



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

**IN CASES NO.:  
FPPCA – 86/ 17 – 18 AND  
APR – 62 / 17 – 18**

**REVIEW OF THE ORDER DATED 13.07.2022 IN  
RESPECT OF ANNUAL PERFORMANCE REVIEW  
AND FUEL COST ADJUSTMENT FOR THE YEAR  
2016 – 17 IN RESPECT OF THE WEST BENGAL  
POWER DEVELOPMENT CORPORATION LIMITED**

**DATE: 24.08.2022**





- 1.0 The Commission vide order dated 13.07.2022 in Cases No. FPPCA – 86 / 17 – 18 and APR – 62/17 – 18 has issued the Annual Performance Review and Fuel Cost Adjustment Order in respect of the West Bengal Power Development Corporation Limited (WBPDCCL) in terms of regulation 2.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time.
- 2.0 Now, it has come to the notice of the Commission that some inadvertent errors have crept in the APR and FCA Order dated 13.07.2022. The errors are on the face of the order and therefore, are reviewable. The Commission, therefore, rectifies the same on its own motion in terms of regulation 3.3.1 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 as amended from time to time in the subsequent paragraphs:
- 3.0 The Commission in paragraph 3.7 of the Order dated 13.07.2022 has considered the O&M expenses based on the norms set out in paragraph B of Schedule 9A of the Tariff Regulations vis-à-vis the actual O&M expenses submitted by WBPDCCL, whichever is lower. For Bandel TPS (BTPS), the normative O&M expenses has been considered by applying 90 % of O&M norms over the entire installed capacity of BTPS whereas it was to be applicable for Unit V only (i.e., the unit under Life Extension Programme). Thus, the applicable weighted average O&M norms of BTPS will be Rs. 15.61 lakhs/ MW in place of Rs. 14.74 lakhs/ MW as mentioned in paragraph 3.7 of the order.
- 4.0 In view of the above, the O&M expenses for Bandel TPS for 2016 – 17 is redetermined as Rs. 7102.55 lakhs tabulated below:

Generating Stations	Installed Capacity in MW	Admissible Norms of O&M in Rs Lakh/ MW	Normative O&M Expenses	Actual Expenses in Rs Lakhs in 2016-17	Redetermined O&M Expenses in Rs Lakhs for 2016-17	O&M Expenses Admitted in Order dated 13.07.2022	Additional O&M expenses allowable for 2016 - 17
	(1)	(2)	(3) = (1) x (2)	(4)	Min (3), (4)	(5)	(6) = (4) – (5)
Bandel	455	15.61	7102.55	7225.81	7102.55	6706.70	395.85

- 5.0 In view of the redetermined O&M expenses, the Interest on Working Capital is computed afresh as Rs. 904.98 lakhs in place of the earlier admitted amount of Rs. 899.95 lakhs. Thus, there is an impact of Rs. 5.03 lakhs on interest on working capital. The detail computation of Interest on Working Capital is provided in Annexure A-1.





- 6.0 The Commission in paragraph 3.26 of the Order dated 13.07.2022 has determined the Fixed Cost of Bandel TPS for the year 2016 – 17 as Rs. 19908.00 lakhs. Now, after carrying out the adjustment on account of O&M expenses and interest on working capital, the redetermined fixed cost for Bandel TPS comes to Rs. 20308.88 lakhs as tabulated below:

Sl No	Particulars	Amount (in Rs lakhs)
1	Fixed Cost for Bandel TPS admitted in Order dated 13.07.2022	19908.00
2	Additional O&M Cost allowable as mentioned in paragraph 4.0	395.85
3	Additional impact in respect of Interest on Working Capital as mentioned in paragraph 5.0	5.03
4	<b>Redetermined Fixed Cost for Bandel TPS</b>	<b>20308.88</b>

The element wise Fixed Cost for Bandel TPS is provided in Annexure A – 2.

- 7.0 Impact of redetermined Fixed Cost will increase the capacity charge by Rs. 308.36 lakh for 2016 – 17 considering the actual PAF vis-à-vis normative PAF, as tabulated below:

Sl. No.	Particulars	Bandel
1	Target PAF (%)	77.00
2	PAF achieved (%)	59.23
3	Redetermined Fixed Charge	20308.88
4	Coal and Ash Handling charges (Rs. lakh)	484.92
5	Water Charges (Rs. lakh)	158.33
6	Capacity charge to be considered for disallowance (6 = 3- 4-5) (Rs. lakh)	19665.63
7	Proportionate capacity charge of item 6 excluding 4 & 5 (Rs. lakh)	15127.21
8	Capacity charge admitted on the basis of PAF achieved (Rs. lakh) (8 = 7 + 4 + 5)	<b>15770.46</b>
9	Capacity Charge allowed in the APR Order dated 13.07.2022	<b>15462.10</b>
10	Increase in Capacity Charge (10 = 8 – 9)	<b>308.36</b>

- 8.0 The Commission in APR Order dated 13.07.2022 has approved Rs. 43827.43 lakh as recoverable amount and adjusted the same against the remaining Government Grant. Now, due to the increase in capacity charge by Rs. 308.38 lakh, the additional recovery of Rs 308.36 lakh is required to be adjusted with the balance Government Grant.
- 9.0 The Commission in order dated 01.08.2022 in Case No. APR – 78 / 19 – 20 i.r.o review of APR Order for 2013 – 14 has specified that the balance Government Grant after adjustment is Rs. 69060.72 lakh. Thus, after adjustment of the additional recoverable amount of Rs. 308.36 lakh, the balance amount of Government Grant comes to Rs. 68752.36 lakh (Rs. 69060.72 lakh – Rs. 308.36 lakh) which will be considered for adjustment subsequently against any recoverable amount through APR and FCA claim of WBPDCCL.



10.0 WBPDCCL is to take a note of this order.

11.0 A copy of the order shall be posted in the website of the Commission.

12.0 WBPDCCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-  
(PULAK KUMAR TEWARI)  
MEMBER

Dated: 24.08.2022

Sd/-  
SECRETARY





# Review of FCA and APR Order of WBPDC for 2016 - 17



Annexure – A-1

## Interest on Working Capital

		Figures in Rs Lakh
Sl No	Particulars	Bandel
1	Annual Fixed Charges for 2016- 17 (excluding WC)	19403.90
2	Fuel Cost for 2016 – 2017	57877.27
3	Total (3) = (1) + (2)	77281.17
4	Less:	
5	Depreciation	2629.50
6	Advance against Depreciation	0.00
7	Return on Equity	3393.66
8	Total of (5) to (7)	6023.16
9	Expenses for Working Capital: (9) = (3)-(8)	71258.01
10	Working Capital requirement @10% on (9)	7125.80
11	Normative Interest on WC requirement at (10) at SBI MCLR rate plus 350 bp @ 12.70%	904.98
12	Actual interest paid	918.66
13	Admitted Interest on WC (lower of 11 & 12)	904.98

Annexure – A-2

## Summary of Fixed Cost

Sl. No.	HEAD OF FIXED CHARGES	2016 – 17	
		Claimed	Admitted
1	Employee Cost	7289.32	7289.31
2	Coal & Ash handling Expenses	484.92	484.92
3	Water Charges	158.33	158.33
4	Operation & Maintenance Expenses	7225.81	7102.55
5	Rates & Taxes, License & Registration Fee, Filing Fees	57.63	57.63
6	Insurance Premium	10.06	10.06
7	Interest on Capital borrowings	382.62	382.62
8	Interest on normative loan	0.00	0.00
9	Interest on Temporary Accommodation	837.95	479.77
10	Interest on Working Capital	918.66	904.98
11	Other Finance Charges	42.50	41.47
12	Depreciation	2669.47	2629.50
13	Advance against Depreciation	0.00	0.00
14	Taxes under Income Tax Act	0.00	0.00
15	Reserve for Unforeseen Exigencies	0	0.00
16	Returns on Equity	3571.05	3393.66
17	Incentive	0.00	0.00
18	Charges payable to ERPC	1.27	1.27
19	<b>Gross Fixed Charges (Sum of 1 to 18)</b>	<b>23649.59</b>	<b>22936.07</b>
20	Less: Income from non-tariff sources	1983.81	2355.73
21	Less: Interest Credit	0.00	271.46
22	<b>Net Fixed Charges (22 = 19 – 20 – 21)</b>	<b>21665.78</b>	<b>20308.88</b>