



Corrigendum to the Tariff Order dated 26.09.2008 of the Commission  
in respect of Durgapur Project Limited in TP-38/08-09

Correction of typographical errors / apparent mistakes in the tariff order dated 26.09.2008 of the Commission in respect of Durgapur Project Limited for the year 2008-09 is made as in the table below:

Page No.	Nomenclature	Existing Description	Corrected Description
47	Chapter 7 Heading - 1 <sup>st</sup> line	'SUMMERISED'	'SUMMARISED'
57	Paragraph 8.3.5 – 3 <sup>rd</sup> line	'01.04.2008 to 30.09.2008'	'the billing month of /pertaining to April 2008 to billing month of / pertaining to September 2008'
57	Paragraph 8.3.5 – 6 <sup>th</sup> line	'month'	'month of /'

Sd/-  
( R. P. SAMADDAR )  
MEMBER

Sd/-  
( PRITITOSH RAY )  
MEMBER

Sd/-  
( PRASAD RANJAN RAY )  
CHAIRPERSON

DATE : 03.10.2008



**ORDER**

**OF THE**

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**FOR THE YEAR 2008 - 09**

**IN**

**CASE NO: TP – 38 / 08 - 09**

**IN RE THE TARIFF APPLICATION OF**

**THE DURGAPUR PROJECTS LIMITED**

**FOR THE YEARS 2008-09, 2009-10 AND 2010-11**

**UNDER SECTION 64(3)(a) READ WITH SECTION**

**62(1) AND SECTION 62(3) OF THE**

**ELECTRICITY ACT, 2003**

**DATE: 26.09.2008**



## CHAPTER - 1 INTRODUCTION

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- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the Commission) was constituted by the Government of West Bengal in the year 1999 in terms of section 17 of the Electricity Regulatory Commissions Act, 1998 (hereinafter referred to as the 1998 Act). The 1998 Act, along with two other Acts, was repealed by section 185 of the Electricity Act, 2003 (hereinafter referred to as the Act) which came into force with effect from 10<sup>th</sup> June 2003. The first proviso to section 82(1) of the Act ensured continuity of the Commission – along with that of all other State Electricity Regulatory Commissions – by laying down that the State Electricity Regulatory Commission, established by a State Government under section 17 of the 1998 Act, (and some other enactments) and functioning as such immediately before coming into force of the Act, shall be the State Commission for the purposes of the Act.
- 1.2 The functions of a State Commission are laid down in section 86 of the Act. Of its many functions, a State Commission has to discharge the function of determination of tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State. Further, section 62(1) of the Act also requires the Appropriate Commission to determine the tariff in accordance with the provisions of the Act for supply of electricity by a generating company to a distribution licensee, for transmission of electricity, for wheeling of electricity as well as for retail sale of electricity.
- 1.3 The Commission, therefore, has all the authority under the Act to determine the tariff as laid down in the Act and these powers and authority are in continuation of similar powers and authority that were enjoyed by the Commission under section 29 of the 1998 Act.
- 1.4 The Durgapur Projects Limited (hereinafter referred to as DPL) was a sanction holder under section 28 of the Indian Electricity Act, 1910 and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the Act, for distribution of electricity in Durgapur area of West Bengal.



- 1.5 In terms of the provisions of the Act, therefore, the Commission is fully empowered to determine the tariff in respect of DPL.
- 1.6 The Commission, in the past, passed tariff orders for DPL for eight years from 2000 – 2001 to 2007 – 2008 (both years inclusive) in five orders, - two joint orders of which one covering the years 2000 – 2001 and 2001 – 2002 and the other covering the years 2002 – 2003, 2003 – 2004 and 2004 – 2005 respectively and three single orders for the years 2005-2006, 2006-2007 and 2007-08 respectively. DPL felt aggrieved by the tariff order dated 24.5.2004 determining its tariffs for the years 2000-2001 and 2001-2002 and filed a writ petition [W. P. No. 12108 (W) of 2004] and subsequent petition bearing No. AST 1019 / 2004 in the Hon'ble High Court at Calcutta challenging the order of the Commission dated 24.05.04. The matter lies pending before the Hon'ble High Court at Calcutta for final disposal. DPL felt aggrieved by the order of the Commission dated 9.6.2004 also and moved the Hon'ble High Court at Calcutta in an appeal against the said tariff order [No. AST 1134 of 2004 and WP No. 14128 (W) of 2004]. The Hon'ble High Court was pleased, by an order dated 15 July 2004, to stay the operation of one part of the tariff order of the Commission dated 9.6.2004 involving a question of refund to the consumers of DPL while the rest of the tariff order was not interfered with. This matter is still sub-judice before the Hon'ble High Court at Calcutta.
- 1.7 A generating company or a licensee, whose tariff is to be determined by the Commission as per the provisions of the Act, is now required to prepare the application for determination of tariff for a control period under the multi-year tariff framework complying with the provisions of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007 as amended (hereinafter referred to as the Tariff Regulations) and submit the same to the Commission within the specified date. Though as per the Tariff Regulations the last date for submission of the application to the Commission by a generating company or a licensee for determination of tariff for the second control period comprising three years from 2008-09 to 2010-11 (hereinafter referred to as the second control period) was 1 March, 2008, the Commission,



- after considering the prayers of some licensees for extension of last date for submission of the aforesaid application to the Commission, extended the last date for the purpose upto 31 May, 2008. Since, however, 31 May, 2008 and 1 June, 2008 were holidays, in terms of the provision contained in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2007, a generating company or a licensee was at liberty to submit the aforesaid application for determination of tariff to the Commission by 2 June, 2008 .
- 1.8 Accordingly, DPL, complying with the provisions of the Tariff Regulations, prepared the application for the determination of its tariffs for the second control period and submitted the same to the Commission on 30 May, 2008. This tariff application was admitted by the Commission and numbered as TP-38/08-09.
- 1.9 DPL was thereafter directed to publish, as required under section 64(2) of the ACT, the gist of the application, as approved by the Commission, in at least four daily newspapers having wide circulation in the area of supply of DPL. The gist was, accordingly, published simultaneously on 14 June, 2008 in The Hindustan Times, Ganashakti, Aajkaal and Dainik Biswamitra. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of DPL for the second control period and requested for submission of objections, comments etc., if any, on the tariff application to the Commission by 18 July 2008 at the latest. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.
- 1.10 Only one set of objections / comments has been received within the due date, i.e. 18.07.2008. These objections / comments have come from West Bengal State Electricity Distribution Company Limited (WBSEDCL). These have been dealt with in Chapter 3 of this tariff order.



## CHAPTER - 2 THE CASE OF DPL

- 2.1 DPL has submitted the application containing its proposal for determination of Annual Revenue Requirements (ARR) and tariffs for the second control period, covering the years 2008-09 to 2010-11, in accordance with the Tariff Regulations. The tariff applicant has proposed the ARR and tariff for each year of the second control period and has prayed for allowing the same. The licensee has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 While proposing tariffs for various categories of consumers, DPL has followed the principles laid down in the Tariff Regulations, attempted to reduce cross-subsidies and rationalize the tariff for various classes of consumers and has also proposed gradual reduction of T&D losses.
- 2.3 According to DPL, the total cost of its power plant operations has increased substantially during the current year and the same is expected to increase further in the three years of the second control period. In submitting figures showing revenue requirement and recoverable revenue from sale of power at existing tariff, DPL has shown that there will be gap of Rs.13484.35 lakh during 2008-09, Rs.13719.27 lakh during 2009-10 and Rs.12939.32 lakh during 2010-11. DPL has, therefore, submitted that these gaps are needed to be covered by increase in tariff and if the existing tariff is not increased for the second control period, DPL's financial position will worsen impacting on its ability to serve its consumers.
- 2.4 To justify the need for tariff increase, DPL has furnished figures, under different heads, of actual expenditure of previous years from 2003-04 to 2007-08 and proposed expenditure for the ensuing years of the second control period *i.e.* for 2008-09, 2009-10 and 2010-11. Taking into consideration the normative depreciation, normative return and non-tariff income, DPL has also calculated and furnished the figures for ARR for each ensuing year of the second control period and also the revenue recoverable through tariff during 2008-09 after adjusting Rs.2858.36 lakh, allowed by the Commission for recovery in FPPCA for 2006-07, with the proposed ARR for 2008-09. Based on figures of sale of power



DPL has proposed average tariff of 281.86 paise / kWh for 2008-09, 284.32 paise / kWh for 2009-10 and 283.32 paise / kWh for 2010-11.

- 2.5 DPL has seven units in its power station with a total capacity of 701 MW. It had six units (1-6) with a capacity of 401 MW. It has recently installed its new 7<sup>th</sup> unit of 300 MW capacity. DPL's proposed Plant Load Factor (PLF) for its old units (1-6) at 64% for the year 2008-09 and at 63% for each of the years 2009-10 and 2010-11 and at 80% for the new 7<sup>th</sup> unit for each year of the control period are as per the norms specified in the Tariff Regulations. Since, however, such high PLF could never be achieved in the past from these old units (1-6), DPL has submitted to fix the PLF at 55% for these units. DPL has also submitted to fix the PLF at 75% for its new 7<sup>th</sup> unit for the year 2008-09 as this year includes the stabilization period. Based on normative PLF, DPL has projected gross generation of power of the order of 4350.566 MU during the year 2008-09 and 4315.439 MU during each of the two years 2009-10 and 2010-11.
- 2.6 The total sale of power of the licensee will be of the order of 3820.057 MU during 2008-09, 3769.296 MU during 2009-10 and 3753.93 MU during 2010-11. The sales have been estimated based on the expected increase in number of consumers and also increase in contract demand of the existing consumers of DPL. DPL has shown the consumer categorywise proposed sales for each year of the second control period.
- 2.7 Though the generation of DPL is normally sufficient to meet the local demand and allows it to sell the surplus power to WBSEDCL, in case of emergency or whenever own generation of DPL is inadequate, power is sourced from WBSEDCL to meet the local demand. DPL has proposed sale of power to WBSEDCL of the order of 1686.735 MU during 2008-09, 12423.8 MU during 2009-10 and 882 MU during 2010-11. DPL currently does not sell / purchase power to / from any other utility apart from WBSEDCL.
- 2.8 The tariff applicant will purchase power from non-conventional sources of energy as per the guidelines of the Commission depending on availability of the



same in the area. M/s. Corporate Ispat has come forward to sell power, generated from non-conventional sources of energy, to DPL.

- 2.9 DPL has proposed to maintain its T & D losses at 6.1%, 5.9% and 5.7% for the years 2008-09, 2009-10 and 2010-11 respectively despite increased technical losses due to increase in system loading and extension of T & D net work. DPL has undertaken several measures for reduction of T & D losses. Such measures include augmentation and renovation of T&D system, replacement of single phase and three phase electro mechanical meters by static meters, wide use of plastic anti tamper & security seals, replacement of CTs of consumers, as required, for recording energy accurately, surprise checking and regular raids to curb theft of power etc. DPL expects to bring down T&D losses to 5.5% by 2011-12.
- 2.10 The station heat rates as proposed by the licensee are as per norms specified in the Tariff Regulations. As per norms, the heat rates of the old units (1-6) of DPL's power station are 3215 Kcal / kWh, 3160 Kcal / kWh and 3110 Kcal / kWh for the years 2008-09, 2009-10 and 2010-11 respectively and the same for its new Unit No.7 is 2275 Kcal / kWh for each year of the second control period. Since, however, the actual heat rate of the old units (1-6) is around 3450 Kcal / kWh for various reasons like smaller size, vintage, non-availability of H.P. heaters, presence of foreign materials in coal, boiler without reheater etc., DPL has submitted to allow the heat rate of 3450 Kcal / kWh for these old units. The actual heat rate of its new 7<sup>th</sup> unit, which has started commercial operation *w.e.f.* 30.4.2008, will be known only after few months of commercial running of the unit. DPL, however, feels that the heat rate for its new 7<sup>th</sup> unit has been fixed at a lower level and has requested to consider the heat rate actually achieved and adjust the same through FPPCA claim. DPL has pointed out that in Schedule 9A of the Tariff Regulations it has been specified that stabilization period of this new 7<sup>th</sup> unit is six months and, therefore, additional heat rate, subject to a ceiling of 50 Kcal / kWh, is applicable to it during stabilization period in accordance with the Tariff Regulations.





- 2.11 DPL has proposed the average landed cost of coal considering the average hike of 10% in coal price *w.e.f.* midnight of 12 December, 2007 as notified by the Coal India Ltd on 12.12.07.
- 2.12 State Pollution Control Board has imposed restriction not to use coal, having more than 34% ash, in power plant. MCL, however, supplies 'F' grade coal having ash more than 50%. To minimize ash content and to comply with the requirement against pollution, DPL is taking action to wash coal supplied by MCL by engaging outside agency. For this purpose, Rs.220/- per MT has been loaded in the transportation and handling cost of coal received by DPL from MCL.
- 2.13 The proposed transit and handling losses of coal are as per norm specified in the Tariff Regulations. DPL, however, is of the opinion that it will not be able to maintain such too low rate of transit and handling losses for various reasons and since in reality the transit and handling losses are of the order 4% to 5%.
- 2.14 The proposed specific oil consumption rates are as specified for the units of DPL in the Tariff Regulations. DPL, however, has submitted to consider the specific oil consumption rate at 4 ml / kWh for its old units (1-6) in view of the facts that these units suffer frequent tube leakage due to low grade of coal that actual oil rates for 2006-07 and 2007-08 (upto January 2008) were 6.75 ml / kWh and 5.23 ml / kWh respectively and, therefore, sudden reduction to the specified limit is difficult and that with further ageing of these units and uncertainty in availability of proper quality of coal the oil rate may increase gradually. DPL has also submitted that oil rate for its new 7<sup>th</sup> unit should be 2 ml / kWh for all the years.
- 2.15 DPL has proposed its employees' cost keeping Man / MW ratio as per norm specified in the Tariff Regulations. It has proposed 23% increase in expenditure in employees' cost for the year 2008-09 over the expenditure on this head of account for 2007-08 for the reasons like impact of 5% D.A, declared on 14.1.08, for the whole year, introduction of production linked incentive scheme which has been introduced and is being revised to improve the various technical parameters of the power plant, introduction of LTC and leave



encashment, general increment and promotion and probable hike in D.A during 2008-09. For the year 2009-10, DPL has proposed 23.45% increase in employees' cost over the proposed expenditure for 2008-09 for the reasons that revision of salary is due from 2006-07 that Central Pay Commission has recommended revised salaries and that WBSEDCL has taken up pay revision and similar action is needed in DPL. For 2010-11, DPL has proposed a marginal increment of 4.9% in employees' cost over that of 2009-10. Regarding employees' cost for its new 7<sup>th</sup> unit, DPL has stated that operation and maintenance of this unit has been / is being outsourced to four firms for engaging 360 persons, which is the Man / MW ratio specified for this unit in the Tariff Regulations, and requested to allow the expenditure of Rs.5578.29 lakh per annum for this purpose as employees' cost for the unit.

- 2.16 Regarding expenses on Operation & Maintenance (O&M), DPL has stated that though it has proposed expenditure on this head of account as per norm specified in the Tariff Regulations, the expenses on O&M will be much more for various reasons like frequent tube leakage for poor grade of coal, high upkeeping expenses for the old units, renovation of the 6<sup>th</sup> Unit, the normative expenditure is for generation only and does not include expenses for T & D wing, no inflation factor has been considered for fixing the norm and non-inclusion in the normative expenditure the expenditure of Service Department and Central Workshop, allocated to power, which was treated separately in earlier tariff orders. DPL, therefore, has requested to allow additional 40% over the normative expenditure for O & M.
- 2.17 DPL has also prayed for allowing projected ash disposal charges and water charges over and above the O&M expenses since these are not part of the O&M expenditure in terms of the Tariff Regulations.
- 2.18 The licensee has bad debt of the order of Rs.171.16 crore of which Rs.58.22 crore is almost not possible to recover since these dues are from four sick companies which are either referred to BIFR or closed or under liquidation. Besides, there are other dues which are also very old. DPL has, therefore, prayed to allow some more amounts in addition to normative amount under this head of account.



- 2.19 DPL has proposed its other fixed costs for each ensuing year of the second control period and adduced justifications for increase, wherever required.
- 2.20 Thereafter, DPL has indicated its proposed tariffs for different categories of consumers for the years 2008-09, 2009-10 and 2010-11. It has proposed increase in fixed charges as also increase in energy charges for different categories of consumers.
- 2.21 DPL has proposed to introduce pre-paid meters for domestic consumers with 5% less energy charge than normal tariff.
- 2.22 DPL has proposed to introduce the following terms and conditions of tariff for the second control period.
- 2.22.1 For both TOD and non-TOD HT industrial consumers, the demand charge for any month shall be levied on the basis of maximum demand recorded during the month or 85% of the contract demand, whichever is higher.
- 2.22.2 Load Factor rebate will be maintained at the same level as allowed in 2007-08.
- 2.22.3 Power Factor rebate / surcharge will be given at the stipulated range.
- 2.22.4 There shall be no other rebate or surcharge.
- 2.22.5 There will be no minimum charge for five categories of consumers viz. L & MV Industries, LT Commercial, LT Irrigation and Bulk supply at single point to Co-operative Group Housing Society. For rural and urban domestic consumers the minimum charge will be Rs.28/- per month and the same shall be applicable when the energy charge including rebate is less than the minimum charge. For all other consumers, the minimum charge stipulated in the schedule of agreement shall continue to apply. Annual guaranteed minimum charge will be discontinued.
- 2.22.6 Excess drawal charge will be such as specified in the Tariff Regulations.
- 2.22.7 Meter rental charges have been indicated. No meter rent shall be applicable if the meter is supplied by the consumer.
- 2.22.8 Delayed payment surcharge will be at the same scale as levied in 2007-08.
- 2.22.9 Security deposit shall be such as specified by the Commission.



- 2.22.10 All other rates, charges, conditions not provided in the instant tariff proposal will remain unchanged.
- 2.22.11 The tariff will not include any tax, duty etc. on electrical energy that may be payable at any time in accordance with any law for the time being in force and such charges, if any, shall be payable by the consumers in addition to tariff.
- 2.23 DPL has stated that it has set up the forum for redressal of grievances of the consumers as per guidelines specified by the Commission. The forum had received grievances of two consumers and both the grievances were redressed.
- 2.24 DPL has indicated the actions taken by it on a few of the directives given to DPL by the Commission in the tariff order for 2007-08. These have been dealt with in Annexure 8B to Chapter 8 of this tariff order.
- 2.25 DPL has stated that it has made every effort to meet the information requirements as specified by the Commission. DPL has requested the Commission to look at any omissions or shortcomings sympathetically in case there are gaps in data submission. DPL agrees to make available all such data as the Commission may require notwithstanding any waiver given by the Commission, it has been stated.
- 2.26 DPL has requested the Commission to (1) accept the Aggregate Revenue Required and the Tariff Proposal for the second control period covering the years 2008-09 to 2010-11 and (2) pass orders as the Commission may deem fit and proper keeping in view the facts and circumstances of the case.



## CHAPTER - 3 OBJECTIONS, COMMENTS, ETC.

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- 3.1 As mentioned in paragraph 1.9, the gist of the tariff application for the second control period was published by DPL on 14.06.2008 in The Hindustan Times, Ganashakti, Aajkaal and Dainik Biswamitra inviting the attention of the interested parties, stakeholders and the members of the public to the tariff application of DPL for the control period and requesting for submission of objections, comments etc., if any, on the tariff application to the Commission within 18.07.2008. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.
- 3.2 By 18.07.2008, i.e. the due date, only one set of objections / comments has been received by the Commission. These objections / comments have come from West Bengal State Electricity Distribution Company Limited (WBSEDCL).
- 3.3 The objections and comments of WBSEDCL are noted below:
- 3.3.1 With the implementation of Intra-State ABT in the State of West Bengal, WBSEDCL and DPL entered into Power Purchase Agreement (PPA). As per terms of the Agreement, DPL will generally supply excess available power to WBSEDCL through grid as per schedule and WBSEDCL will supply power in case of requirement. Moreover, DPL will supply power to WBSEDCL at 33 KV & 11 KV as per existing mode of supply and, therefore, the Commission may kindly determine the tariff of supply of power by DPL to WBSEDCL and vice-versa through grid in terms of ABT.
- 3.3.2 Meanwhile DPL has declared commercial operation of the new 300 MW 7<sup>th</sup> unit at the beginning of May 2008 after synchronization of the above unit with the grid in February, 2008. Accordingly, WBSEDCL in its tariff application has projected the quantum of the purchase of surplus power from DPL at 132/220 kV at 1050 MU, 950 MU and 870 MU in the years 2008-09, 2009-10 and 2010-11 respectively whereas DPL has projected the sale to WBSEDCL at 132/220 KV at 1529.515 MU, 1085 MU and 722.00 MU for the years 2008-09, 2009-10 and 2010-11 respectively.



- 3.3.3 While projecting the sale to WBSEDCL at 132/220 KV as stated above, DPL has also sought enhancement of basic rate for the control period to 266 P/Kwh, 276.64 P/Kwh and 263.34 P/Kwh with a hike of 9.6%, 14% and 8.5% for Normal, Peak and off peak-period respectively from existing rate of 242.66 P/Kwh.
- 3.3.4 DPL has also projected the sale of power at 33 KV for the radial feeders of WBSEDCL at 157.22 MU, 158.8 MU and 160 MU for the years 2008-09, 2009-10 and 2010-11 respectively whereas WBSEDCL in its tariff application has proposed to reduce the quantum of above power purchase from DPL gradually for its radial 33 KV feeders at 141 MU, 70 MU and 20 MU in the years 2008-09, 2009-10 and 2010-11 respectively as WBSEDCL will be extending its own grid power supply to the consumers of the above areas.
- 3.3.5 Similarly, DPL has also projected the sale of power at 11 KV for the radial feeders of WBSEDCL at 8.024 MU, 8.123 MU and 8.044 MU for the years 2008-09, 2009-10 and 2010-11 respectively whereas WBSEDCL in its tariff application has proposed to reduce the quantum of above power purchase from DPL gradually for its radial 11 KV feeders at 8.0 MU, 8.0 MU and 4.0 MU in the years 2008-09, 2009-10 and 2010-11 respectively as WBSEDCL will be extending its own grid power supply to the consumers of the above areas.
- 3.3.6 While projecting the sale to WBSEDCL at 33 KV and 11 KV radial feeders as stated above, DPL has also sought enhancement of basic rate for the control period to 267 P/Kwh with a hike of 9.6% for all periods from existing rate of 242.66 P/Kwh.
- 3.3.7 WBSEDCL has estimated the cost of power purchase considering the existing rate of power purchase from DPL. Any hike in the rate of power purchase from DPL as proposed by DPL will raise the cost of power purchase of WBSEDCL resulting in hike of average cost of supply of WBSEDCL.
- 3.3.8 WBSEDCL has, therefore, requested the Commission to consider the above points while finalizing the tariff of DPL for the years 2008-09, 2009-10 and 2010-



11 and prayed that the Commission may pass an appropriate order, as deemed fit and proper, keeping in view the facts stated above.

- 3.4 The Commission has taken note of the aforementioned objections / comments and has carefully considered them. The points agitated hereinbefore have been dealt with by the Commission in the relevant portion of the instant tariff order.



## CHAPTER – 4 LAW POINTS ON HEARING

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- 4.1 The question of affording an opportunity of hearing to the consumers in the process of determination of tariff has come up on different occasions in various manners. It is, therefore, necessary to give the matter our consideration and clarify the position taken by the Commission in this behalf.
- 4.2 Before we deal with this point we clarify that in the instant determination of tariff for DPL no hearing has been given either to DPL or to any of the consumers or public. However, the Commission has considered the suggestions and objections received while passing the instant tariff order.
- 4.3 Commission is of the considered opinion that under the Act, the legislators have deliberately excluded any scope of hearing while determining the tariff under section 62 read with section 64 of the Act. Section 64 of the Act contains the procedure for determination of tariff. A bare reading of section 64 of the Act and its sub-sections clearly shows that while issuing a tariff order under section 64(3) of the Act, the Commission is required to consider all suggestions and objections received from the public. However, if the application under section 64(1) of the Act is found to be not in accordance with the provisions of the Act and rules and regulations made thereunder or the provisions of any other law for the time being in force, the Commission is empowered to reject the application of a generating company or a licensee after giving a reasonable opportunity of being heard to such licensee or generating company. Therefore, section 64(3)(b) of the Act limits the scope of hearing only in case of outright rejection of the application of a generating company or a licensee made under section 64(1) of the Act. This may be mentioned that under the Act the Commission has been entrusted with different kinds of functions. Determination of tariff under section 62 read with section 64 of the Act is only one of such functions. In respect of some functions, the statute has clearly mandated the Commission to provide hearing. Examples of some such functions are to be found in proviso to section 15 (6) (b), proviso to section 57 (2), section 142 and section 143 of the Act. These may be seen in contrast to sections 19(3), 63, 128 (6) and 130 of the Act where the scope of hearing has deliberately been excluded. It may also be noted





that if tariff is determined under section 63 of the Act through a process of bidding, no hearing is required to be given to anyone.

4.4 Moreover, in line with the Act, the Commission has also made the Tariff Regulations. Regulation 2.10.1 of the Tariff Regulations also excludes the scope of any hearing either to a licensee or to a generating company or to the consumers or to the public while determining tariff.

4.5 We are, therefore, of the opinion that under section 64 (3) (a) of the Act read with regulation 2.10.1 of the Tariff Regulations, no hearing is to be given either to a licensee or to a generating company or to the consumers or to the public. What is required is consideration of suggestions and objections received from the consumers and / or public.

4.6 This point of law, as to whether in view of section 64 of the Act hearing is to be given to the licensee and consumers at large before tariff is determined, was an issue in a writ petition being W.P.16166 (W) of 2004 filed before the Hon'ble High Court, Calcutta in which the Commission was one of the respondents. The Hon'ble Justice Pinaki Chandra Ghosh by an order dated 04.10.2004, having considered the judgment of the Hon'ble Supreme Court reported in (2002) 8 SCC 715, inter alia, held that :

“.....After going through the said Regulations it appears to me that hearing was not contemplated under the said Section 64 of the said Act and the Regulations framed thereunder. Therefore, in my opinion, not granting of a hearing to the petitioner cannot be said to be violation of natural justice after construing the said Act and the Regulations framed thereunder. Therefore, in my opinion, it cannot be said that at this stage the said order has been made arbitrarily or any violation of natural justice.....”

4.7 The aforesaid order dated 4 October, 2004 of the Hon'ble Justice Pinaki Chandra Ghosh was challenged before the Hon'ble Division Bench of the Hon'ble High Court in an appeal being MAT 596 of 2005. The Hon'ble Division



Bench comprising of Hon'ble Justice Alope Chakrabarti and Hon'ble Justice S P Talukdar affirmed the order of the Ld. Single Judge by an order dated 25 February, 2005 and, *inter alia*, held that :

“...After due consideration of the relevant provisions of the Act, 2003 and having regard to the submission made by the learned Counsel for the parties, we think that what is required at the stage of determination of tariff is consideration and not `hearing'.....”

- 4.8 However, the said writ petition was dismissed for default by an order dated 29.03.2007 by Hon'ble Justice Aniruddha Bose due to non-appearance of the Ld. Advocate for the writ petitioner. We record here that we are aware of the fact that the aforesaid orders were interim in nature and in view of the aforesaid order dated 29.03.2007 dismissing the writ petition being W.P. 16166 (W) of 2004 for default, the earlier orders of Hon'ble High Court, Calcutta do not exist. However, we have recorded the relevant part of the aforesaid two orders only for the fact that the view taken by the Commission was accepted by the Hon'ble High Court, Calcutta while passing the interim orders prior to dismissal of the writ petition on the ground of non-appearance of the Ld. Advocate for the writ petitioner.
- 4.9 The Commission, therefore, is passing the instant tariff order for DPL for the year 2008-09 without giving hearing to DPL or any objector or any one but after taking into consideration all suggestions and objections received.



## CHAPTER – 5

### SALES, ENERGY BALANCE & VARIABLE COST

#### 5.1. Projected Sales

DPL is a multi-unit company. Besides being in the business of power as a distribution licensee, DPL is having a coke oven plant, a coal washery and a water treatment plant. The energy requirements of coke oven plant, coal washery and water treatment plant are met from the power business of DPL and are treated as inter-plant transfer on cost recoverable basis. In addition to its local demand for supply, DPL will need to supply to WBSEDCL in 11 KV and 33 KV at radial mode in 2008-09, 2009-10 and 2010-11 as per the projections made by DPL. But according to WBSEDCL, the maximum load of above 11 KV and 33 KV will be directly fed by WBSEDCL and thus the DPL's responsibility for supplying power to WBSEDCL will be restricted to 8.0 MU, 8.0 MU and 4.0 MU in 11 KV feeder for 2008-09, 2009-10 and 2010-11 respectively. Similarly for 33 KV feeder, projection for DPL's liability for supplying power to WBSEDCL will be limited to 141 MU, 70 MU and 20 MU for the years 2008-09, 2009-10 and 2010-11 respectively. The sales of energy to the consumers in its licensed area, inter-plant consumptions and sale to WBSEDCL at 11KV/33 KV in radial mode in different years of the second control period have been shown as under:

Figures in Million Units				
Sl. No.	Category of Supply	2008-09	2009-10	2010-11
1	Consumer	2093.322	2485.496	2831.930
2	Inter Plant Transfer	40.000	40.000	40.000
3	Sale at 11 KV to WBSEDCL in radial mode	8.000	8.000	4.000
4	Sale at 33 KV to WBSEDCL in radial mode	141.000	70.000	20.000
5	Sale at 132 KV to WBSEDCL in radial mode	1471.060	1080.585	820.642
6	<b>Total (1 + 2 + 3 + 4 + 5)</b>	<b>3753.382</b>	<b>3684.081</b>	<b>3716.572</b>

#### 5.2. Sourcing of Energy for Distribution

The entire energy requirement of DPL for distribution including inter-plant transfer generally comes from its own generating units. Part of the ex-bus generation, remaining surplus after meeting the demand of its licensed area and inter-plant transfer, is to be taken by the WBSEDCL. However, if own generation of DPL during a period is found inadequate, energy is to be sourced from WBSEDCL. Therefore,



the energy transactions between DPL and WBSEDCL are as a purchaser as well as seller. The quantum of power purchase requirement for DPL from WBSEDCL can be assessed after viewing the projected generation of DPL as well as the periodicity of such generation.

### 5.3. Gross Generation

For energy balancing for the years 2009-10 and 2010-11, the normative PLF was considered for DPL taking it as an integrated system of Unit I to Unit VII. For energy balancing for 2008-09, since the Unit VII is in the first year of its commercial operation, initially the projected energy on the basis of normative PLF of Unit I to VI and Unit VII were considered separately. Since, however, Unit VII is already in operation and therefore the need to run Units I and II may be restricted to the extent possible, the annual PLF of Units I and II has been considered to the tune of 20% only in line with the direction under clause (vi) of Note in paragraph B of Schedule 9A of the Tariff Regulations and the total PLF for the generating station of DPL for all the three years of the second control period have been considered on this basis. Accordingly, the gross generations from these units of DPL for all the three years of the second control period stand as follows:

Year	Capacity in MW	Gross Generation in MU
2008-09	701	4219.166
2009-10	701	4219.692
2010-11	701	4272.252

### 5.4 Auxiliary Consumption

The rate of auxiliary consumption has been claimed by DPL separately for Unit I to VI and Unit VII on the basis of gross generation. The Commission has considered auxiliary consumption for Unit I to VII in a combined manner for 2009-10 and 2010-11 on the basis of the norms as specified in the Tariff Regulations. But for 2008-09 the auxiliary consumption has been admitted as projected by DPL for Unit I to VI and VII separately on the basis of the norms as specified in the Tariff Regulations for the reasons explained in allowing gross generation and accordingly the auxiliary consumption stands as per the table below.



Auxiliary Energy Consumption and Ex-Bus Generation							
Year	As proposed by DPL in MU			As admitted by the Commission (Unit I to VII)			
	Unit I -VI	Unit VII	Total	Auxiliary		Ex-Bus	
				In % as of Generation	In MU	Generation in MU	Ex-bus Generation
1	2	3	4	5	6	7 = 6 - 5	
2008-09	213.580	178.700	392.280	Unit I to VI-9.5 Unit VII – 8.5	379.796	4219.166	3839.370
2009-10	209.130	178.700	387.830	Unit I to VII-9.0	379.772	4219.692	3839.920
2010-11	209.130	178.700	387.830	Unit I to VII-9.0	384.503	4272.252	3887.749

### 5.5 Distribution Loss

The Commission has allowed distribution loss as per norms as specified in the Tariff Regulations against projected sale of energy to the consumers but not against the inter-plant transfer as proposed by DPL. The inter-plant transfer has not been considered as it does not involve distribution network. Accordingly, the distribution loss as admitted by the Commission is shown in the following table.

Distribution Loss				
Year	As proposed by DPL in MU	As Admitted by the Commission		
		Sale of Energy to Consumer in MU	Distribution Loss in %	Distribution loss in MU
2008-09	138.229	2093.322	6.10	135.988
2009-10	158.313	2485.496	5.90	155.839
2010-11	173.679	2831.930	5.70	171.177

### 5.6 Purchase of Power

Normally, DPL will not need to purchase any power in 2008-09. But, as per tariff application of WBSEDCL, a meager quantum of 50 MU is considered to be supplied to DPL by WBSEDCL and the same therefore has been considered as some power has already been purchased by DPL in 2008-09 from WBSEDCL according to record available from SLDC. For the year 2009-10 and 2010-11, however, no energy purchase has been considered from WBSEDCL.

### 5.7 Energy Balance

On the basis of the analyses done in the foregoing paragraphs, the Commission admits the following Energy Balance for DPL for the year 2008-09, 2009-10 and 2010-11.



Figures in Million Units

Sl. No.	Particulars	2008-09	2009-10	2010-11
<b>Sources of Supply</b>				
1	Net Ex-Bus Generation	3839.370	3839.920	3887.749
2	Purchase	50.000	0.000	0.000
3	<b>Total Supply (1 + 2)</b>	<b>3889.370</b>	<b>3839.920</b>	<b>3887.749</b>
<b>Utilisation</b>				
1	Sale to Consumers	2093.322	2485.496	2831.930
2	Inter-unit Transfer	40.000	40.000	40.000
3	Distribution Loss	135.988	155.839	171.177
4	Supply to WBSEDCL at 11 KV	8.000	8.000	4.000
	Supply to WBSEDCL at 33 KV	141.000	70.000	20.000
	Supply to WBSEDCL at 132 KV	1471.060	1080.585	820.642
	<b>Total to WBSEDCL</b>	<b>1620.060</b>	<b>1158.585</b>	<b>844.642</b>
5	<b>Total Utilisation ( 5= sum 1 to 4 )</b>	<b>3889.370</b>	<b>3839.920</b>	<b>3887.749</b>

## 5.8 Fuel Cost

5.8.1 An examination of the projected fuel cost claimed by DPL for the ensuing years 2008-09, 2009-10 and 2010-11 of the second control period under different heads for its power station has been taken up in this paragraph.

5.8.2 Fuel cost for the power station of DPL as per its projection comes as under:

<b>Fuel Cost in Rupees in Lakh</b>			
<b>Power Station</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
DPL I - VII	47924.22	45901.33	44986.23

5.8.3 In the tariff application for the second control period, DPL has proposed fuel cost on the basis of norms of plant load factor, auxiliary consumption rate, oil consumption rate, station heat rate and transit and handling losses of coal as specified in Schedule 9A of the Tariff Regulations. However, while proposing fuel cost for three ensuing years of the second control period, DPL has not envisaged any price increase in average price of coal or average price of oil in its projections for 2009-10 and 2010-11. As a result, due to application of increased efficiency norms as per the Tariff Regulations, the fuel cost has shown a declining trend in the projections of DPL.

5.8.4 The Commission, however, has adopted the procedure for calculation of the fuel cost in accordance with regulation 4.8.1(ii) of the Tariff Regulations and normative



parameters applicable to DPL as specified in the Tariff Regulations and allowed fuel cost to DPL as mentioned in subsequent paragraphs. This procedure has been adopted to avoid hike in tariff at the time of Fuel and Power Purchase Cost Adjustments (FPPCA) as far as possible.

5.8.4.1 While determining the average price of coal and average price of oil for the years 2008-09, 2009-10 and 2010-11, the Commission, in accordance with regulation 4.8.1(ii) of the Tariff Regulations, has first computed the Compounded Annual Growth Rate (CAGR) of average coal price and average oil price for the period from 2003-04 to 2007-08 for DPL. Accordingly, the computed CAGR is shown in the following table.

CAGR Calculation for Fuel Price					
Coal			Oil		
Actual price of Coal in Rs./MT (as per landed cost)		CAGR in % during the period from 2003-04 to 2007-08	Actual price of Oil in Rs./KL (as per landed cost)		CAGR in % during the period from 2003-04 to 2007-08
2003-04	2007-08		2003-04	2007-08	
1030.89	1550.00	10.74	14137.36	28809.63	18.50
Note : For 2007-08, oil price has been taken as per Tariff Order for 2007-08 because the actual price of oil is based on unit I to VI which primarily run on furnace oil and thus to take the impact of LDO on 2007-08 as required for Unit VII, the Commission has relied on the price of the tariff order for 2007-08.					

5.8.4.2 CAGR of 10.74% of average coal price for DPL between 2003-04 to 2007-08 seems to be very high and not likely to occur to that extent in future. It is observed by the Commission that the highest CAGR of average coal price among WBPDC's power stations from 2003-04 to 2007-08 is 5.78% for Kolaghat Thermal Power Station. The Commission, therefore, at its discretion, has considered this CAGR of 5.78% for DPL.

5.8.4.3 On the basis of the above CAGR, the average price of coal has been determined for 2010-11. For 2008-09, the average coal price has been admitted as Rs. 1616.86/MT as proposed by DPL on the basis of last price hike in coal including coal washery charges for enrichment of coal quality. The average coal price for 2010-11 has been computed by giving escalation effect of subsequent two years on the estimated price of 2007-08 on the ground that coal price, increased at the end of 2007-08, is not likely to get more than two revisions within 2010-11. The average



coal price for 2009-10 has been considered as the mid value of 2008-09 and 2010-11.

5.8.4.4 Similarly average price of oil has been determined by the Commission in the same manner. As the oil price has increased with effect from 01.07.2008 (as per Indian Oil), a date after submission of the tariff application by DPL, the Commission has determined the average price of oil for 2008-09 in the manner as shown below.

i) As per oil price list of Indian Oil the average price increase of LDO and FO is shown in the following table.

Oil Price Increase Analysis						
Sl. No.	Supply Location	LDO				FO
		Ex-Siliguri	Ex Bongaigaon	Ex Barauni	Average	Ex-Haldia
1	Total Price with tax as on 01.04.2008	37394.37	32406.87	32432.50	34077.91	28321.47
2	Total Price with tax on price hike after 01.07.2008	52169.11	44594.24	45451.21	47404.85	41018.68
3	<b>Difference of Price (2-1)</b>	<b>14774.74</b>	<b>12187.37</b>	<b>13018.71</b>	<b>13326.94</b>	<b>12697.21</b>

ii) On the basis of the above figures, the Commission has considered an average price hike of Rs. 13000 per KL in oil price for 2008-09 over the amount of Rs. 28804 per KL as proposed by DPL in its tariff application for 2008-09 to 2010-11 on the basis of price prior to price hike. Thus the average price of oil from 01.07.2008 has been considered as Rs. 41804.00 per KL.

iii) Now considering average oil price at Rs. 28804.00 per KL from 1.4.2008 to 30.06.2008 and at Rs. 41804.00 per KL from 01.07.2008, the weighted average of oil price stands at Rs. 38562.90 per KL for 2008-09 for DPL on the assumption that uniform target generation will take place throughout the year.

iv) For 2009-10, the mid value of Rs. 41804.00 per KL (as determined by the Commission for the period w.e.f. 01.07.2008) and Rs. 47939.42 per KL for 2010-11 (as determined by the Commission on CAGR basis) has been considered as average price of oil for DPL.





5.8.4.5 Accordingly, the average oil price and the average coal price considered for the power station of DPL for the three years of the second control period are shown below:

Average Coal Price in Rs./MT			Average Oil Price in Rs./KL		
2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1616.86	1675.61	1734.36	38562.90	44871.71	47939.42

5.8.4.6 The documents related to coal price submitted by DPL in its tariff application have been analyzed and it is found that for same grade of coal DPL has paid at a much higher rate in 2007-08 than that of WBPDC. This picture will be clear from the table at Annexure -5A. DPL is directed to improve its performance in coal procurement front immediately. While submitting the application for FPPCA for any year, DPL shall submit detailed audit report on coal procurement showing specifically different sub-components of coal-price separately for each grade of coal from each source of procurement. Sub-components to be considered are as per Form D(3) of Annexure-1 of the Tariff Regulations. In addition, if there are separate coal washing charges, that shall also be mentioned.

5.8.4.7 Heat value of oil has not been considered as per proposal of DPL as it is much higher than the estimated value of 2007-08. The actual heat value of oil of 2007-08 as submitted by DPL has been considered for allowing the heat value of oil for the ensuing years from 2008-09 to 2010-11. As the Unit VII of DPL's power station has been synchronized in February, 2008, the grade mixing of coal is not yet tested and therefore for a reasonable estimate, out of three available alternatives regarding UHV, i.e. the mid value of all proposed coal mix, the actuals of 2007-08 and as proposed by DPL, the Commission has decided to allow the lowest value i.e. the actual UHV of coal in 2007-08. Accordingly, the heat value of fuel allowed is shown in the following table.

Fuel	Heat Value of Fuel	
	As proposed for the period 2009-10, 2010-11	As admitted by the Commission for the period 2008-09, 2009-10, 2010-11
Oil	10000 Kcal/ KL	9000.00 Kcal/ KL
Coal	4444 Kcal/ Kg.	4378 Kcal/Kg



5.8.4.8 On the basis of above average price of coal and average price of oil and as per above heat value of fuel and normative parameters as specified in Schedule 9A of the Tariff Regulations, the allowable fuel cost is shown by detailed computation in the table at Annexure-5B to this chapter.

5.8.4.9 The summarized statement of projected and admitted fuel cost for the power station of DPL for the second control period is given hereunder:

Power Station	As projected			As admitted		
	Total fuel cost (Rs. in Lakh)			Total fuel cost (Rs. in Lakh)		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
DPL I - VII	47924.22	45901.33	44986.23	47697.95	48733.05	50041.34

5.8.4.10 The projected power purchase cost is only for 2008-09 from WBSEDCL to the amount of Rs. 1275 lakh as per rate mentioned in Annexure 8A3 in chapter-8 of this order.

5.9 Energy charge for 2008-09 of the power station of DPL now stands as follows:

Fuel Cost (Rs. in Lakh)	Ex-bus Generation MU	Energy Charge Paise/ kWh
47697.95	3839.370	124.23

5.10 However, if due to less generation in Unit I and II as per note VI to Part B of Schedule 9B of the Tariff Regulations, the total generation in any year is less than the gross generation shown in this order, the matter will be given due consideration by the Commission in the APR and/or FPPCA for the concerned year. In case of any major breakdown of any unit resulting in forced shut down of that unit over one month, the targeted generation will be revised in APR and/or FPPCA after taking normative PLF and other norms of different operational parameters as specified in the Tariff Regulations for that unit into consideration.



## Annexure-5A

PROJECTED COAL PRICE AND AVERAGE HEAT VALUE FOR DPL							
COMPANY-GRADE	QUANTITY	PRICE	TOTAL	MID UHV OF GRADE	TOTAL HEAT	REFERENCE PRICE OF WBPDC	
		2007-08	PRICE			PRICE	TOTAL PRICE
	MT	Rs/MT	Rs			Rs/MT	Rs
ECL-A	674.52	2763.39	1863961.823	6200.00	4182024.00	2573.74	1736039.105
ECL-B	100830.85	2620.39	264216151	5900.00	594902015.00	2404.74	242471978.2
ECL-C	136908.28	2333.39	319460411.5	5270.00	721506635.60	2117.70	289930664.6
ECL-D	18849.95	1790.64	33753474.47	4570.00	86144271.50	1830.45	34503890.98
ECL-E	7620.19	1167.45	8896190.816	3780.00	28804318.20	1167.45	8896190.816
BCCL-C	28803.61	1540.59	44374553.53	5270.00	151795024.70	1338.49	38553343.95
BCCL-D	77569.20	1312.03	101773117.5	4570.00	354491244.00	1112.4	86287978.08
BCCL-WASH-III	89783.39	1511.00	135662702.3	4714.00	423238900.46	1233.22	110722672.2
BECML-C	1105001.10	1416.37	1565090408	5270.00	5823355797.00	1235.78	1365538259
MCL-F	256971.91	1319.69	339123259.9	2880.00	740079100.80	599.46	154044381.2
TOTAL	1823013.00	1543.72	2814214230.82	4897.66	8928499331.26	1279.58	2332685398.45
As admitted	2672445.77	1616.86	4320970660.02	4378.00			
TOTAL PROJECTED TRANSPORT COST IN RS =				139122930.65			
TOTAL PROJECTED COAL COST IN RS =				2814214230.82			
TOTAL LANDED COST IN RS =				2953337161.47			
AVERAGE PROJECTED LANDED COST OF COAL IN RS/MT =				1620.03			



Tariff Order of DPL for the year 2008 – 2009

Annexure-5B

FUEL COST DETERMINATION FOR DPL								
SI No	PARTICULARS	UNIT	2008-09		2009-10		2010-11	
			PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Generation	MU	4350.57	4219.17	4315.44	4219.69	4315.44	4272.25
3	Auxiliary consumption	MU	392.28	379.80	387.83	379.77	387.83	384.50
4	Ex-bus generation	MU	3958.29	3839.37	3927.61	3839.92	3927.61	3887.75
5	Heat rate	KCAL/KWHR	2772.83	2759.06	2728.84	2725.00	2703.20	2700.00
6	Total heat required	M. KCAL	12063373.69	11640923.98	11776163.24	11498660.70	11665511.29	11535080.40
7	GCV of oil	Kcal/lit	10000.00	9000.00	10000.00	9000.00	10000.00	9000.00
8	Specific Oil Consumption rate	MI/kwh	3.19	2.80	2.42	2.45	2.05	2.05
9	Oil Consumed	KL	13875.00	11825.16	10456.63	10338.25	8852.17	8758.12
10	Average Price of Oil	Rs/KL	28804.00	38562.90	28804.00	44871.71	28804.00	47939.42
11	Cost of oil	Rs(lakh)	3996.56	4560.13	3011.93	4638.95	2549.78	4198.59
12	Heat generated from oil	M Kcal	138750.00	106426.43	104566.30	93044.21	88521.70	78823.05
13	Heat generated from coal	M Kcal	11924623.69	11534497.54	11671596.94	11405616.49	11576989.59	11456257.35
14	Heat value of Coal	Kcal/Kg	4444.00	4378.00	4444.00	4378.00	4444.00	4378.00
15	Coal required	MT	2683308.66	2634649.96	2626371.95	2605211.62	2605083.17	2616778.75
16	Coal required incl Transit loss	MT	2716850.02	2667999.96	2652635.67	2631526.89	2624621.29	2643210.85
17	Weighted Average Price	Rs/MT	1616.86	1616.86	1616.86	1675.61	1616.86	1734.36
18	Cost of Coal	Rs. (lakh)	43927.66	43137.82	42889.41	44094.11	42436.45	45842.75
19	Total Cost of Fuel	Rs. (lakh)	47924.22	47697.95	45901.33	48733.05	44986.23	50041.34



## CHAPTER – 6 FIXED CHARGES

6.1 An examination of the projected fixed charges claimed by the DPL for the ensuing years 2008-09, 2009-10 and 2010-11 of the second control period under different heads for its power station and distribution system has been taken up in this chapter.

### 6.2 Project Cost of Unit VII

The project cost of Unit VII of DPL has not yet been finalized by the Commission. In pursuance of the directives given by the Commission in the tariff order for 2007-08 and also through subsequent letters, DPL has submitted some documents and clarifications and some information are yet to be submitted. On the basis of those documents and clarifications furnished and to be furnished by DPL, the Commission is examining the project cost of Unit VII of DPL. Pending such examination, the Commission, during determination of Aggregate Revenue Requirements (ARR) for the years 2008-09, 2009-10 and 2010-11, has considered the project cost of Unit VII, as indicated by DPL in its tariff application, provisionally and taken the following decisions:

- (i) The report as per regulation 2.8.1.4.13 of the Tariff Regulations has not yet been submitted by DPL. In terms of the aforesaid regulation, therefore, 5% of the provisional project cost amounting to Rs. 67.50 crore is being withheld for the time being.
- (ii) Since DPL has not yet submitted the performance guarantee test result, in accordance with regulation 2.8.1.4.10 of the Tariff Regulations, 10% of ARR for each year of the second control period is being withheld till performance guarantee test result along with all related documents is submitted by DPL to the Commission with the application for next tariff determination or next Annual Performance Review (APR), as the case may be.
- (iii) In the project cost of Unit VII there are some common facilities to be used by the proposed future Unit VIIA also and accordingly the cost for those common facilities should be shared between Unit VII and the proposed Unit VIIA. The Commission, therefore, could have deducted such cost from the provisional project cost of Unit VII at this stage. Moreover, there



are other elements in the project cost of Unit VII, which will be finalized by the Commission on submission of relevant data and for which additional deduction from the provisional project cost of Unit VII could have been made at this stage. The Commission, however, has not made any deductions on these accounts at this stage and the same will be considered during finalization of the project cost of Unit VII by the Commission.

- (iv) Withholding of 5% of the provisional project cost as per clause (i) above and thereby reduction of the provisional project cost would have effect on different fixed charge components viz. depreciation, interest, return on equity and reserve for unforeseen exigencies. However, while determining the ARR for DPL for 2008-09, 2009-10 and 2010-11, though deduction has been made from the allocation under depreciation head, no deduction has been made from the allocation under advance against depreciation head ; rather the allocation under this head has been increased by the amount disallowed under depreciation head for 2009-10 and 2010-11, subject, however, to the ceiling as specified in the Tariff Regulations, in order to facilitate loan repayments as per schedule. Similarly, in order to facilitate interest payment, no reduction in the allocation under interest head has been effected. As reserve for unforeseen exigencies is primarily to protect the interest of the consumers, no reduction in allocation under this head also has been effected. These allowances under the heads advance against depreciation, interest and reserve for unforeseen exigencies, however, will not be detrimental to the interest of the consumers as the total withheld amount under clause (iii) above and proportionate disallowance in the head return on equity due to reduction in the provisional project cost as per clause (i) above will be sufficient to take care of the allowances mentioned above. These allowances under the head advance against depreciation, interest and reserve for unforeseen exigencies shall not be construed as approval of the Commission to the project cost applied for.



- (v) The total withheld amounts as per clause (i) to clause (iv) above are Rs.4793.39 lakh, Rs.5346.83 lakh and Rs.5448.01 lakh for the years 2008-09, 2009-10 and 2010-11 respectively.
- (vi) As mentioned earlier, the project cost of Unit VII of DPL is under consideration of the Commission. In case of any disallowance in the project cost of Unit VII by the Commission, the withheld amounts as mentioned in clause (v) above shall be adjusted with the reduction in project cost, if any, and corresponding impact on tariff shall accordingly be adjusted.

### **6.3 Employees' cost**

- a) DPL has proposed its employees' cost keeping Man / MW ratio as per norm specified in the Tariff Regulations. It has proposed 23% increase in expenditure in employees' cost for the year 2008-09 over the expenditure on this head of account for 2007-08 for the reasons like impact of 5% D.A, declared on 14.1.08 for the whole year, introduction of production linked incentive scheme which has been introduced and is being revised to improve the various technical parameters of the power plant, introduction of LTC and leave encashment, general increment and promotion and probable hike in D.A during 2008-09. For the year 2009-10, DPL has proposed 23.45% increase in employees' cost over the proposed expenditure for 2008-09 for the reasons that revision of salary is due from 2006-07, that Central Pay Commission has recommended revised salaries and that WBSEDCL has taken up pay revision and similar action is needed in DPL. For 2010-11, DPL has proposed a marginal increment of 4.9% in employees' cost over that of 2009-10. Regarding employees' cost for its new 7<sup>th</sup> unit, DPL has stated that operation and maintenance of this unit has been / is being outsourced to four firms for engaging 360 persons, which is the Man / MW ratio specified for this unit in the Tariff Regulations, and requested to allow the expenditure of Rs.5578.29 lakh per annum for this purpose as employees' cost for the unit
- b) On analyzing the employee cost asked for by DPL in its tariff application, it transpires that in its proposal DPL has considered arrear, due to likely pay



revision, to be given from 2006-07 and also the payment of production incentive.

c) Employee cost proposed for Unit VII is for 360 heads as per norms as specified in the Tariff Regulations. But according to DPL, the increase in the employee cost for Unit VII is due to hiring of manpower from main contractors of Unit VII, who were involved in the construction stage, on the following grounds:

- i) Deployment of existing man power is not possible as the number of existing expert personnel is bare minimum to run the old units.
- ii) Training of freshly recruited / to be recruited personnel is required.
- iii) The primary risk of running the newly constructed ultra modern plant is to be avoided.
- iv) Opportunity of training of the newly recruited / to be recruited personnel of DPL by the hired experts.

The reasons mentioned in (i) and (iii) above indicate the failure in the front of human resource management. It appears that on manpower and advance resource planning and their implementations there was lack of timely initiative on the part of the DPL management. The reason mentioned in (iii) above also reflects the shortfall in advance planning in risk management. The reasons mentioned in (ii) and (iv) above are actually issues related to human resource development expenses that are to be booked under O&M expenses head.

d) Information submitted by DPL regarding employee cost (hired man power cost) for Unit VII is as per the following table.

Rupees in Lakh		
Name of the Agencies	Work Order No.	Employees Cost
M/s. Dong Fang Electric Corporation	DPL/PC/7 <sup>TH</sup> UNIT/DEC/1118 dated 08.02.2008	4538.96
M/s. Mc. Nally Bharat Engineering Co. Ltd.	DPL/PC/7 <sup>TH</sup> UNIT/CHP/2529 dated 14.02.2008	674.16
M/s. VA Tech Wabag Ltd.	DPL/PC/7 <sup>TH</sup> UNIT/VATW/1071 dated 24.01.2008	165.17
M/s. RITES Ltd.	Will receive soon	200.00
<b>TOTAL</b>		<b>5578.29</b>





- e) Against above submissions of DPL, the Commission observes as under:
- (i) The proposed arrear from 2006-07 shall be allowed on the basis of actuals through APR for the year concerned. Production incentive shall not be allowed in the employee cost. Incentive is likely to be accommodated through loss reduction by increasing the efficiency above the targeted norms specified in the Tariff Regulations. Moreover, a part of the incentive for better performance as provided in Schedule 10 of the Tariff Regulations can be used for the purpose.
  - (ii) Thus, for Unit I to VI, the Commission has decided to allow 17.5% increase for 2008-09 over the amount admitted for year 2007-08 followed by subsequent increase of 7.5% in 2009-10 over the amount admitted for 2008-09 and 5% in 2010-11 over the admitted amount for 2009-10. The Commission has also decided to consider the employee cost of Unit VII at per with that of Unit I to VI. Regarding the balance charges over the admitted cost for Unit VII as mentioned above in paragraph (d), the Commission has considered the same under the O&M expenses head subject to the ceiling as per norms specified in part G of Schedule 9A of the Tariff Regulations. DPL is directed to provide employee charges for operation and maintenance separately against each order, which are mentioned in the table under the earlier clause (d), in the application for APR for the concerned year.
  - (iii) Thus, against the amounts proposed by the DPL for employee cost, the amounts admitted by the Commission are as shown below: -

Sl. No	Particular	Employee Cost for DPL			Rupees in Lakh		
		As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	3322.05	4215.44	4422.34	1817.03	1953.31	2050.97
2	Unit - VII	4145.06	4145.06	4145.06	429.28	461.47	484.55
3	Sub total of Generation (3=1+2)	7467.11	8360.50	8567.40	2246.31	2414.78	2535.52
4	Distribution	2581.91	2736.89	2800.87	561.93	646.22	678.53
5	<b>Total (5=3+4)</b>	<b>10049.02</b>	<b>11097.39</b>	<b>11368.27</b>	<b>2808.24</b>	<b>3061.00</b>	<b>3214.05</b>



(iv) In addition to above, the share of the employee cost against centrally maintained expenses has also been determined by the Commission after deduction of the production incentive and has been shown separately on the basis of the proposal of DPL. Production incentive has not been considered for the reasons as already explained. Centrally maintained expenses have been segregated by the Commission between distribution and generation head on the basis of ratio of the costs of generation and distribution. Till 2007-08 centrally maintained expenses were treated under O & M expenses, but in terms of the Tariff Regulations these expenses have been segregated and are now being treated separately under employee cost though the O & M expenses have not been reduced for this reason. It is observed that 8.33% of the employee cost of power-stations is the employee cost for centrally maintained expenses for WBPDC. In line with that the Commission has admitted 8.33% of the employee cost of power station of DPL for centrally maintained expenses for generation wing. DPL's distribution business being spread over a small area and major part of its electricity consumers are bulk in nature in HT level, for DPL's distribution business a slightly higher rate of 10% of employee cost of distribution wing has been admitted as centrally maintained expenses for DPL's distribution wing. Accordingly, the expenses for employee cost against centrally maintained expenses are shown in the following table.

Rupees in Lakh

Employee Cost against Centrally Maintained Expenses							
Sl. No	Particular	As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	1592.11	2119.14	2207.02	151.36	162.71	170.85
2	Unit - VII	321.59	391.04	572.19	35.76	38.44	40.36
3	Sub total of Generation (3=1+2)	1913.70	2510.18	2779.21	187.12	201.15	211.21
4	Distribution	658.88	785.70	859.50	56.19	64.62	67.85
5	<b>Total (5=3+4)</b>	<b>2572.58</b>	<b>3295.88</b>	<b>3638.71</b>	<b>243.31</b>	<b>265.77</b>	<b>279.06</b>

f) If, due to revision of pay, there is any variation in the admitted amount, DPL shall furnish relevant information and supporting documents in this respect with the application for APR for the concerned year and the same will be considered for adjustment in APR to the extent it is found fit by the



Commission. Along with the information and documents as mentioned above, DPL shall, along with the application for APR for the concerned year, also furnish the information in the following format.

Category	Sl. No.	Particulars	Annual expenditure for the year concerned	Arrear payment in the year due to pay revision	
A	<b>Expenditure in Rupees in Lakh</b>				
	1	Salary and Wages			
		a	Basic Pay		
		b	Dearness Allowances		
		c	Other Allowances		
	2	Statutory Retirement Benefit			
		a	Gratuity		
		b	Company's contribution to PF		
		c	Company's contribution to Pension Scheme		
	3	Statutory Bonus and <i>Ex-Gratia</i>			
	4	Leave Salary			
5	LTC and Leave Encashment				
6	Workmen and staff welfare expenditure				
7	Others, if any				
B	<b>Number of Personnel</b>				
Note: In the above format production incentive shall not be included under any head as mentioned above. In serial no. 7 of Category A under the head "Others", specific head to be mentioned.					

The period related to arrear payment shall be mentioned clearly. Such information shall also show the expenditure of own employees and employees on contract in regular establishment separately. Interest payment on Contributory Provident Fund and General Provident Fund shall not be considered as it is not permissible unless it is explicitly established that in spite of investment of such fund in a prudent manner and management of fund efficiently, there is shortfall in accrued interest to discharge the liability of statutory interest as laid down in concerned laws. Henceforth, DPL shall show the production incentive separately in its accounts under generation, distribution and centrally maintained expenses heads.

#### 6.4 Coal and Ash Handling Expenses

For coal and ash handling charges the proposal of DPL has been analyzed by the Commission for all the three years of 2008-09, 2009-10 and 2010-11. It has been found that said expenditure as projected are extremely high in comparison to the estimated expenditure of Rs. 407.93 lakh in 2007-08 even if the enhanced generation and inflation is considered. Accordingly, the Commission has



computed admissible amounts for coal and ash handling expenses for all the three years of the second control period on the basis of following principles.

- i) Increment has been allowed over the actual expenses for 2007-08 for enhanced generation of DPL.
- ii) The impact of the lower unit heat rate of Unit VII in comparison to that of old units has been taken into consideration.
- iii) The impact of inferior coal quality for Unit VII in terms of higher ash content has been considered.
- iv) Inflationary trend has also been considered over and above the said factors, to arrive at the value for coal and ash handling charges for 2008-09.
- v) For 2009-10 and 2010-11, increase of 7.5% and 5% respectively over the admitted amount of the preceding year has been allowed considering the inflationary trend and assuming that present trend of inflation will be reasonably contained within 2010-11. The following table reflects the admitted amounts.

		Coal and Ash Handling Expenses			Rupees in Lakh		
Sl. No	Particular	As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	775.13	813.89	854.58	633.92	681.46	715.54
2	Unit - VII	724.87	761.11	799.17	490.08	526.84	553.18
3	<b>Total Generation ( 3 = 1 + 2 )</b>	<b>1500.00</b>	<b>1575.00</b>	<b>1653.75</b>	<b>1124.00</b>	<b>1208.30</b>	<b>1268.72</b>

## 6.5 Water charges

The water charges/ cess proposed by DPL are found to be quite reasonable considering the estimated water charges of 2007-08 and enhanced generation of 2008-09 and thus admitted by the Commission. The following table will reflect such picture.



Rupees in Lakhs

Water Charges / Cess						
Sl. No.	Particular	Actual in 2007-08	Admitted in 2007-08	As Proposed by DPL and Admitted by the Commission		
				2008-09	2009-10	2010-11
1	Unit - I –VI	901.03	1649.27	1359.99	1338.54	1338.54
2	Unit - VII	0.00	2023.89	829.92	821.68	821.68
3	<b>Total Generation (3=1+2)</b>	901.03	3673.16	2189.91	2160.22	2160.22
4	<b>Distribution</b>	12.74	Incl. in 1 & 2	17.24	25.48	25.48
5	<b>Total ( 5 = 3 + 4)</b>	<b>913.77</b>	<b>3673.16</b>	<b>2207.15</b>	<b>2185.70</b>	<b>2185.70</b>

## 6.6 Operation and Maintenance Expenses

After analyzing the tariff application of DPL for the second control period, it is found that under O&M expenses DPL has included employee cost related to centrally maintained expenses but it is not permissible under the O&M expenses as specified in the Tariff Regulations. Employee cost being not a part of the O&M expenses, has thus been segregated from the centrally maintained expenses and allocated separately between generation and distribution for admission by the Commission under the head of employee cost against centrally maintained expenses. Therefore, while determining O&M expenses, the Commission has not considered employee cost embedded in centrally allocated expenses under O&M expenses. The Commission has allowed O&M expenses for generation in accordance with the norms specified in Schedule 9A of the Tariff Regulations. For distribution system, the projections of DPL on different sub-heads of O&M expenditure appear to be very high. For 2008-09, legal and professional charges and audit fees have been considered with an increase of 5% per annum over the actual expenditure of 2006-07. But in case of other administrative and general expenses for 2008-09, the Commission decides to consider only 5% increase over the actual expenditure of 2006-07 and directs DPL to contain the expenditure under this head in future. For repair and maintenance head, double the actual expenditure of 2006-07 has been admitted for 2008-09 in order to give special emphasis on repair and maintenance works and network strengthening of distribution system.

For 2009-10 and 2010-11, O&M cost for different sub-heads for distribution system has been determined by giving an increase of 7.5% and 5% over the admitted amount of the preceding year considering the present inflationary trend



and assuming that present trend of inflation will be contained reasonably within 2010-11. Accordingly, the proposed and admitted amounts for O&M expenses for distribution system for the three ensuing years are depicted in the following table:

Rupees in Lakh

Operation and Maintenance Expenses for Distribution System						
Particulars	2008-09		2009-10		2010-11	
	Proposed	Admitted	Proposed	Admitted	Proposed	Admitted
Other Administrative & General Expenses	711.55	270.00	840.75	290.25	917.76	304.76
Rent & Rates & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Legal & Professional Charges	1.21	0.38	1.22	0.40	1.29	0.43
Audit Fees	14.35	10.00	15.36	10.75	16.44	11.29
R & M including Consumables	659.33	535.86	515.49	576.05	504.36	604.85
<b>Total O&amp;M Expenses</b>	<b>1386.44</b>	<b>816.24</b>	<b>1372.82</b>	<b>877.45</b>	<b>1439.85</b>	<b>921.33</b>

The Commission hereby directs that in case the actual expenses under repair and maintenance head of distribution system is found to be less than the admitted amount for any of the three ensuing years, the Commission will allow the actual expenditure under this head in APR for the concerned year.

The admitted overall amounts for O&M expenses and allocation between generation and distribution system are shown in the table below:

Rupees in Lakh

Sl. No	Particular	As admitted by the Commission		
		2008-09	2009-10	2010-11
1	Unit - I –VI	5634.05	5746.33	5862.62
2	Unit - VII	1563.00	1641.00	1722.00
3	Sub total of Generation ( 3 = 1+ 2 )	7197.05	7387.33	7584.62
4	Distribution	816.24	877.45	921.33
5	<b>Total ( 5 = 3 + 4 )</b>	<b>8013.29</b>	<b>8264.78</b>	<b>8505.95</b>

## 6.7 Depreciation

DPL has submitted detailed computations in this regard and the Commission agrees to such computations for depreciation. The Commission however, has allowed depreciation considering 5% reduction of provisional project cost of Unit VII on the ground as mentioned in paragraph 6.2(i) and the amounts of depreciation admitted by the Commission stand as follows:



Rupees in Lakh

Depreciation							
Sl. No	Particular	As proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	1244.02	1244.02	1244.02	1244.02	1244.02	1244.02
2	Unit - VII	4860.00	4860.00	4860.00	4617.00	4617.00	4617.00
3	Sub total of Generation (3=1+2)	6104.02	6104.02	6104.02	5861.02	5861.02	5861.02
4	Distribution	557.11	947.41	1235.47	557.11	947.41	1235.47
5	Total (5=3+4)	6661.13	7051.43	7339.49	6418.13	6808.43	7096.49

### 6.8 Advance against Depreciation

6.8.1 The statements of capital borrowings and computations of chargeable interest with reference to scheduled repayments show that DPL will require the following amounts to make the total repayments in different years:

Rupees in lakh	
2008-09	6690.48
2009-10	10629.37
2010-11	10642.22

6.8.2 As a part of the depreciation relating to unit VII of the power plant has been reduced, DPL will require additional amounts towards advance against depreciation to keep up its loan repayment commitments considering DPL as a whole (power business only). The amounts chargeable for depreciation in different years under the control period, as shown in paragraph 6.7 will fall short of the amounts required for repayments of loans. The net short fall for DPL as a whole (power business only) will be as under:

Rupees in lakh			
Year	Amount of Loan Repayments	Chargeable depreciation	Shortfall
2008-09	6690.48	6418.13	272.35
2009-10	10629.37	6808.43	3820.94
2010-11	10642.22	7096.49	3545.73

To facilitate the scheduled loan repayments, the Commission considers to allow the amounts of net shortfall as shown above as advance against depreciation in terms of the Tariff Regulations. The allowable amounts of advance against depreciation, therefore, are being allowed as per following allocation as shown under:



Rupees in Lakh

Advance against Depreciation							
Sl. No	Particular	As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	1142.91	1137.17	1149.61	272.35	1137.17	1149.61
2	Unit - VII	0.00	2440.77	2153.12	0.00	2683.77	2396.12
3	Sub total of Generation (3=1+2)	1142.91	3577.94	3302.73	272.35	3820.94	3545.73
4	Distribution	0.00	0.00	0.00	0.00	0.00	0.00
5	<b>Total (5=3+4)</b>	<b>1142.91</b>	<b>3577.94</b>	<b>3302.73</b>	<b>272.35</b>	<b>3820.94</b>	<b>3545.73</b>

### 6.9 Write off of Intangible Assets

The value of intangible Assets to be written off as projected by DPL under generation and distribution system and allowed by the Commission are as below.

Rupees in lakh

Write off of Intangible Assets				
Sl. No	Particular	As proposed by DPL and admitted by the Commission		
		2008-09	2009-10	2010-11
1	Unit - I –VI	2.07	2.28	2.44
2	Unit – VII	0.84	0.90	0.98
3	Sub total of Generation (3=1+2)	2.91	3.18	3.42
4	Distribution	1.00	1.01	1.06
5	<b>Total (5=3+4)</b>	<b>3.91</b>	<b>4.19</b>	<b>4.48</b>

### 6.10 Interest on Borrowed Capital

6.10.1 DPL has provided detailed computations in regard to its claims towards interest payable on capital borrowings from Central Electricity Authority (CEA), Power Finance Corporation Ltd (PFCL) and Govt. of West Bengal. It has also claimed interest on normative capital borrowings in terms of the Tariff Regulations. The break-up of the claims are summarized as under:

Rupees in lakh

Interest				
Sl. No.	Particulars	2008-09	2009-10	2010-11
1	For first 6 units of power plant	1446.06	1311.25	1111.84
2	For VII <sup>th</sup> unit of power plant	10648.28	10716.32	10649.70
3	On Normative Interest for capital employed for Distribution system	239.03	239.32	239.63
4	<b>Total</b>	<b>12333.37</b>	<b>12266.89</b>	<b>12001.17</b>

6.10.2 On detailed examination of projected claims and computations provided in that regard, it has been noted that DPL has projected payments of penal interest to CEA against a borrowing of RS 1181.00 lakh. The proposed payments of penal interest are Rs 58.73 lakh, Rs 61.55 lakh and Rs 64.38 lakh for the years 2008-





09, 2009-10 and 2010-11 respectively. No such amounts of penal interest for non-repayment of the loans are admissible. The Commission feels that DPL should repay the concerned loans in time for avoiding such penalty. The amounts of interest chargeable to Revenue Requirement are, therefore, admitted and allocated according to the purposes for which the loans were taken :

Rupees in Lakh

Interest on borrowed capital							
Sl. No	Particular	As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	1432.33	1317.98	1148.75	1373.60	1256.43	1084.37
2	Unit - VII	9051.04	9108.87	9052.25	9051.04	9108.87	9052.25
3	Sub total of Generation (3=1+2)	10483.37	10426.85	10201.00	10424.64	10365.30	10136.62
4	Distribution	1850.00	1840.04	1800.17	1850.00	1840.04	1800.17
5	<b>Total (5=3+4)</b>	<b>12333.37</b>	<b>12266.89</b>	<b>12001.17</b>	<b>12274.64</b>	<b>12205.34</b>	<b>11936.79</b>

The interest on capital borrowings, however, is not kept withheld for reduction in provisional project cost of Unit VII for reasons mentioned in paragraph 6.2(i) of this order.

#### 6.11 Other Finance Charges

The amounts claimed by DPL towards other finance charges comprising Guarantee Fees and Bank Charges are as under and the claims are found reasonable and hence allowed.

Rupees in lakh

Sl. No	Particular	As proposed by DPL and admitted by the Commission		
		2008-09	2009-10	2010-11
1	Unit - I –VI	48.84	37.15	25.38
2	Unit - VII	814.49	751.45	682.72
3	Sub total of Generation(3=1+2)	863.33	788.60	708.10
4	Distribution	152.35	139.17	124.97
5	<b>Total (5=3+4)</b>	<b>1015.68</b>	<b>927.77</b>	<b>833.07</b>

#### 6.12 Bad Debts

The bad debts claimed by the DPL are as under:-

Rupees in lakh

2008-09	2009-10	2010-11
503.00	521.00	516.00



In terms of regulation 4.10.1 of the Tariff Regulations, the Commission may allow amount of bad debts as actually had been written off in the latest available audited accounts subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year. The projected amounts are agreed to subject to adjustment at the time of APR for the concerned years as shown below:

Rupees in lakh

Sl. No	Particular	As proposed by DPL and admitted by the Commission		
		2008-09	2009-10	2010-11
1	Distribution	503.00	521.00	516.00
2	<b>Total</b>	<b>503.00</b>	<b>521.00</b>	<b>516.00</b>

### 6.13 Income Tax

DPL has projected Rs.1317.71 lakh, Rs.1343.03 lakh and Rs.1355.69 lakh for the ensuing years 2008-09, 2009-10 and 2010-11 respectively for income tax. The power business of DPL is not a separate entity for the assessment of income tax. Its tax liability will depend on the overall taxable income of the company as a whole. Till the time the income tax is assessed and the part of the tax payable is identified pertaining to power business, the Commission cannot allow any provision in this regard. However, in case, such tax payable is identified pertaining to power business of DPL, on submission of conclusive documentary evidences with the application for APR in succeeding years, the same will be taken care of.

### 6.14 Interest on Consumers' Security Deposits

DPL has not projected any amount for payment of interest to the consumers on their security deposits. It is not also available in the audited balance sheet of DPL. It is noted by the Commission from the comments of the Hon'ble Comptroller and Auditor General of India (CAG) that DPL received security deposits of Rs. 1.81 crore and Rs. 2.31 crore respectively during 2005-06 and 2006-07 but DPL did not pay any interest on security deposits. In terms of the regulation in this regard made by the Commission, DPL was liable to pay interest on cash security deposits @ 6% per annum and also to pay penal interest @10% per annum for non-refund or non-adjustment of the interest on security deposits to the eligible consumers and total interest / penal interest liability



worked out by CAG comes to Rs.56.68 lakh upto the end of 2006-07. Moreover, how this amount and subsequent deposits from the consumers have been deployed in the power business of DPL have also not been mentioned. The Commission feels that this amount and the amounts of security deposits received / to be received from the consumers of DPL thereafter should be invested as working capital of DPL in its power business upto the normative level of working capital in terms of the Tariff Regulations and the balance, if any, over the normative working capital should be properly invested. DPL is, therefore, directed to do the needful accordingly in this regard. The earnings from such investments shall be considered as income from other non tariff sources. DPL is also directed to submit henceforth a report, supported by necessary audited data, in its applications for APR and also for determination of tariff showing as to how the amount of security deposits has been employed by it. The Commission directs DPL to pay the interest payable to the consumers on their security deposits at the rate specified in the relevant regulation of the Commission. Pending the same, although DPL has not preferred any claim under this head, the Commission allows only the normal interest @ 6% on Rs. 412 lakh, the security deposits upto the end of 2006-07 as reported by CAG, amounting to Rs.24.72 lakh for each year of the second control period which will be adjusted in the APR of the concerned year. The expenses are to be booked under distribution system.

**6.15 Reserve for unforeseen exigencies**

DPL has also not proposed any appropriation for the reserve for unforeseen exigencies in terms of regulation 4.11 of the Tariff Regulations. It has also been observed that no such reserve has been created against the appropriations allowed in the earlier years as under:

Rupees in lakh

2006-07	2007-08	Total
132.46	140.28	272.74

In terms of the referred regulation, the Commission thus is allowing appropriations for creation of such reserves for the ensuing years also with the directives that investment of the amounts (including the arrears for earlier years) must be done in accordance with the provisions of the Tariff Regulations and the



amounts of interest earnings thereon should be taken as income from non-tariff sources. For failure to comply with the provisions of the referred regulation, double the amount allowed for the purpose will be deducted from the amount of return on equity, allowed to DPL, during APR of any succeeding years. Income from such investments of Reserve for Unforeseen Exigencies shall be reinvested for the same purpose and shall be shown separately in the application of APR or tariff, as the case may be, supported by necessary audited data for any year. Moreover, this income should not be considered under income from non-tariff sources for the determination of Net Aggregate Revenue Requirement in APR or tariff for any year. The amounts allowed under this head are as under.

Rupees in Lakh

Reserve for Unforeseen Exigencies							
Sl. No	Particular	As Proposed by DPL			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Unit - I –VI	0.00	0.00	0.00	110.53	113.98	113.99
2	Unit - VII	0.00	0.00	0.00	0.00	337.50	337.50
3	Total of Generation (3=1+2)	0.00	0.00	0.00	110.53	451.48	451.49
4	Distribution	0.00	0.00	0.00	28.62	59.72	86.33
5	<b>Total ( 5 = 3 + 4 )</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>139.15</b>	<b>511.20</b>	<b>537.82</b>

Any amount of reserve for unforeseen exigencies however is not kept withheld for reduction in the provisional project cost of Unit VII for the reasons mentioned at paragraph 6.2(i) of this order.

## 6.16 Interest on Working Capital

6.16.1 The DPL has asked for interest on normative working capital as under:

Rupees in lakh

2008-09	2009-10	2010-11
1845.53	1875.92	1852.85

The claims for the amount of interest on working capital are not supported by any borrowing schemes. No amount of existing borrowings towards working capital at the beginning of 2008-09 has also been shown. The Commission, therefore, does not consider to allow any interest in this regard presently.



6.16.2 The necessity of borrowing working capital, however, cannot be ruled out. If any such borrowing is done for any of the years, the incident of interest on that will be considered for re-imbursement through APR for the concerned year.

**6.17 Income from other Sources**

DPL has projected incomes from other non-tariff sources as under: --

Rupees in lakh

Sl. No.	Particulars	2008-09	2009-10	2010-11
1	Rental of meters etc.	87.09	87.96	88.84
2	Sale and Repairs of meters and apparatus etc.	2.49	2.51	2.53
3	Income from investment & bank balances	5.76	5.84	5.90
4	Surcharge on late payments	20.90	21.11	21.32
5	Income from consumers' job	38.71	39.10	39.49
6	Sale of steam	174.16	175.90	177.66
7	others	62.29	62.91	63.54
8	<b>Total</b>	<b>391.40</b>	<b>395.33</b>	<b>399.28</b>

The proposal of income from other sources of DPL has been admitted by the Commission for all the three ensuing years with allocation of the income between generation and distribution on the basis of the nature of the income. The incomes from rental of meters and other apparatus, sale and repair of meters and other apparatus, surcharge for late payment and income form jobs at consumers' premises have been considered in the distribution head. Income from steam has been considered in the generation head of unit I to VI. Income from investment and bank balance and other general receipt have been distributed between generation and distribution in the ratio of gross revenue requirement on the generation segment and distribution segment. Accordingly, the allocated amounts as admitted by the Commission are as follows:

Rupees in Lakh

Income from Other Sources				
Sl. No	Particular	As Proposed by DPL and Admitted by the Commission		
		2008-09	2009-10	2010-11
1	Unit - I –VI	206.94	208.24	210.63
2	Unit - VII	30.89	31.54	31.26
3	Sub total of Generation( 3 = 1 + 2 )	237.83	239.78	241.89
4	Distribution	153.57	155.55	157.39
5	<b>Total (5 = 3 + 4 )</b>	<b>391.40</b>	<b>395.33</b>	<b>399.28</b>

As can be noted from the above break-ups, DPL earns a considerable amount by sale of steam from the power plants to other agencies. What are those agencies and at what rates supplies are being made to them shall be indicated by DPL in



its application for APR. Presently, the projected amounts of incomes from other non-tariff sources are being admitted.

## 6.18 Return on Equity

6.18.1 DPL has projected average equity base with reference to opening balance and proposed addition during 2008-09, 2009-10 and 2010-11 to the fixed assets and considered return on equity @ flat 14% for different years of the second control period as shown below:

Rupees in lakh

Average Equity Base as projected by DPL				
Sl. No.	Particular	2008-09	2009-10	2010-11
1	For Units No. I to VI	40976.48	40976.56	40976.65
2	For Unit No. VII	42096.55	43693.10	44491.38
3	<b>Total</b>	<b>83073.03</b>	<b>84669.66</b>	<b>85468.03</b>

Rupees in lakh

Return on Equity Base as Projected by DPL				
Sl. No.	Particular	2008-09	2009-10	2010-11
1	For Units No. I to VI	5736.71	5736.72	5736.73
2	For Unit No. VII	5893.52	6117.03	6228.79
3	<b>Total</b>	<b>11630.23</b>	<b>11853.75</b>	<b>11965.52</b>

DPL did not segregate its equity base for different years between generation and distribution system. Moreover, there lies a computation error in considering opening equity base for 2009-10 and 2010-11 of the second control period.

6.18.2 In terms of the Tariff Regulations, returns on equity base are to be allowed @ 14% on generating assets and 15% on distribution assets. Thus considering its proportion of gross fixed assets of generation and distribution system at the beginning and closing of the year, the equity base at its opening and closing of the respective year has been arrived at. Based on the above computations the average equity base for each year of 2008-09, 2009-10 and 2010-11 for generating station and distribution system are as below:

Rupees in lakh

Admitted Average Equity Base					
Sl. No.	Segment	2008-09	2009-10	2010-11	
1	Generation	Unit - I –VI	32305.27	32557.09	32557.09
		Unit - VII	40500.00	40500.00	40500.00
		<b>Total</b>	<b>72805.27</b>	<b>73057.09</b>	<b>73057.09</b>
2	Distribution system	10267.77	13685.60	16080.60	
3	<b>Overall</b>	<b>83073.04</b>	<b>86742.69</b>	<b>89137.69</b>	



6.18.3 The amounts of returns on equity allowable on above amounts of equity base come as under after adjustments for Unit VII in pursuance of regulation 2.8.1.4.13 of the Tariff Regulations:

Rupees in lakh

		Return of Equity as allowed in Tariff Order			
			2008-09	2009-10	2010-11
1	Generating Assets @ 14% on average Equity base of generation segment	(a) For Units No. I to VI	4522.74	4557.99	4557.99
		(b) For Unit No. VII	5670.00	5670.00	5670.00
		Less: In pursuance of regulation 2.8.1.4.13 of the Tariff Regulations as referred to in paragraph 6.2(i) of this order.	(-) 283.50	(-) 283.50	(-) 283.50
		Net Total for Unit No. VII	5386.50	5386.50	5386.50
		Total Generation	9909.24	9944.49	9944.49
2	Distribution assets @ 15% on average equity base of distribution segment	Total Distribution	1540.16	2052.84	2412.09
		<b>Overall :</b>	<b>11449.40</b>	<b>11997.33</b>	<b>12356.58</b>

The return on equity on account of the VIIIth unit of the generating station will be withheld to the extent as mentioned in paragraph 6.2(i) for the reasons mentioned therein.

#### 6.19 Interest Credit

In terms of the Tariff Regulations, DPL has projected Rs.122.49 lakh as interest credit to be refunded in ARR during 2008-09 as chargeable depreciation for Unit VII is more than the amount of loan repayable for that year. However, as the Commission has considered depreciation and loan repayment for DPL's power business as a whole, no interest credit is considered for 2008-09.

#### 6.20 Demurrage

Demurrage claimed by DPL has been admitted.



## **CHAPTER – 7 SUMMERISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT FOR THE YEARS 2008-09, 2009-10 & 2010-11 & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2008-09**

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- 7.1 Based on the analyses and findings recorded in the foregoing chapters we are now drawing the statements of Aggregate Revenue Requirements (ARR) separately for each of the three years of the second control period covering the years 2008-09, 2009-10 and 2010-11. Such summarized statements are given in Annexure 7A to 7C of this chapter.
- 7.2 In terms of the Tariff Regulations, we are also to ascertain the amount of revenue recoverable through tariff for the year 2008-09 after carrying out adjustments with the ARR for that year of the recoverable amounts determined in Fuel and Power Purchase Cost Adjustment (FPPCA) and also refundable amount in Annual Performance Review (APR) for the year 2006-07. The Commission in its order dated 15.09.2008 in Case No. APR-3/07-08 has determined the net amount of Rs. 3321.22 lakh refundable to the consumers after taking into consideration the adjustments in both variable costs and fixed costs and therefore the Commission's order dated 12.03.2008 in Case No. FPPCA-20/07-08 regarding recovery stands modified to that extent and accordingly DPL is not entitled for any recovery from the consumers in terms of the Commission's order dated 12.03.2008 in Case No. FPPCA-20/07-08. Out of this net refundable amount of 3321.22 lakh determined in APR, the Commission has decided to adjust Rs. 1660.61 lakh with the ARR for 2008-09 to determine the revenue recoverable through tariff during 2008-09. The balance Rs. 1660.61 lakh has been considered by the Commission as regulatory liability and will be adjusted with the ARR of any ensuing year depending on need, as may be decided by the Commission. Accordingly, the amount of revenue to be recovered through tariff, capacity charges and fixed charges for the year 2008-09 work out as under:-





Rupees in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2008-09				
Sl. No.	Particulars	Generation	Distribution	Total
1	Aggregate Revenue Requirement for 2008-09	83814.35	7229.99	91044.34
2	Adjustment for APR for 2006-07	(-) 1445.39	(-) 215.22	(-) 1660.61
3	Sub Total (1+2)	82368.96	7014.77	89383.73
4	Capacity Charges ( 4 = 3 - Fuel Cost )	34671.01	N.A.	N.A.
5	Power Purchase Cost	N.A.	1275.00	N.A.
6	Fixed charges for Distribution	N.A.	5739.77	N.A.
N.A.- Not Applicable				

- 7.3 The Commission has also worked out the average tariff for the consumers of DPL for 2008-09 and the same is shown in the table below.

AVERAGE TARRIFF FOR CONSUMERS OF DPL in 2008-09			
Sl. No.	Particulars	Unit	Total
1.	Total revenue to be recovered through tariff	Rs. Lakh	89383.73
2.	Revenue from sale of power to WBSEDCL	Rs. Lakh	33249.12
3.	Revenue Recoverable for supply of power to the consumers (1-2)	Rs. Lakh	56134.61
4.	Energy sale to the consumers including inter-plant transfer	MU	2133.322
5.	Average tariff for the consumers (Sl.3 x 10 ÷ Sl. 4)	Paisa/ Kwhr	263.13



**ANNEXURE-7A**

Amount Rs. in Lakh

GENERATION COST OF DPL							
Sl. No.	PARTICULARS	2008-09		2009-10		2010-11	
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Fuel	47924.22	47697.95	45901.33	48733.05	44986.23	50041.34
2	Employee Cost	7467.11	2246.31	8360.50	2414.78	8567.40	2535.52
3	Centrally Maintained Employee Expenses	1913.70	187.12	2510.18	201.15	2779.21	211.21
4	Coal and ash handling expenses	1500.00	1124.00	1575.00	1208.30	1653.75	1268.72
5	Other Administrative & General Expenses	2026.90	7197.05	2632.62	7387.33	2910.83	7584.62
6	Rent & Rates & Taxes	1.13		1.22		1.30	
7	Legal & professional Charges	3.55		3.88		4.17	
8	Audit Fees	0.00		0.00		0.00	
9	Repair & Maintenance including Consumables	3393.66		2964.44		2787.26	
10	Insurance	130.24		138.86		149.11	
11	Interest on borrowed Capital	10483.37	10424.64	10426.85	10365.30	10201.00	10136.62
12	Interest on Working Capital	1845.53	0.00	1875.92	0.00	1852.85	0.00
13	Depreciation	6104.02	5861.02	6104.02	5861.02	6104.02	5861.02
14	Water Charges	2189.91	2189.91	2160.22	2160.22	2160.22	2160.22
15	Written off of Intangible assets	2.91	2.91	3.18	3.18	3.42	3.42
16	Advance Against Depreciation	1142.91	272.35	3577.94	3820.94	3302.73	3545.73
17	Other Finance Charges	863.33	863.33	788.60	788.60	708.10	708.10
18	Demurrage	251.22	251.22	268.80	268.80	287.62	205.44
19	Income tax	1317.71	0.00	1343.03	0.00	1355.69	0.00
20	ROE	11630.23	9909.24	11853.75	9944.49	11965.52	9944.49
21	Reserve for unforeseen exigencies	0.00	110.53	0.00	451.48	0.00	451.49
22	<b>Gross Revenue requirement ( 22 = sum 1 to 21)</b>	<b>100191.65</b>	<b>88337.58</b>	<b>102490.34</b>	<b>93608.64</b>	<b>101780.43</b>	<b>94657.94</b>
23	Less Misc. other income	237.83	237.83	239.78	239.78	241.89	241.89
24	Less Interest Credit	122.49	0.00	0.00	0.00	0.00	0.00
25	Less: Non submission of PG Test report of Unit 7	0.00	4285.40	0.00	4624.85	0.00	4616.62
26	<b>Net Total Revenue Required (26 = 22 – 23 – 24 – 25)</b>	<b>99831.33</b>	<b>83814.35</b>	<b>102250.56</b>	<b>88744.01</b>	<b>101538.54</b>	<b>89799.43</b>



**ANNEXURE-7B**

Amount Rs. in Lakh

DISTRIBUTION COST OF DPL IN RS LAKH							
Sl. No.	Particulars	2008-09		2009-10		2010-11	
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Power Purchase Cost	0.00	1275.00	0.00	0.00	0.00	0.00
2	Employee Cost	2581.91	561.93	2736.89	646.22	2800.87	678.53
3	Centrally Maintained Employee Expenses	658.88	56.19	785.70	64.62	859.50	67.85
4	Other Administrative & General Expenses.	711.55	270.00	840.75	290.25	917.76	304.76
5	Legal & professional Charges	1.21	0.38	1.22	0.40	1.29	0.43
6	Audit Fees	14.35	10.00	15.36	10.75	16.44	11.29
7	Repair & Maintenance including Consumables	659.33	535.86	515.49	576.05	504.36	604.85
8	Interest on security deposit	0.00	24.72	0.00	24.72	0.00	24.72
9	Interest on borrowed capital	1850.00	1850.00	1840.04	1840.04	1800.17	1800.17
10	Depreciation	557.11	557.11	947.41	947.41	1235.47	1235.47
11	Water Charges	17.24	17.24	25.48	25.48	25.48	25.48
12	Written off of Intangible assets	1.00	1.00	1.01	1.01	1.06	1.06
13	Provisions of Doubtful Debts	503.00	503.00	521.00	521.00	516.00	516.00
14	Other Finance Charges	152.35	152.35	139.17	139.17	124.97	124.97
15	ROE	0.00	1540.16	0.00	2052.84	0.00	2412.09
16	Reserve for unforeseen exigencies	0.00	28.62	0.00	59.72	0.00	86.33
17	<b>Gross Revenue requirement</b>	<b>7707.93</b>	<b>7383.56</b>	<b>8369.52</b>	<b>7199.68</b>	<b>8803.37</b>	<b>7894.00</b>
18	Less Misc. other income	153.57	153.57	155.55	155.55	157.39	157.39
19	<b>Net Total Revenue Required</b>	<b>7554.36</b>	<b>7229.99</b>	<b>8213.97</b>	<b>7044.13</b>	<b>8645.98</b>	<b>7736.61</b>



**ANNEXURE-7C**

TOTAL AGGREGATE REVENUE REQUIREMENT FOR DPL								Amount Rs. in Lakh	
SI. NO.	ITEM	2008-09		2009-10		2010-11		PROPOSED	ADMITTED
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED		
1	Fuel	47924.22	47697.95	45901.33	48733.05	44986.23	50041.34		
2	Power Purchase	0.00	1275.00	0.00	0.00	0.00	0.00		
3	Employee Cost	10049.02	2808.24	11097.39	3061.00	11368.27	3214.05		
4	Centrally Maintained Employee Expenses	2572.58	243.31	3295.88	265.77	3638.71	279.06		
5	Coal and ash handling expenses	1500.00	1124.00	1575.00	1208.30	1653.75	1268.72		
6	Other Administrative & General Expenses.	2738.45		3473.37		3828.59			
7	Rent & Rates & Taxes	1.13		1.22		1.30			
8	Legal & professional Charges	4.76	8013.29	5.10	8264.78	5.46	8505.95		
9	Audit Fees	14.35		15.36		16.44			
10	Repair & Maintenance including Consumables	4052.99		3479.93		3291.62			
11	Insurance	130.24		138.86		149.11			
12	Interest on security deposit		24.72		24.72		24.72		
13	Interest on borrowed capital	12333.37	12274.64	12266.89	12205.34	12001.17	11936.79		
14	Interest on Working Capital	1845.53	0.00	1875.92	0.00	1852.85	0.00		
15	Depreciation	6661.13	6418.13	7051.43	6808.43	7339.49	7096.49		
16	Water Charges	2207.15	2207.15	2185.70	2185.70	2185.70	2185.70		
17	Written off of Intangible assets	3.91	3.91	4.19	4.19	4.48	4.48		
18	Advance Against Depreciation	1142.91	272.35	3577.94	3820.94	3302.73	3545.73		
19	Provisions of Doubtful Debts	503.00	503.00	521.00	521.00	516.00	516.00		
20	Other Finance Charges	1015.68	1015.68	927.77	927.77	833.07	833.07		
21	Demurrage	251.22	251.22	268.80	268.80	287.62	205.44		
22	Income tax	1317.71	0.00	1343.03	0.00	1355.69	0.00		
23	ROE	11630.23	11449.40	11853.75	11997.33	11965.52	12356.58		
24	Reserve for unforeseen exigencies	0.00	139.15	0.00	511.20	0.00	537.82		
25	<b>Gross Revenue requirement ( 25 = sum 1 to 24)</b>	<b>107899.58</b>	<b>95721.14</b>	<b>110859.86</b>	<b>100808.32</b>	<b>110583.80</b>	<b>102551.94</b>		
26	Less Misc. other income	391.40	391.40	395.33	395.33	399.28	399.28		
27	Less Interest Credit	122.49	0.00		0.00		0.00		
28	Less: Non submission of PG Test report of Unit 7	0.00	4285.40	0.00	4624.85	0.00	4616.62		
29	<b>Net Total Revenue Required (29 = 25 - 26 – 27 – 28)</b>	<b>107385.69</b>	<b>91044.34</b>	<b>110464.53</b>	<b>95788.14</b>	<b>110184.52</b>	<b>97536.04</b>		



## CHAPTER - 8 TARIFF ORDER

- 8.1 As mentioned in the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined for DPL the Aggregate Revenue Requirement (ARR) for each ensuing year of the control period covering the years 2008-09 to 2010-11 and the revenue recoverable through tariff during 2008-09 after adjusting the amount refundable to the consumers as determined in the Annual Performance Review for 2006-07 as also the amount recoverable from the consumers as determined in FPPCA for 2006-07 with the ARR determined for 2008-09. The Commission has also determined the average tariff for the consumers of DPL for 2008-09 and the tariff schedule applicable to the consumers of DPL in 2008-09.
- 8.2 The tariff schedule as applicable to the consumers of DPL in the year 2008-09 is given at Annexure-8A1 for LV and MV consumers and at Annexure-8A2 for HV and EHV consumers. The Commission has reviewed the directives given to DPL in the tariff order for 2007-08 and compliance thereof by DPL and also decided to give certain directives to DPL on various matters. These are to be found at Annexure 8B.
- 8.3 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure – C1 and Annexure – C2 of the Tariff Regulations. Other associated conditions of the tariff for 2008-09 shall be as follow.
- 8.3.1 a) In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor of DPL, the HT consumers shall receive a voltage wise graded load factor rebate as per the following table:

**LOAD FACTOR REBATE (Paise / KWH)**

Range of Load Factor (LF)		Supply Voltage		
		11 kV	33 kV	132 kV
Above 50%	Up to 55%	4	5	6
Above 55%	Up to 60%	5	6	7
Above 60%	Up to 70%	8	9	10
Above 70%	Up to 75%	10	11	12
Above 75%	Up to 80%	12	13	14
Above 80%	Up to 85%	14	15	16
Above 85%	Up to 90%	16	17	18
Above 90%	Up to 92%	18	19	20
Above 92%	Up to 95%	22	24	25
Above 95%		25	27	28



The above load factor rebate shall be applicable on quantum of energy consumed in a billing period in excess of the energy that would have been consumed at 50% load factor during that billing period (for example a 11 KV consumer at 85% load factor shall be eligible for a rebate @ 14 paise / kWh on the quantum of energy consumed in a billing period in excess of the energy that would have been consumed at 50% load factor in that billing period).

- b) Load factor surcharge shall be levied on HV industrial and HV commercial consumers if the load factor falls below 30%. The surcharge for the load factor less than 30% but equal to or above 25% shall be 5 paise / kWh for the amount of energy by which consumption falls short of energy corresponding to a load factor of 30%. The surcharge for the load factor below 25% shall be 10 paise / kWh and shall be applicable only for the amount of energy by which the consumption falls short of energy corresponding to a load factor of 25% but not less than the amount of surcharge that would have been payable for load factor at 25% computed @ 5 paise / kWh. (For example, a HV industrial or commercial consumer at 28% load factor shall be liable to pay surcharge @ 5 paise / kWh on the quantum of energy to be consumed at 30% load factor minus total energy consumed in the billing period. Similarly, a HV industrial or commercial consumer at 24% load factor shall be liable to pay surcharge @ 10 paise / kWh on the quantum of energy to be consumed at 25% load factor minus total energy consumed in the billing period but not less than the amount of surcharge that would have been payable for load factor at 25% computed @ 5 paise / kWh).
- (c) From the consumption month of October, 2008, load factor shall be computed in terms of regulation 3.9.2 of the Tariff Regulations and load factor rebate and load factor surcharge shall be computed as per revised rates as mentioned in sub-paragraphs (a) and (b) of paragraph 8.3.1. Prior to consumption month of October 2008, load factor rebate/surcharge computation and load factor computation methodology shall be in accordance with the tariff order for 2007-08 for DPL.



- (d) From consumption month of November 2008 onwards, the computation of load factor rebate and surcharge shall exclude that part of the concerned billing period when load of a consumer is totally shed / interrupted because of any fault of DPL in its system or for non-availability of power with DPL due to lower supply of electricity from its own generating source or its other suppliers of power or due to imposition of restriction by DPL on drawal of power by the consumer.
- 8.3.2 (a) The fixed charge shall be applicable to all consumers as specified in the regulation 3A.2.1 of the Tariff Regulations at the rate as shown in Annexure 8A1 of this order subject to the conditions as specified in the Tariff Regulations including regulation 3A.2.4 *ibid*.
- (b) The demand charge shall be applicable to all consumers as specified in regulation 3A.3.1 of the Tariff Regulations as per rate as shown in Annexure 8A1 and Annexure 8A2 of this order on the basis of recorded demand as specified in regulation 3A.3.3 *ibid* subject to the conditions as specified in the Tariff Regulations including regulations 3A.3.5, 3A.3.6, 3A.3.7, 3A.7, 3A.8, 3A.9, 3A.10, 3A.11 and 3A.15 *ibid*. Demand charge shall be levied as per regulation 3A.3.5 of the Tariff Regulations from the consumption month of October 2008 and prior to that demand charge shall be levied as per tariff order for DPL for 2007-08.
- (c) From consumption month of November, 2008 onwards the applicable demand charge shall not be payable by any consumer for the period when load of the consumer is totally shed / interrupted because of non-availability of power with DPL due to lower availability of electricity from its own generating station and/or its other suppliers of power or imposition of any restriction by DPL on drawal of power by the consumer.
- 8.3.2.1 Subject to the conditions as specified in regulation 3A.13 of the Tariff Regulations, the minimum charge shall continue at the existing level, for all consumers.
- 8.3.2.2 The rate of energy charge applicable for temporary supply related to events, festivals and marriage ceremony shall be at the highest rate of supply under non-TOD tariff scheme applicable to that particular category of consumers to



which the applicant seeking such supply belongs. For such temporary supply, the fixed / demand charge shall be the fixed / demand charge under non-TOD tariff applicable to that particular category of consumers to which the applicant seeking such supply belongs. Such temporary supply shall not have any load factor rebate and power factor rebate and shall not be entitled to TOD tariff. However, other charges for such temporary supply shall be the same as are applicable to that particular category of consumers to which the applicant seeking such temporary supply belongs. If there is no appropriate rate given in the tariff schedule for such temporary supply, the rate for such temporary supply shall be @ Rs.5.50 / kWh. For such temporary supply, the applicant shall apply to the licensee at least 10 days in advance.

8.3.2.3 The power factor rebate and surcharge shall continue for those categories of consumers to whom these are applicable at present. The methods of calculation of such rebate and surcharge are given below:

i) The percentage of rebate and surcharge on energy charge shall be as per the following chart:

Power Factor (PF) Range in %	Power Factor Rebate & Surcharge on Energy Charge in Percentage							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)			
	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %
PF > 95%	4.00	0.00	6.00	0.00	3.00	0.00	3.00	0.00
PF > 94% & PF ≤ 95%	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 93% & PF ≤ 94%	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF > 92% & PF ≤ 93%	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF > 91% & PF ≤ 92%	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 86% & PF ≤ 91%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 85% & PF < 86%	0.00	0.75	0.00	1.00	0.00	0.50	0.00	0.50
PF ≥ 84% & PF < 85%	0.00	1.50	0.00	2.00	0.00	1.00	0.00	1.00
PF ≥ 83% & PF < 84%	0.00	2.25	0.00	3.00	0.00	1.50	0.00	1.50
PF ≥ 82% & PF < 83%	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF < 82%	0.00	4.00	0.00	6.00	0.00	3.00	0.00	3.00

ii) The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.





- iii) The power factor computation for different periods of the day shall be done in pursuance of regulation 3.12.5 of the Tariff Regulations.
  - iv) The above power factor rebate and surcharge for different time periods under TOD or non-TOD tariff shall be applicable from the consumption month of October 2008. Prior to consumption month of October 2008 the rate and method of calculation of power factor rebate and surcharge shall continue for the consumers under TOD or non-TOD tariff, as the case may be, in accordance with the tariff order for DPL for 2007-08.
- 8.3.2.4 For short-term supply, emergency supply and supply for construction power no rebate or surcharge will be applicable for power factor and load factor.
- 8.3.2.5 For street lighting and public water works, a rebate of 10 paise/Kwh on energy charge will be given if payment is made within due date in case of normal or normal-TOD meter only. It will not apply to such supply having pre-paid meter.
- 8.3.2.6 For pre-paid tariff scheme with pre-paid meter a discount of 5% on energy charge will be allowed except for public water works.. For public water-works a special discount of 18 paisa/Kwh on energy charge will be given in case the supply is under pre-paid tariff scheme through prepaid meter.
- 8.3.2.7 Delayed payment surcharge shall be applicable as per regulation 3A.14 of the Tariff Regulations.
- 8.3.3 All existing charges relating to meter rent, meter testing, meter replacement, disconnection and reconnection etc. shall continue except for the following for which the charges are given below:
- i) Meter Rent
    - a) LT Single Phase Domestic Meter
      - including single phase prepaid meter - Rs. 10/- per month
    - b) LT Three Phase Prepaid meter - Rs. 30/- per month
    - c) LT Three Phase Electronic meter - Rs. 75/- per month  
(other than domestic and irrigation consumer)



- d) LT Single Phase Electronic meter - Rs. 50/- per month  
(other than domestic and irrigation consumer)
  - e) LT Electronic meter for irrigation - Rs. 25/- per month
  - ii) No meter rent and no security deposit for meter shall be applicable for a consumer if the meter is supplied by the consumer.
  - iii) A consumer opting for pre-paid meter shall not be required to make any security deposit on the energy charge.
- 8.3.4 All statutory levies like Electricity Duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff as determined in this order.
- 8.3.5 This tariff shall be applicable from the billing month pertaining to April 2008 and onwards. Adjustments, if any, for over recovery / under recovery from the consumers of DPL from 01.04.2008 to 30.09.2008 taking also into account the increase in tariff due to increase in fuel cost as allowed by the Commission in Case No. FPPCA-22/07-08 shall be made in six equal monthly installments starting from the billing month pertaining to October, 2008.
- 8.3.6 In addition to the tariff determined under this tariff order, DPL will be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. The fuel and power purchase cost shall be subject to adjustment in accordance with the Tariff Regulations.
- 8.3.7 (a) Optional TOD tariff scheme for LT Commercial, LT Industrial and LT Public Water Works categories of consumers having minimum contract demand of 30 KVA, which was directed to be introduced in the tariff order for 2007-08, shall continue and energy charge under such scheme shall be computed according to regulation 3A.12 of the Tariff Regulations, wherever applicable.
- b) For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to consumers under respective category of non-TOD tariff.



- 8.3.8 An applicant for short term supply through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payments in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:-
- a) provision of requisite meter security deposit, to be kept with the licensee;
  - b) provision of space for installing weather-proof, safe and secure terminal services apparatus to protect sophisticated meter; and
  - c) availability of prepaid-meter of appropriate capacity.
- 8.3.9 All billing parameters of a bill shall be construed for a billing period only, which has been specified by the Commission, irrespective of the date on which the meter reading is taken in accordance with any regulation made by the Commission.
- 8.3.10 The tariffs determined under this order for different categories of consumers are the maximum ceilings for supply of electricity at any agreed price to the consumers only for those areas of supply of DPL where multiple licensees exist. However, if supply is effected to a consumer at a price lesser than the upper ceiling, and as a result the licensee incurs loss, such loss shall not be allowed to be passed on to any other consumers or any other distribution licensees of the Commission.
- 8.3.11 The purchase price of electricity by DPL from WBSEDCL shall be as per Annexure 8A3.
- 8.3.12 In case the contract demand in KW is not available, it can be converted from KVA considering 0.85 as power factor whenever it is necessary for determination of any issue in relation to tariff or consumership.
- 8.4 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.10.8 and 2.10.9 of the Tariff Regulations.
- 8.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for DPL. If at all any such subsidy under the provisions of the Act is intimated to DPL and to the Commission by the Government of West Bengal with clear indication of the



- consumer or class of consumers to be subsidized and the amount of the subsidy proposed to be given is paid in advance, the tariff of such consumer and / or the class of consumers shall be deemed to have been reduced accordingly as has been indicated by the State Government. However, such direction of the State Government shall not be operative till the payment is made by the State Government in accordance with the provisions of the Act and the Regulations made thereunder and the tariff as fixed by the Commission shall remain applicable. In accordance with the Tariff Regulations, the State Government is required to communicate, within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.
- 8.6 DPL shall submit to the Commission a gist of this order along with the names of at least four leading dailies (at least one of which will be in English and one in Bengali) within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in those newspapers within four days from the date of receipt of the approval of the Commission.

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II					
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon			
1.	Life Line Consumer (Domestic)		Normal	0 to 25	124	2.50	NOT APPLICABLE					NOT APPLICABLE						
2.	Domestic (Rural) or Domestic (Urban)	Rate C(3R)/ C(3U)	Normal	First 25	135	5	Rate C(3R)pp/ C(3U)pp	Prepaid	First 25	135	5	NOT APPLICABLE						
Next 25	205	Next 25	205															
Next 50	219	Next 50	219															
Next 100	253	Next 100	219															
Next 100	255	Above 100	253															
			Normal	Above 300	270				Above 100	253								
3.	Commercial (Rural) or Commercial (Urban)	Rate C(4-R) / C(4-U)	Normal	First 60	221	10	Rate C(4-R)pp/C(4-U)pp	Normal TOD	06.00 hrs to 17.00 hrs		254	10	Rate C(4-R)ppt/C(4-U)ppt	Prepaid-TOD	06.00 hrs to 17.00 hrs		254	10
Next 40	257	17.00 hrs to 23.00 hrs.		279	17.00 hrs to 23.00 hrs.				279									
Next 200	260	23.00 hrs to 06.00 hrs.		236	23.00 hrs to 06.00 hrs.				236									
above 300	267																	
4.	Irrigation pumping for Agriculture	Rate C(5)	Normal TOD	06.00 hrs to 17.00 hrs	All units	137	10	Rate C(5t)	Pre-Paid TOD	06.00 hrs to 17.00 hrs	All units	137	10	NOT APPLICABLE				
17.00 hrs to 23.00 hrs.	All units	475	17.00 hrs to 23.00 hrs.	All units	475													
23.00 hrs to 06.00 hrs	All units	75	23.00 hrs to 06.00 hrs	All units	75													

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II				
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon		
5.	Commercial Plantation	Rate C(4) cp	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	245	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	485											
				23.00 hrs to 06.00 hrs	All units	162											
6.	Short Term Irrigation Supply	Rate C(5)-stis	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	240	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	480											
				23.00 hrs to 06.00 hrs	All units	158											
7.	Short Term supply for Commercial Plantation	Rate C(4)-stcp	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	250	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	490											
				23.00 hrs to 06.00 hrs	All units	165											

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme												
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II						
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon				
8.	Short-term Supply	Rate C(sts)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	300	20	NOT APPLICABLE					NOT APPLICABLE						
				17.00 hrs to 23.00 hrs.	All units	330													
				23.00 hrs to 06.00 hrs	All units	279													
9.	Public utility /Specified Institution Public Bodies	Rate C(2-U)	Normal	On all Units		242	10	Rate C(2-U)pp	Prepaid	On all Units		237	10	Rate C (2-U) ppt	Prepaid TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	On all units	233	10
	17.00 hrs to 20.00 hrs.			On all units	256														
	23.00 hrs to 06.00 hrs			On all units	217														
10.	Cottage Industry / Artisan / Weavers / Small production oriented establishment	Rate C(4 - ii)	Normal	First	100	195	10	Rate C(4 -ii) ppt	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	212	10	NOT APPLICABLE					
				Next	200	253				17.00 hrs to 23.00 hrs	All units	233							
				Above	300	265				23.00 hrs to 06.00 hrs	All units	197							



## LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme – I			Optional Tariff Scheme - II			
				Monthly consumption in KWH	Energy Charge P/kwh					Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh
11.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate C(4 -iii)	Normal	First	100	200	10	Rate C(4 -iii)ppt	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	216	10	NOT APPLICABLE		
				Next	200	215				17.00 hrs to 23.00 hrs	All units	238				
				Above	300	262				23.00 hrs to 06.00 hrs	All units	200				
12.	Public Water Works & Sewerage System	Rate B (II)	Normal	On all Units		242	15	Rate B (II)ppt	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All Units	233	15	NOT APPLICABLE		
										17.00 hrs to 20.00 hrs.	All Units	450				
										23.00 hrs to 06.00 hrs	All Units	154				
13.	Industry (Rural) or Industry (Urban)	Rate C(1)	Normal	First	500	246	15	Rate C(1t)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	250	15	NOT APPLICABLE		
				Above	500	257				17.00 hrs to 23.00 hrs	All Units	350				
										23.00 hrs to 06.00 hrs	All Units	165				
14.	Street Lighting	Rate D(1)	Normal	On all Units		256	15	NOT APPLICABLE						NOT APPLICABLE		





**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II					
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon			
15.	Private Educational Institutions and Hospitals	Rate D(5)	Normal	On all Units		260	15	Rate D(5)t	Normal TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	250	15	NOT APPLICABLE				
										17.00 hrs to 20.00 hrs	On all Units	275						
										23.00 hrs to 06.00 hrs	On all Units	233						
16.	Emergency	Rate D(6)	Prepaid-TOD	06.00 hrs to 17.00 hrs	On all Units	375	20	NOT APPLICABLE					NOT APPLICABLE					
				17.00 hrs to 23.00 hrs	On all Units	525												
				23.00 hrs to 06.00 hrs	On all Units	248												



**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II				
								Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon
17.	Construction Power Supply	Rate D(7)	Prepaid-TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	257	15	NOT APPLICABLE									
				17.00 hrs to 20.00 hrs.	On all Units	411											
				23.00 hrs to 06.00 hrs	On all Units	170											
18.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate D(2)	Normal	All units	203	10	Rate D(2t)	Normal - TOD	06.00 hrs to 17.00 hrs	On all Units	201	15	NOT APPLICABLE				
									17.00 hrs to 23.00 hrs	On all Units	221						
									23.00 hrs to 06.00 hrs	On all Units	187						



**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kwh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II				
				06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units			245	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh
19.	Common Services of Industrial Estate	Rate D(8)	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	245	15	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 20.00 hrs.	On all Units	343											
				23.00 hrs to 06.00 hrs	On all Units	162											

Note :- \* Fixed Charge will be applicable for the Consumer having Contract Demand below 30 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 30 KVA and above.



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
1	Public Utility (11 KV)	Rate A(2)	Normal	All Units		175	173	171	220	Rate A(2t)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	149	147	145	220
												17.00 hrs-20.00 hrs	All Units	164	162	159	
												23.00 hrs-06.00 hrs	All Units	147	145	143	
2	Public Utility (33 KV)	Rate F(2)	Normal	All Units		147	145	143	220	Rate F(2t)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	145	143	141	220
												17.00 hrs-20.00 hrs	All Units	160	157	155	
												23.00 hrs-06.00 hrs	All Units	135	133	131	
3	Industries (11 KV)	Rate A(1a)	Normal	All Units		231	229	227	220	Rate A(1t)	TOD	06.00 hrs-17.00 hrs	All Units	229	227	223	220
												17.00 hrs-23.00 hrs	All Units	320	318	312	
												23.00 hrs-06.00 hrs	All Units	151	150	147	
4	Industries (33 KV)	Rate F(1a)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	222	220	218	220	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	311	308	305									
				23.00 hrs-06.00 hrs	All Units	147	145	144									



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)
						P/kWh							P/kWh			
						Summer	Monsoon	Winter					Summer	Monsoon	Winter	
5	Industries (132 KV)	Rate G(1a)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	212	210	208	220	NOT APPLICABLE						
				17.00 hrs-23.00 hrs	All Units	297	294	291								
				23.00 hrs-06.00 hrs	All Units	140	139	137								
6	Community Irrigation/ Irrigation	Rate S(gt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	218	214	216	15	NOT APPLICABLE						
				17.00 hrs-23.00 hrs	All Units	436	428	432								
				23.00 hrs-06.00 hrs	All Units	144	141	143								
7	Commercial Plantation	Rate S(cpt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	220	216	218	220	NOT APPLICABLE						
				17.00 hrs-23.00 hrs	All Units	440	432	436								
				23.00 hrs-06.00 hrs	All Units	145	143	144								
8	Short Term Irrigation Supply	Rate S(stis)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	232	228	230	15	NOT APPLICABLE						
				17.00 hrs-23.00 hrs	All Units	464	456	460								
				23.00 hrs-06.00 hrs	All Units	153	150	152								



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
9	Short Term Supply for Commercial Plantation	Rate S(stcp)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	225	221	223	220	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	450	442	446									
				23.00 hrs-06.00 hrs	All Units	149	146	147									
10	Commercial (11 KV)	Rate A(3)	Normal	All Units		250	245	240	220	Rate A(3t)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	231	226	221	220
											17.00 hrs-23.00 hrs	All Units	323	316	309		
												23.00 hrs-06.00 hrs	All Units	152	149	146	
11	Commercial (33 KV)	Rate F(3)	Normal	All Units		236	234	232	220	Rate F(3t)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	223	218	213	220
												17.00 hrs-23.00 hrs	All Units	312	305	298	
												23.00 hrs-06.00 hrs	All Units	147	144	141	
12	Commercial (132 KV)	Rate G(3)	Normal	All Units		230	228	226	220	Rate G(3t)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	220	215	210	220
												17.00 hrs-23.00 hrs	All Units	308	301	294	
												23.00 hrs-06.00 hrs	All Units	145	142	139	



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	
					P/kWh							P/kWh				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
13	Domestic	Rate S(d)	Normal	All Units	235	233	231	15	Rate S(dt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	220	218	216	20
											17.00 hrs-23.00 hrs	All Units	242	240	238	
											23.00 hrs-06.00 hrs	All Units	205	203	192	
14	Public Water Works & Sewerage (11 KV)	Rate E (pw)	Normal	All Units	213	211	209	220	Rate E(pwt)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	202	197	192	220
											17.00 hrs-20.00 hrs	All Units	283	276	269	
											23.00 hrs-06.00 hrs	All Units	133	130	127	
15	Public Water Works & Sewerage (33 KV)	Rate F(pw)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	200	195	190	220	NOT APPLICABLE						
				17.00 hrs-20.00 hrs	All Units	280	273	266								
				23.00 hrs-06.00 hrs	All Units	132	129	125								
16	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S(c)	Normal	All Units	272	267	262	20	NOT APPLICABLE							



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
17	Cold storage or Dairy with Chilling Plant (11 KV)	Rate A(4-pi)	Normal	All Units		245	242	239	220	Rate A(4-pit)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	235	232	229	220
												17.00 hrs-23.00 hrs	All Units	329	325	321	
												23.00 hrs-06.00 hrs	All Units	155	153	151	
18	Emergency Supply	Rate S (ES)	Normal-TOD	06.00 hrs-17.00 hrs	All Units	316	306	296	220	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	442	428	394									
				23.00 hrs-06.00 hrs	All Units	209	202	195									
19	Construction Power Supply	Rate S(con)	Normal-TOD	06.00 hrs-17.00 hrs & 20.00 hrs.-23.00 hrs	All Units	206	196	186	220	NOT APPLICABLE							
				17.00 hrs-20.00 hrs	All Units	288	274	260									
				23.00 hrs-06.00 hrs	All Units	136	129	123									
20	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate S(co)	Normal	All Units		234	231	228	15	Rate S(cot)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	230	220	210	15
17.00 hrs-23.00 hrs	All Units	253	242	231													
23.00 hrs-06.00 hrs	All Units	214	205	195													





**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	
					P/kWh							P/kWh				
			Summer	Monsoon	Winter				Summer	Monsoon	Winter					
21	Common Services of Industrial Estate	Rate – E (ict)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs.-23.00 hrs	213	203	193	220	NOT APPLICABLE							
				17.00 hrs-20.00 hrs	298	284	270									
				23.00 hrs-06.00 hrs	141	134	127									
22	Traction (25 KV)	Rate T (a)	Normal	All Units	250	240	230	220	NOT APPLICABLE							
23	Traction (132 KV)	Rate T (b)	Normal	All Units	245	235	225	220	NOT APPLICABLE							
24	Short-term Supply	Rate S(st)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	260	258	256	220	NOT APPLICABLE						
				17.00 hrs-23.00 hrs	All Units	286	284	282								
				23.00 hrs-06.00 hrs	All Units	242	240	238								
25	Private Educational Institutions	Rate E (ei)	Normal	All Units	242	237	232	220	Rate E (eit)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	228	218	208	220
											17.00 hrs-23.00 hrs	All Units	251	240	229	
											23.00 hrs-06.00 hrs	All Units	212	203	193	
26	Inter Plant Transfer	Rate IPT	Normal	All Units	259	256	253	20	NOT APPLICABLE							



**ANNEXURE – 8A3**

<b>ENERGY PURCHASE RATE OF DPL FROM WBSEDCL IN RS/KWHR FOR 2008-09</b>				
<b>PERIOD</b>	<b>Summer</b>	<b>Monsoon</b>	<b>Winter</b>	<b>Average</b>
PEAK	2.7300	2.7100	2.6400	2.6971
NORMAL	2.5500	2.5300	2.4800	2.5218
OFF PEAK	2.2300	2.2100	2.0900	2.1840



**ANNEXURE – 8B**

**REVIEW OF THE DIRECTIVES GIVEN IN THE TARIFF ORDER**  
**FOR 2007– 08 AND FURTHER DIRECTIVES**

- 1.0 The Commission gave certain directives to DPL vide Annexure-B to Chapter 8 in the Tariff Order for the financial year 2007-08. The Commission's observations in respect of the compliances of those directives as well as Commission's further directives to DPL are noted in subsequent paragraphs.
- 2.0 The Commission directed DPL to put more effort to convince the consumers, eligible for TOD metering facility, by direct interaction with them. It was also directed that the outcome of such interaction should be conveyed to the Commission by DPL within three months from the date of the tariff order for 2007-08.
- 2.1 DPL has submitted a report under its letter no. COM/TARIFF/1-975 dated 24.10.2007 which shows only some written communications from DPL to its consumers in this regard. DPL has not reported how many consumers have shown interest for availing TOD metering facility and how many of them have been provided with the same.
- 2.2 DPL is now directed to submit a report within one month from the date of this order showing the number of consumers in L&MV category with load above 35 KVA who have opted for TOD metering facility and the number of such consumers who have been provided with the same. DPL is also directed to send mailers to the consumers, eligible for TOD metering facility, explaining the benefits of TOD meter. Such mailers shall be sent in March and June every year.
- 3.0 The Commission directed DPL to furnish, within three months from the date of the tariff order for 2007-08, the future plan for implementation of the scheme for pre paid metering in its licensed area other than city centre area of Durgapur. The Commission also directed DPL to furnish quarterly reports on the status of pre-



paid meter installation programme already undertaken showing the number of consumers with categories who had applied for pre-paid meters, number of consumers in each category who had been provided with pre-paid meters etc. along with the specific remedial measures undertaken to remove the bottlenecks, if any, arisen during such implementation programme. It was also directed that such reports should from a part of the next tariff application.

- 3.1 On this score, DPL has submitted reports under its letters nos. COM/TARIFF/1-975 dated 24.10.2007 and COM/TARIFF-1/1-64 dated 18.01.2008. In the report sent with the letter dated 24.10.2007, it has been mentioned that the pre-paid metering scheme will be implemented within four months. The report sent with the letter dated 18.01.2008 shows the action taken by DPL in introducing pre-paid metering scheme in City-Centre area of Durgapur. In the tariff application, DPL has stated that pre-paid metering scheme is expected to be implemented within four months.
- 3.2 DPL is directed to submit a date wise action plan for implementation of pre-paid metering scheme in City-Centre area, if the same has not yet been completed, and also in other areas of DPL. The report shall be submitted within two months from the date of this order.
- 4.0 The Commission directed DPL to submit the Power Purchase Agreement (PPA) with M/s Corporate Ispat Alloys Ltd indicating therein the quantum of energy it proposes to purchase, if any. The Commission further directed DPL to intimate the Commission, within six months from the date of tariff order for 2007-08, the action taken on promotion and exploration of procurement of power from renewable non-conventional and co-generation sources of energy so that it could meet the target fixed by the Commission for 2007-08 and onwards.
- 4.1 DPL under its letter no. COM/TARIFF-1/1-64 dated 18.01.2008 has informed that due to certain difficulties in fixation of price of energy, PPA with M/s Corporate Ispat Alloys Limited could not be executed and that after resolving the problem, which was expected to be sorted out, the PPA will be executed. Though in its letter no. COM/TARIFF-1/1-64 dated 18.01.2008, DPL has committed to go in for



press advertisements to attract the suppliers of energy from co-generation and renewable sources, no evidence in this regard has yet been furnished by DPL. In its tariff application also DPL has not furnished any information on this score.

- 4.2 DPL is now directed to issue press advertisements at least in three newspapers, one of which shall be in Bengali and one a business newspaper in English, seeking supply of electricity from co-generation and renewable sources.
- 5.0 The Commission directed DPL to submit, within three months from the date of tariff order for 2007-08, a detailed report on the action taken / proposed to be taken for energy saving in the financial year of 2006-07, the quantum of energy saved during that period and the financial gain thereon. The Commission also directed DPL to submit a detailed plan of programme on energy saving or conservation scheme, other than power factor rebate and load factor rebate, for next five years as well as its implementation programme along with the next tariff application.
- 5.1 DPL under its letter no. COM/TARIFF/1-741 dated 02.11.2007 has intimated that it could not finalize any scheme for energy saving but has committed itself in implementing the scheme for energy saving in a phased manner. In the tariff application, DPL has stated that it has planned to restrict its energy conservation efforts in illumination through energy efficient lighting arrangements and replacement of old air-conditioners by new ones in its own establishments and that through its efforts it will be able to save energy substantially during the next five years.
- 5.2 DPL is directed to submit a date wise action plan for identified energy saving measures within three months from the date of this order.
- 6.0 The Commission directed DPL to take urgently all the measures recommended by the energy auditor for units 3, 4 and 5 under short-term measures. DPL was also directed to send quarterly progress reports on the action taken on implementation of the short-term measures. It was also directed that implementation report along with benefits accrued should also be submitted with



the next tariff application. In respect of medium-term and long-term measures for units 3, 4 and 5, the Commission directed DPL to submit a detailed report indicating whether any of those works were included earlier in the scope of LEP & RUM programme and executed. DPL was further directed to provide necessary justification on techno-economic points and submit a detailed report to the Commission for study and approval of the Commission. DPL was also directed to indicate whether any of the works were required for compliance of statutory requirements. DPL was directed to submit the above information through a report within six months from the date of the tariff order for 2007-08. The Commission further directed that after making 6th unit operational, DPL should conduct energy audit for that unit immediately and submit a report within next six months after re-commissioning of the unit. The Commission also directed that DPL should conduct energy audit for its new unit 7 after its commercial operation started and submit a copy of the report to the Commission within six months from the date of starting of commercial operation. It was also directed that the report should also include the measurement of actual efficiency of different systems, auxiliary consumption of different equipments and heat rate of the unit 7.

- 6.1 In response, DPL has submitted a report under its letter no. COM/TARIFF/1-742 dated 02.11.2007 and the said report is also submitted with the tariff application. The report consists of different aspects as desired but the report on medium term and long term measures along with the justification on techno-economic points has not been submitted.
- 6.2 DPL is directed to submit the following reports within two months from the date of this order:
- i) A report on the medium and long term measures to be undertaken as per energy audit report along with justifications on techno-economic points. Such report shall also provide date wise implementation schedule of each activity of different measures to be undertaken.
  - ii) Status report of energy audit for unit #6 as per directive given earlier.



- iii) Status report of energy audit for unit #7 as per directive given earlier.
- 7.0 The Commission directed DPL to intimate the result of the energy audit undertaken by different industries and also to encourage other big industries for undertaking energy audit and energy conservation activities within three months.
- 7.1 DPL has submitted report accordingly under its letter no. COM/TARIFF/1-975 dated 24.10.2007. DPL has also submitted the energy audit report of M/s. Haldia Steels under letter nos. COM/TARIFF-1/1-388 dated 29.04.2008 and COM/HSL/1-607 dated 19.06.2008. DPL has stated in the tariff application that it has again requested its big industrial consumers for undertaking energy audit and energy conservation activities.
- 7.2 DPL shall continue with its effort in this regards.
- 8.0 The Commission directed DPL to send an action plan for gradual improvement in emission control through emission reduction within six months from the date of the tariff order for 2007-08.
- 8.1 DPL, under its letter COM/TARIFF-1/1-93 dated 27.01.2008, has submitted a report showing its action plan and has intimated that a part of the action plan is already under implementation.
- 8.2 DPL is directed to submit a report on emission levels prior to the performance improvement programme of unit 1 & 2 as measured by DPL and which were submitted to West Bengal Pollution Control Board (WBPCB). DPL shall further submit the measured emission levels of the ESP of Unit 1 & 2 after the performance improvement programme is completed. DPL shall further submit a report about condition of ESP and the emission levels of unit 3, since commissioning of ESP of unit 3 after overhauling. DPL shall also submit a report of emission levels of unit 5 and unit 6 after their overhauling.
- 9.0 DPL was directed to capitalize the expenditure for repair and maintenance of Unit 6. It was also directed that DPL should arrange for major repair and



- maintenance work of Unit 6 in different areas also before its re-commissioning in order to make the generation from Unit 6 more sustainable.
- 9.1 DPL has not submitted any information, either through any letter or in the tariff application, from which it can be ascertained if the repair and maintenance expenditure of Unit 6 has been capitalized.
- 9.2 DPL shall examine the issue relating to capitalization of major overhauling expenses incurred/ to be incurred for Unit 6 on prudent commercial practice and intimate the action taken in this regard within two months from the date of this order.
- 10.0 DPL was directed to submit a report within three months from the date of the tariff order for 2007-08, enclosing a detailed list of equipments/ systems along with the capacities, prices of such equipments and number of such equipments covered under project cost of 7th unit. It was further directed that if the project cost of the said new unit had any component that would also be used for future units or old existing units, then that should also be distinctly mentioned along with allocation of costs for those units in the said report. DPL was also directed to provide the justifications of project cost for the new 7<sup>th</sup> Unit in the said report.
- 10.1 Accordingly DPL has submitted information under its letter no. COM/TARIFF/1-975 dated 24.10.2007. On scrutiny, some clarifications were also sought for from DPL and the same have also been received.
- 10.2 The Commission will give directive, if any, in the matter in due course.
- 11.0 DPL was directed to indicate proposed fixed charge in terms of per KVA per month instead of per consumer per month for all categories of LV and MV consumers in its tariff applications for the second control period and onwards. DPL was also directed to indicate similarly the proposed demand charge in terms of per KVA per month for all categories of HV and EHV consumers in its tariff applications for the second control period and onwards.





- 11.1 DPL has proposed fixed charge in terms of per KVA per month for all categories of consumers except domestic consumers in the tariff application.
- 11.2 In this respect, DPL is directed to furnish the above required information in respect of the domestic consumers in its application for APR for 2007-08 and also in the tariff applications for subsequent control periods.
- 12.0 DPL was directed to conduct safety audit and submit the report with the next tariff application to the Commission.
- 12.1 DPL has stated in its tariff application that it has already taken action to conduct safety audit.
- 12.2 DPL shall submit monthly progress reports of such audit.
- 13.0 DPL was directed to conduct audit of occupational health hazards in its power stations and submit such audit report to the Commission with the application for APR for the first year of the second control period.
- 13.1 DPL has not furnished any information in the matter.
- 13.2 DPL is directed to submit a report within thirty days from the date of this order about the status of progress of such audit. DPL shall also submit monthly progress reports of such audit.
- 14.0 DPL was directed to submit a copy of the latest environmental audit report submitted to WBPCB with the next tariff application.
- 14.1 DPL has stated in its tariff application that it has already taken action to conduct environmental audit.
- 14.2 DPL is directed to submit monthly progress reports on implementation of such environmental audit.
- 15.0 DPL was directed to make a survey for determination of energy consumption pattern and load pattern of all new categories of consumers for all three seasons



for peak, normal and off-peak period. DPL was further directed to submit such report of such survey to the Commission with the application for APR for the first year of the second control period.

- 15.1 DPL is now directed to submit monthly reports showing the status of progress of such survey.
- 16.0 DPL is directed to submit a report indicating the penalty imposed on it since 1<sup>st</sup> April, 2003 for payment of compensation, fine, cess etc., if any, by any order of any statutory authority under the Electricity Act, 2003 or Environment Protection Act, 1986 or Income Tax Act, 1961 or any other law for the time being in force or Rules or Regulations made thereunder. The amount of compensation, fine, cess etc. paid by DPL in pursuance of such order of the statutory authority referred to above, the head of account under which such compensation, fine, cess etc. paid has been booked in the Annual Accounts of DPL and the reasons for payment of such compensation, fines, cess, etc. shall be mentioned in the report. DPL shall also mention in the report subsequent remedial measures it has undertaken to avoid the recurrence of payment of such compensation, fine, cess etc. DPL shall submit the report for each power station and distribution system separately within two months from the date of this order. Such reports shall also form a part of the tariff applications and applications for APR of DPL henceforward.
- 17.0 DPL is directed to take measures to install power factor controllers for all LT consumers with contract demand of 5 KVA and above except LT industrial and public water works consumers and LT commercial consumers having contract demand 10 KVA and above in a phased manner as per the following schedule.

LT consumers (excluding LT industrial and LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above) having contract demand	Target date of completion of installation of power factor controller
10 KVA and above	31 <sup>st</sup> March, 2011
8 KVA and above	31 <sup>st</sup> March, 2012
5 KVA and above	31 <sup>st</sup> March, 2013



- 17.2 DPL is directed to ensure the completion of arrangements for recording of power factor and maximum demand for all LT consumers during a billing period as per the following schedule.

Category of LT Consumers	Target date of completion of arrangements for recording in a billing period for	
	Maximum Demand	Power Factor
LT Industry	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March 2010
LT Commercial having Contract Demand 10 KVA and above	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March 2011
LT Public Water Works	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March 2011

- 17.3 DPL is further directed that henceforth all new LT consumers shall be provided with power factor controllers along with arrangements for recording maximum demand and power factor during a billing period.
- 17.4 DPL is also directed that no new connection shall be given to an intending HT consumer unless the consumer installs the capacitor bank at his own cost.
- 17.5 All existing EHT, HT, LT industrial, LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above of DPL shall install capacitor banks mandatorily at their own cost, if not yet installed, within 31<sup>st</sup> March, 2010 as per rating as will be provided by DPL to its HT and LT industrial consumers within 31<sup>st</sup> March, 2010 and LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above within 31<sup>st</sup> March, 2011. This order shall be brought to the notice of all HT, LT industrial, LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above by DPL through written communications.
- 17.6 DPL is also directed to submit quarterly reports about progress of installation of power factor controller for all LT consumers except LT industrial, LT public water works and LT commercial consumers having contract demand 10 KVA and above along with arrangements made for recording maximum demand and power factor of such consumers during a billing period. Such report shall also show the status of installation of capacitor banks by HT, LT industrial, LT public water works and LT commercial consumers having contract demand 10 KVA and above.



- 18.0 DPL is directed to reassess the connected load of all LT consumers and accordingly revise the contract demand after due intimation to the consumers. The target date of completion of such assessment shall be 31<sup>st</sup> March, 2010.
- 19.0 The Commission directs DPL to submit the documents of closing of contracts for unit 7 along with final project cost. DPL shall also clearly show to what extent penalty has been imposed on different grounds relating to such closing of contracts in accordance with different contract agreements related to the project cost. All contract closing documents along with one set of operational manual shall be submitted by DPL to the Commission within one month from the date of contract closing of each contract. DPL shall also submit to the Commission copies of Performance Guarantee test report of Unit 7 within one month from the date of completion of the Performance Guarantee test.
- 20.0 DPL shall henceforth show in the tariff applications as well as in the applications for APR, the number of its own employees and the number of employees on contract in its regular establishment as well as the employees' cost for its own employees and employees on contract in regular establishment separately on each head as shown in the following table.

Category	Sl. No.	Particulars	Own Employees	Employees on Contract in Regular Establishment
A	<b>Expenditure in Rupees in Lakh</b>			
	1	Salary and Wages		
	a	Basic Pay		
	b	Dearness Allowances		
	c	Other Allowances		
	2	Statutory/ Contractual Retirement Benefit		
	a	Gratuity		
	b	Company's contribution to PF		
	c	Company's contribution to Pension Scheme		
	3	Statutory Bonus and Ex-Gratia		
4	Leave Salary			
5	LTC and Leave Encashment			
6	Workmen and staff welfare expenditure			
7	Others, if any			
B	<b>Number of Personnel</b>			
Note: In serial no. 7 of Category A under the head "Others", specific head to be mentioned				



- 20.1 DPL shall, within one month from the date of this order submit a report, indicating the head under which the employees' cost for the employees on contract in regular establishment was being booked in its Books of Accounts till date.
- 21.0 Regarding information of outage due to planned repairs and maintenance/ forced outage/ major repairs for generation plants, DPL has submitted incomplete information in the tariff application.
- 21.1 DPL is directed to submit the complete information in this regard within one month from the date of this order.

Sd/-

**R. P. SAMADDAR**  
**MEMBER**

Sd/-

**PRITITOSH RAY**  
**MEMBER**

**DATE: 26.09.2008**