lakh as per regulation 5.11.1 of the Tariff Regulations and the Commission admits the same with the following allocation.

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	1.23
	Chinakuri	5.70
2.	Distribution	25.18
	Total	32.11

2.14.3 It is evident from schedule – 5 of the audited balance sheet as on 31st March, 2011 that DPSCCL has invested Rs. 109.20 lakh towards reserve for unforeseen exigencies upto the year 2010 – 2011. So, DPSCCL has invested the amount of



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reserve for unforeseen exigencies so far allowed upto the year 2009 – 2010 and a part of the amount admitted for 2010 – 2011. Thus, a balance amount of Rs.24.49 lakh [Rs. 139.64 lakh – {109.20 lakh + (38.06 lakh – 32.11 lakh)}] out of the amount allowed upto 2010 – 2011 is required to be invested under the head of account by DPSCL immediately.

2.14.4 It is also evident from schedule – 5 of the audited balance sheet as on 31st March, 2011 that interest received in respect of the fund for an amount of Rs. 20.47 lakh has been reinvested in terms of regulation 5.24.2 of the Tariff Regulations.

2.14.5 DPSCL is directed to invest the balance amount of Rs. 24.49 lakh as per paragraph 2.14.3 above to the fund for reserve for unforeseen exigencies within one month from the date of this order and submit a report in this regard to the Commission within next one month. It will also be submitted along with the application of APR 2012 – 2013. An audited certificate to the effect that the entire amount accumulated under this head till date has been invested in the manner as per regulation 5.24.1 showing therein details of such investment along with the investment of the interest accrued so far shall be submitted along with the claim of reserve for unforeseen exigencies henceforth. In case of failure to comply with the direction, an amount equivalent to the short fall amount may be deducted from the ROE of DPSCL in the APR of the ensuing year. DPSCL shall mention in their audited accounts the investment made by them from the reserves and from the surplus generated out of ROE separately.

2.15 Bad Debts:

2.15.1 DPSCL charged an amount of Rs. 11.78 lakh as bad debts written off in its books of accounts for the year 2010 – 2011. The amount is admitted by the



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Commission in terms of regulation 5.10.1 of the Tariff Regulations. The amount relates to distribution function.

2.16 Taxes under Income Tax Act:

2.16.1 A total amount of Rs. 45.56 lakh was allowed in the tariff for the year 2010 – 2011 towards taxes payable under the provisions of Income Tax Act.

2.16.2 As per information submitted in Annexure 1.17(i) chronologically from the assessment year 2001 – 2002 to 2011 – 2012, an amount of Rs. 287.50 lakh has been claimed by DPSCL for re-imburement through APR.

2.16.3 The Commission admits the amounts of Rs. 287.49 lakh as taxes under the provision of Income Tax Act in the APR for 2010 - 2011 as follows:

Sl. No.	Particulars	Amount (Rs. in lakh)
1	Tax assessed upto FY 2009 – 2010	769.12
2	Tax allowed through tariff orders and APR orders from time to time	658.34
3	Tax allowable upto FY 2009 – 2010 (1-2)	110.78
4	Tax paid (as per MAT) during 2010 - 2011	176.71
5	Total tax now found allowable upto this APR (3+4)	287.49

2.16.4 The allocations of the total amount so admitted on APR for 2010 – 2011 to different cost centres, on the basis of permitted return are as under:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	10.52
	Chinakuri	48.59
2.	Distribution	228.38
	Total	287.49



2.17 Return on Equity:

2.17.1 Based on the inputs below, the actual average equity base for the year 2010 – 2011 is to be computed.

2.17.2 DPSCL in its application for APR 2010 – 2011 indicated actual addition to equity base during the year as Rs. 272.57 lakh. The Commission decides to go by the audited accounts of DPSCL to arrive at actual equity base.

2.17.3 Actual equity base at the opening and closing of the year 2010 – 2011 arrived at from the audited balance sheet of DPSCL is as below:

Particulars	Amount (Rs. in Lakh)			
	Opening Balance		Closing Balance	
Share Capital	423.39		423.39	
Free Reserve:				
Share Premium	1659.39		1659.39	
General Reserve	3757.90		5000.00	
Profit & Loss A/c	4002.82	9420.11	2929.46	9588.85
Total	9843.50		10012.24	
Less: Cost of lease hold land at corporate office including registration charges	308.91		308.91	
Grand Total	9534.59		9703.33	

2.17.4 Actual addition to the equity base during 2010 – 2011 is Rs. 168.74 lakh being the difference between actual opening and closing equity base.

2.17.5 Addition to the original cost of fixed assets during the year 2010 – 2011 is Rs. 908.56 lakh.

2.17.6 Equity base for allowing returns to the licensees at the specified rate is an uncontrollable factor in terms of the Tariff Regulations. DPSCL was allowed return on the projected average equity base of generation function and



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distribution function @ 15.50% and 16.50% respectively and it comes to Rs. 265.17 lakh for generation function and Rs. 994.00 lakh for distribution function aggregating to Rs. 1259.17 lakh. The return on equity of generation function was allocated between Dishergarh and Chinakuri generating stations in proportion to their estimated equity base as Rs. 54.82 lakh and Rs. 210.35 lakh respectively. The actual average equity base for the purpose of computation of return on equity during the year 2010 – 2011 comes to Rs. 7348.76 lakh as per the computation shown hereunder:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1	Actual equity base at the beginning of the year	9534.59
2	Admissible equity base at the beginning of the year	7264.39
3	Actual addition to equity base during the year	168.74
4	Actual equity base at the end of the year (1+3)	9703.33
5	Net Addition to the original cost of fixed assets during the year	908.56
6	Normative addition to equity base (30% of 5)	272.57
7	Addition to equity base considered for the year (lower of 3 and 6)	168.74
8	Admissible equity base considered at the closing of the year (2+7)	7433.13
9	Average equity base for allowing returns (2+8)/2	7348.76

2.17.7 Based on ratio of the gross cost of fixed assets at the beginning of the year and addition during the year as submitted by DPSCCL, allocation of equity base between generation function and distribution function is as below:

Rs. In Lakh

Particulars	Opening equity base of 2010-11	Closing equity base of 2010-11	Average equity base of 2010-11	Return on equity (in percent)	Return admitted in APR for 2010-11
Generation					
Dishergarh	279.29	285.77	282.53	15.50	43.79
Chinakuri	1289.95	1319.92	1304.94	15.50	202.27
Distribution	5695.15	5827.44	5761.29	16.50	950.61
Total	7264.39	7433.13	7348.76		1196.67



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2.17.8 The cost center-wise breakups of the amount of return considered in tariff and now admitted are as under:

Rs. In Lakh

Particulars	As considered in the Tariff Order	As admitted in APR for 2010 - 2011
Generation		
Dishergarh	54.82	43.79
Chinakuri	210.35	202.27
Distribution	994.00	950.61
Total	1259.17	1196.67

2.18 Performance Incentive:

2.18.1 Schedule 10 to the Tariff Regulations provides for allowing incentives to generating companies and the licensees, as the case may be for their improved performances. Since ARR for the concerned year was determined on prospective basis, no amounts towards such incentives were provided therein. Now the actual performance of DPSCL on different criteria, as come out from their submission, is found not eligible for any performance incentive and DPSCL also in their application for APR 2010 – 2011 did not claim any amount for the same. Thus, no performance incentive is admitted to DPSCL in APR for 2010 – 2011.

2.19 Operation & Maintenance Expenses:

2.19.1 Operation & Maintenance (O&M) expenses viz. Repairs and Maintenance including cost of consumables, legal and professional charges, audit fees, administrative and general expenses are categorized as controllable in terms of the Tariff Regulations.

2.19.2 The expenses under the head 'rent', 'lease rental', 'rates and taxes' and 'insurance premium' previously treated as a part of O&M expenses and controllable expenses have been considered separately in the preceding paragraphs 2.9, 2.10, 2.11 and 2.12 of this chapter.



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2.19.3 In view of the above, the O&M expenses approved in the tariff order is regrouped wherever necessary to take a considerate view in this regard. The table given below depicts the amount approved in the tariff order under the head O&M expenses vis-à-vis actual expenses (where comparison is required) thereof separately for generation and distribution functions.

2.19.4 O&M expenses for generating stations being controllable are admitted in terms of norms specified in schedule 9A of the Tariff Regulations, which is the same as that was considered in the tariff order after adjustment of insurance premium, rent, rates and taxes.

2.19.5 O&M expenses for generation function (actual has not been shown as the same is not relevant) as considered in the tariff order for 2010 – 2011 vis-à-vis admitted in APR for 2010 – 2011 is as under:

Rs. In Lakh

Particulars	As considered in Tariff Order	Amount admitted in APR for 2010 – 2011
Dishergarh	177.88	177.38
Chinakuri	334.50	317.87
Total	512.38	495.25

2.19.6 O&M expenses for distribution function as considered in the tariff order vis-à-vis actual are presented in the table below after necessary regrouping as per Tariff Regulations discussed in the paragraph 2.19.2 above.

2.19.7 The Commission in its tariff order for 2010 – 2011 directed that in case the actual expenditure under repair and maintenance head of distribution system is found to be less than the admitted amount, the Commission will allow the actual expenditure under this head in APR for the concerned year. DPSCCL has provided the actual expenditure on repair and maintenance for 2010 – 2011 as Rs. 548.95 lakh. The actual allocation for repairs and maintenance in tariff order is inseparable from the total allocated O&M expenses in case of generation function and hence cannot be compared one to one basis. However, in case of



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distribution function, it is observed that actual expenditure of DPSCL on repairs including consumable stores and contract labour stands at Rs. 314.74 lakh which surpassed the amount of Rs. 272.03 lakh allowed in the tariff order. The Commission, therefore, decides to admit the expenses of repairs including consumable stores for its distribution function as was allowed in the tariff order. It is observed from schedule 15 to audited accounts of DPSCL that head of expenses like other administrative and general expenses, legal and professional charges etc. are not directly available. However, DPSCL has provided a separate statement of miscellaneous expenses duly audited where expenses of such heads are found in totality without any segregation of generation and distribution function. DPSCL is directed to provide actual audited figure for each head of expenditure whether controllable or uncontrollable properly allocating between generation and distribution functions in future. DPSCL may, however, submit reconciliation statement for each head of expenses necessitating any adjustment separately.

- 2.19.8 Based on the above analysis, and O&M expenditure being controllable in nature, the amount admitted as O & M expenses for distribution function in APR for 2010 – 2011 is as below:

Rs. in Lakh					
Sl. No.	Particulars	As approved in Tariff Order	Actual Expenditure	Amount admitted in APR under O&M Head	Remarks
1	Repairs & Maintenance	272.03	314.74	272.03	-
2	Other Administrative & General expenses	366.83	328.40	366.83	-
3	Rent		9.23	9.23	-
4	Rates & Taxes	22.50	23.39	-	Treated rates & taxes separately
5	Legal & Professional Charges	18.53	149.82	18.53	-
6	Audit Fees	13.68	17.82	13.68	-
7	Insurance	11.46	21.71	-	Treated Separately
8	Lease Rental	Nil	7.27	7.27	-
9	Total (Regrouped)	705.03	872.38	687.57	-



2.20 Income from Investments:

2.20.1 An amount of Rs. 153.98 lakh was deducted from the gross amount of fixed charges towards projected income from investments and bank balances in the tariff order for 2010 – 2011. As it came out from schedule 14 to the audited accounts and Sl. No. 5 of notes on accounts under schedule 17 thereof, the total of such income was Rs. 60.38 lakh including the earning of Rs. 10.00 lakh from the investment of the reserve for unforeseen exigencies, which required to be included in that reserve fund. The balance amount of Rs. 50.38 lakh is found deductible from gross amount of allowable fixed charges. The allocation of the same to different cost centres in ratio of the projected amounts comes as under:

Sl. No.	Particulars	Amount (Rs. in Lakh)	
		As per Tariff Order	As admitted in APR for 2010 - 2011
1.	Generation		
	Dishergarh	6.30	2.06
	Chinakuri	26.42	8.64
2.	Distribution	121.26	39.68
	Total	153.98	50.38

2.21 Other Miscellaneous Incomes:

2.21.1 As per the audited accounts, miscellaneous receipts derived by DPSCl during the year were Rs. 564.93 lakh including profit on sale of fixed assets (net) and sale of stores. The total amount of miscellaneous receipts, i.e., Rs. 564.93 lakh, requires to be adjusted as income in APR 2010 – 2011 which is entirely related to distribution function.

2.22 Interest Credit:

2.22.1 In terms of regulation 5.5.3 of the Tariff Regulations, the actual amount of loan repayment during 2010 – 2011 being less than the amount allowed as depreciation, an interest credit at the rate of weighted average cost of debt is



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provided on such excess depreciation charged in respect DPSCL. An amount of Rs. 8.69 lakh, as computed hereunder, is deductible from the gross amount of fixed charges.

Sl. No.	Particulars	Amount (Rs. in Lakh)
		As admitted in APR 2010-11
1	Amount of Depreciation	496.46
2	Loan repayment	413.65
3	Excess of depreciation over loan repayment (1 – 2)	82.81
4	Weighted average rate of interest (in %)	10.49
5	Interest credit	8.69

2.22.2 The admitted amount of Rs. 8.69 lakh is allocated between generation and distribution function in proportion to the allocation of depreciation as under:

Sl. No.	Particulars	Amount (Rs. in Lakh)
1.	Generation	
	Dishergarh	0.48
	Chinakuri	1.85
2.	Distribution	6.36
	Total	8.69

2.23 Admissibility of recovery of Full Capacity Charges based on availability:

2.23.1 In terms of regulation 6.4.2 of the Tariff Regulations, the recovery of capacity charges for all the generating stations of the licensee shall be against the normative availability. But in terms of proviso to the regulation 6.4.2 of the Tariff Regulations the capacity charge recovery of the generating stations that have not been covered by on-line monitoring display arrangement at SLDC along with dedicated audio communication shall be done on the basis of normative PLF only. The Dishergarh power station of DPSCL was not covered by on-line monitoring display arrangement at SLDC during the entire period of 2010 – 2011.



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- Thus the recovery of capacity charge for Dishergarh generating station shall be determined on the basis of actual generation vis-à-vis targeted generation at target PLF. DPSCl started furnishing declared capacity / schedule only from 15.10.2010 after establishment of online display arrangement at SLDC along with dedicated audio communication for Chinakuri power station. Thus, the plant availability of the Chinakuri generating station was not available on establishment of online display arrangement at SLDC during the maximum period of 2010 – 2011. Hence, for Chinakuri generating stations, the capacity charge recovery will be determined on the basis of actual generation vis-à-vis targeted generation at targeted PLF upto the period of 14.10.2010 (197 days) and for the period from 15.10.2010 to 31.03.2011 (168 days) shall be determined on the basis of cumulative notional capacity from 15.10.2010 to 31.03.2011 as given in the date wise statement of SLDC for the month of March 2011. The cumulative notional capacity for the period 15.10.2010 to 21.03.2011 came to 84.72%.
- 2.23.2 DPSCl has submitted in its application for APR for 2010 – 2011 that such low generation was attributable to continued short availability of coal despite the Plant Availability Factor (in short “PAF”) of Dishergarh power station was 60.20% and Chinakuri Power Station was 48.30% against targeted PAF of 48% and 82% respectively.
- 2.23.3 It has been observed from the Memorandum no. 174/C-I/4M-139/09 dated 30.09.2010 issued by Additional Chief Secretary to the Government of West Bengal in the Department of Power and NES, Government of West Bengal that generation at DPSCl’s power stations was totally stopped since July, 2010 as they could not procure B&C Grade coal from the mines of Coal India Limited (CIL) at a higher price through negotiated route instead of notified price as claimed by CIL due to their revised policy decision. The State Government issued direction in the public interest and in exercise of power conferred under section 11(1) of the Electricity Act, 2003 to DPSCl to procure coal of 7000 MT



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per month of B&C grade coal from ECL underground mines during the remaining period of the financial year subject to actual requirement of such higher grade coal for ensuring optimal generation in its plant against available capacity.

2.23.4 It is also seen from the letter no. RA/II/002/721 dated 21.07.2010 of DPSCCL and from the letter no. RA/II/002/775 dated 28.10.2010 submitted by DPSCCL in reply to Commission's query on their letter no. RA/II/002/770 dated 12.10.2010 and also from the letter no. RA/II/002/776 dated 28.10.2010 that after signing of the MOU with the ECL on 4.10.2010 for supply of B&C grade coal from underground mines, ECL had started coal supply and the generation at Dishergarh generating station was started from 12.00 hrs of 7.10.2010 which was earlier stopped from 23.05 hrs of 9.7.2010. So there was a stoppage of generation at Dishergarh generating station for a period of 2148.9 hrs. It is also seen from those letters that generation at Chinakuri generating station was stopped from 13.23 hrs of 8.7.2010 which was resumed at 7.55 hrs of 8.10.2010. So there was a stoppage of generation for a period of 2202.5 hrs. Considering those, the PLF of Dishergarh generating station and for Chinakuri generating station (for the period 1.4.2010 to 14.10.2010) are given in the table below:

Generating Station	Targeted Generation (MU)	Actual Generation (MU)	Targeted PLF (%)	PLF after considering outage of plant due to stoppage of supply of coal by ECL (%)
Dishergarh (01.04.2010 to 31.03.2011)	51.299	19.08	48.00	23.66
Chinakuri (01.04.2010 to 14.10.2010)		44.33*	80.00	58.51

*Note: As per date wise statement of SLDC for the month of March, 2011, actual cumulative generation during the period from 15.10.2010 to 31.03.2011 was 56.60 MU. Thus, generation for the period from 01.04.2010 to 14.10.2010 is 44.33 MU (100.93 MU – 56.60 MU).

2.23.5 The Commission, based on the above decides to allow the recovery of capacity charges to the extent the PLF was achieved. The table given below depicts the position in a nut-shell.



Order on APR of DPSCL for the year 2010-11

Generating Station	Targeted PLF/PAF (%)	Actual PLF (%)	Shortfall in %	Capacity Charge for 2010 – 2011 (Rs. in lakh) (Refer Annexure – 2A)	Disallowed due to shortfall (Rs. in lakh)	Admitted Capacity Charge in APR for 2010 – 2011 (Rs. in lakh)
Dishergarh	48	23.66	24.34	1185.46	288.54	896.92
Chinakuri 01.04.2010 to 14.10.2010 (197 days)	80	58.51	21.49	1321.75 (2448.93x197/365)	284.04	2164.89 (1321.75+1127.18 - 284.04)
Chinakuri 05.10.2010 to 31.03.2011 (168 days)	82	84.72	-	1127.18 (2448.93x168/365)	-	

2.23.6 Since the actual PLF physically achieved in Chinakuri generating station (38.41%) and in Dishergarh generating station (17.86%) are lower than the targeted PLF, no incentive for improved performance in terms of paragraph no. 1 of the schedule – 10 to the Tariff Regulations is allowed.

2.24 Fixed Charges as Admitted:

2.24.1 Based on the foregoing analyses, the amounts of fixed charges allowable under different heads in respect of Dishergarh and Chinakuri generating stations and distribution function of DPSCL have been shown in Annexure 2A. As shown in the referred annexure, the amount of fixed charges (less other income) for DPSCL for the year 2010 – 2011 comes to Rs. 8169.70 lakh.

2.24.2 The net amount of fixed charges for DPSCL for the year 2010 – 2011, has been derived deducting the amount specified in paragraphs 2.23.5 above, the same comes to Rs. 7597.12 lakh. The break-up of fixed charges for Dishergarh and Chinakuri generating stations and distribution function comes at Rs. 896.92 lakh, Rs. 2164.89 lakh and Rs. 4535.31 lakh respectively as shown below.



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Rs. in lakh

Sl. No	Description	Dishergarh generating station	Chinakuri generating station	Distribution	Total
1	Total Fixed Charges (Refer Annexure -2A)	1185.46	2448.93	4535.31	8169.70
2	Fixed Charges disallowed for non achieving normative PLF (refer para 2.23.3)	288.54	284.04	-	572.58
3	Net Fixed Charges (1-2)	896.92	2164.89	4535.31	7597.12



Annexure – 2A

Rs. in Lakh

Sl. No.	Head of Fixed Charges	As Admitted in APR 2010 - 2011			
		Generation		Distribution	Total
		Dishergarh	Chinakuri		
1	Employee Cost	875.98	1211.73	1917.61	4005.32
2	Water Charges	0.00	3.42	0.00	3.42
3	Coal & Ash Handling Expenses	16.76	24.97	0.00	41.73
4	Operation & Maintenance Expenses	177.38	317.87	687.57	1182.82
5	Interest on Capital Borrowings	0.00	45.38	203.59	248.97
6	Interest on Consumers' Security Deposit	0.00	0.00	21.62	21.62
7	Interest on Working Capital	34.37	89.67	690.09	814.13
8	Other Finance Charges	0.09	0.50	5.16	5.75
9	Lease Rental (for generating station)	0.00	386.89	0.00	386.89
10	Rates & Taxes (Other than on Income & Profit)	0.50	6.23	30.10	36.83
11	Insurance Premium	0.00	10.40	11.31	21.71
12	Depreciation	27.38	105.80	363.28	496.46
13	Reserve for unforeseen Exigencies	1.23	5.70	25.18	32.11
14	Bad Debts	0.00	0.00	11.78	11.78
15	Taxes as per Income Tax Act	10.52	48.59	228.38	287.49
16	Return on Equity	43.79	202.27	950.61	1196.67
17	Gross Fixed Charges for the year (1 to 16)	1188.00	2459.42	5146.28	8793.70
18	Less: Adjustment				
19	Income from Investment	2.06	8.64	39.68	50.38
20	Other Miscellaneous Income	0.00	0.00	564.93	564.93
21	Interest credit	0.48	1.85	6.36	8.69
22	Total (18)	2.54	10.49	610.97	624.00
23	Total Fixed Charges (17-18)	1185.46	2448.93	4535.31	8169.70



CHAPTER – 3 AMOUNT ADJUSTABLE ON ANNUAL PERFORMANCE REVIEW

- 3.1 Based on the forgoing analyses and admissions of the adjustments under different controllable / uncontrollable factors / elements of fixed charges, the re-determined allowable fixed charges separately for each of the generating stations of DPSC Limited as well as for its distribution functions come as under:

Particulars	Amount (Rs. in Lakh)
Generation	
Dishergarh	896.92
Chinakuri	2164.89
Distribution	4535.31
Total	7597.12

- 3.2 In its order dated 17.12.2012 in case No. FPPCA-60/12-13, the Commission also re-determined the fuel and power purchase cost allowable to DPSC Limited totalling to Rs. 32874.17lakh, after meeting the amounts relating to shares of various gains attributable to its consumers and WBSEDCL in terms of the Tariff Regulations vide paragraph 4.5 of the aforesaid order. The cost centre-wise breakup of this total amount of Rs. 32874.17lakh is as follows:

Rs. In Lakh				
Particulars	Dishergarh	Chinakuri	Distribution	Total
Fuel Cost (allocated in the ratio of normative cost of Order dated 17.12.2012 in Case No. FPPCA-60/12-13.	546.15	2194.12	-	2740.27
Power Purchase Cost			30133.90	30133.90
Total	546.15	2194.12	30133.90	32874.17



Order on APR of DPSC Limited for the year 2010-11

3.3 It comes out from the enumerations as shown above, DPSC's total realizable sales revenue from its consumers and WBSEDCL during the year 2010-11 comes as follows:

	Rs. In Lakh
Fuel & Power Purchase Cost	32874.17
Fixed Charges	7597.12
Total:	40471.29

3.4 **Gains through Better Performance in Distribution Loss than the Norms:**

3.4.1 In terms of paragraph D of Schedule 9B of the Tariff Regulations, gains accruing to a distribution licensee due to its performance in distribution loss being better than the norms of distribution loss in any year may be retained by that distribution licensee in that year subject to gain sharing applicable separately for fuel cost of own generation as specified in paragraph A of Schedule 7A of the Tariff Regulations during Fuel and Power Purchase Cost (FPPC) determination. In terms of paragraph 3.3 of the Fuel and Power Purchase Cost Adjustment (FPPCA) order of DPSC for the year 2010-11 vide order dated 17.12.2012 in Case No. FPPCA-60/12-13, DPSC could save 20.52 MU for better performance in distribution loss than the norms and they have been allowed to retain the benefit for such savings amounting to Rs. 655.85 lakh during FPPC determination for 2010-11.

3.4.2 In terms of paragraph 3.3 above, the total admitted variable and fixed cost in APR for 2010-11 of DPSC for sale of energy to consumers and WBSEDCL come to Rs. 40471.29 lakh for 971.26 MU of energy sold to consumers and licensee. Units saved through reduction of distribution loss in 2010-11 is 20.52 MU and therefore DPSC is allowed to retain the revenue earned i.e., Rs. 855.04 lakh (Rs. 40471.29 lakh / 971.26 MU x 20.52 MU) subject to adjustment of gain



Order on APR of DPSC Limited for the year 2010-11

- sharing accruing to them amounting to Rs. 655.85 lakh through the FPPCA order referred above. The net adjustment with the actual revenue realized from such savings in sale of energy to own consumers and WBSEDCL comes to Rs. 199.19 lakh (Rs. 855.04 lakh – Rs. 655.85 lakh).
- 3.5 In the tariff order for 2010-11 an amount of Rs 2482.01 lakh as found recoverable by DPSC in APR for 2008-09 was adjusted in the ARR for 2010-11. Accordingly, the amount of Rs. 2482.01 lakh is also required to be adjusted in determining the net recoverable amount.
- 3.6 In the tariff order for 2010-11, DPSC was directed to utilize Rs. 154.00 lakh from the power purchaser fund to meet a portion of its increased cost of power purchase due to increase in power purchase price. The amount of Rs. 154.00 lakh is now being considered to be deducted from gross ARR of DPSC as that amount was available from the power purchaser fund. DPSC is directed to submit the accounts of power purchaser fund duly audited along with the APR application for 2012-2013.
- 3.7 Actual revenue realized from sale of energy to the consumers and WBSEDCL during the year 2010-11 as per note 4(a) in note on accounts under schedule 17 of annual report and accounts 2010 - 2011 is Rs. 42739.80 lakh (Rs. 39047.80 lakh + Rs. 2228.87 lakh + Rs. 1463.13 lakh).
- 3.8 In terms of paragraph 3.4.2 above, Rs. 199.19 lakh is to be adjusted against actual revenue realized from sale of energy for 2010-11 amounting to Rs. 42739.80 lakh. Accordingly, the re-determined actual revenue realized by DPSC from sale of energy to own consumers and WBSEDCL comes to Rs. 42540.61 lakh (Rs. 42739.80 lakh – Rs. 199.19 lakh) and the same is allocated to different generating stations and distribution function as below.



Order on APR of DPSC Limited for the year 2010-11

Particulars	Amount in Rs. in Lakh
Generation	
Dishergarh	1501.00
Chinakuri	4619.44
Distribution	36420.17
Total	42540.61

3.9 Based on the analyses as done in the foregoing paragraphs, DPSC is to recover an amount of Rs. 258.69 lakh (Rs. 40471.29 + Rs 2482.01 lakh – Rs.42540.61 lakh -Rs 154.00 lakh) for the year 2010-11 with cost centre wise break-up as given below:

Particulars	Net Amount Recovered from sale of power	Amount received from power purchaser Fund	Fuel & Power Purchase Cost	Fixed Charges	Adjustment of fixed charges on account of APR for 2008-09	Total Recoverable	Balance amount recoverable
1	2	3	4	5	6	7= (4+5+6)	8= (7-2-3)
Dishergarh	1501.00	-	546.15	896.92	72.95	1516.02	15.02
Chinakuri	4619.44	-	2194.12	2164.89	305.33	4664.34	44.90
Distribution	36420.17	154.00	30133.90	4535.31	2103.73	36772.94	198.77
Total	42540.61	154.00	32874.17	7597.12	2482.01	42953.30	258.69



Order on APR of DPSC Limited for the year 2010-11

- 3.10 In terms of the Tariff Regulations, the entire recoverable amount of Rs. 258.69 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2013-14 or that for any other ensuing year or through a separate order, as may be decided by the Commission. The decision of the Commission in this regard will be given in the tariff order of DPSC Limited for the year 2013-14 or any ensuing year or in a separate order.
- 3.11 DPSC Limited is to take a note of this order.

Sd/-
(SUJIT DASGUPTA)
MEMBER

Sd/-
(PRASADRANJAN RAY)
CHAIRPERSON

DATED: 26.03.2013