



ORDER

OF

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN

CASE NO: OA- 460 / 23-24

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (WBSETCL) FOR APPROVAL OF INCURRING CAPITAL EXPENDITURE OF AN ESTIMATED COST RS. 76401.34 LAKH FOR IMPLEMENTATION OF NEW TRANSMISSION SCHEME IN TERMS OF REGULATION 2.8.2.3 AND PARAGRAPH 4.1 (VI) OF SCHEDULE – 2 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITION OF TARIFF) REGULATIONS, 2011, AS AMENDED.

PRESENT:

DR MALLELA VENKATESWARA RAO, CHAIRPERSON

SRI PULAK KUMAR TEWARI, MEMBER

DATE: 13.05.2024



In regard to the application submitted by the West Bengal State Electricity Transmission Company Limited (WBSETCL) for approval of incurring Capital Expenditure of an estimated cost Rs. 76401.34 Lakh for implementation of different transmission scheme in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended.



FACTS IN BRIEF

- 1.0 The instant application dated 23.08.2023 has been filed by West Bengal State Electricity Transmission Company Limited (in short 'WBSETCL') for approval of incurring Capital Expenditure to an estimated cost of Rs. 76401.34 Lakh for implementation of different transmission scheme along with the Detailed Project Reports (DPR) in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended from time to time (in short 'WBERC Tariff Regulations'). The Commission has admitted the application and registered in Case No. OA – 460/23–24.
- 2.0 In the application, WBSETCL has submitted the brief description of the following schemes:
- 2.1 **A. Construction of BAPL 400/220/33 KV Gas Insulated Substation (GIS):**
- 2.1.1 Bengal Aerotropolis Projects Limited (BAPL) approached WBSEDCL for construction of 400/220/33 kV Gas Insulated Substation at the premises of BAPL Airport at Andal, Durgapur, West Burdwan to cater the upcoming projected load demand of Airport and future expansion of the township project. The projected load demand is 200 MVA upto 2024. One site inspection was carried out on 18.11.2021 jointly by WBSETCL, WBSEDCL and BAPL officials for assessing the feasibility of the proposed project.
- The project has been proposed for establishment of new 400/220/33 kV GIS with a 400 kV connectivity through S/C LILO of PPSP-Durgapur 400 kV D/C line.
- 2.1.2 Establishment of BAPL 400/220/33 kV GIS, will also strengthen the downstream 220 KV transmission network required for upcoming Jamuria and Nandanpur 220 KV Substation essential for betterment of voltage profile in the region and to cater the upcoming load demand of intending bulk consumers.
- 2.1.3 It is revealed from the DPR submitted by WBSETCL that the proposed 400 KV GIS will be set up on a land of 5.99 Acre at the premises of BAPL Airport, which has already been taken over from BAPL authority after paying assignment premium of Rs. 10.09 Crore to BAPL authority. The project is scheduled to be commissioned by 2025-26.
- 2.1.4 The BAPL project is contemplated in Rolling Plan up to 2027-28 (target year 2025-26) which was approved by the BoD, WBSETCL in its 85th meeting held on 16.11.2022 to cater growing demand in and around BAPL Airport area in Burdwan (West) District.



In regard to the application submitted by the West Bengal State Electricity Transmission Company Limited (WBSETCL) for approval of incurring Capital Expenditure of an estimated cost Rs. 76401.34 Lakh for implementation of different transmission scheme in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended.



3.0 The project cost, as submitted by WBSETCL in the DPR, covered under paragraph 2.0 above is tabulated as under:

Sl. No	Description	Amount (Rs lakh)
1	Construction of BAPL 400/220/33 kV GIS with 2 Nos. 400 kV Feeder bays, 2x315 MVA 400/220/33 KV Transformers, 1 no. 420 kV, 125 MVAR Bus Reactor, 4 nos. 220 kV feeder bays, 2x50 MVA, 220/33 kV Transformers, 16 nos. 33 kV feeder bays, 2 nos. 33/0.415KV 630 KVA Station Service Transformers and 2 nos. 33KV Earthling Transformers (874A)	20029.71
2	Supervision Charge @ 10%	2002.97
	Total Project Cost including Supervision Charge	22032.68
3	IDC	1901.92
	Project Cost Including Supervision Charge & IDC	23934.60

4.0 It is also revealed from the DPR that:

4.1 The project is proposed to be funded through WBSETCL's Internal Resources (IR) and through domestic borrowings. The equity component (30%) is proposed to be met through Internal Resources (IR) and the loan component (70%) through domestic borrowings from any Financial Institute. The interest during construction (IDC) is worked out at Rs. 1901.92 Lakh with interest rate @ 9.50% for the domestic funding with a payback period of 9 years 6 months.

4.2 The unit rates for all equipment for transmission lines & substations have been considered from WBSETCL's latest cost data as on 19.07.2023 and inclusive of all Taxes & Duties.

4.3 The target beneficiary of the project is WBSEDCL. The project is in pre-tender engineering stage.

5.0 B. Construction of Jamuria 220/132/33 KV Gas Insulated Substation (GIS) and Associated Transmission System:

5.1 WBSETCL has submitted that as per communication received from WBSEDCL, 4 (four) numbers bulk consumers have applied for receiving power in the Jamuria Region, West Burdwan for a cumulative contract demand of 265 MVA.

5.2 The existing Domohani 33/11 KV Substation with peak load demand of 8 MVA is being fed from Asansol 220/132/33 KV substation. At present, both Jamuria 33/11 KV Substation with a load



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demand of around 15 MVA and Bijaynagar 33/11 KV Substation with a load demand of around 5 MVA are getting power from DVC.

- 5.3 The proposed project of establishment of Jamuria 220/132/33 KV Substation in West Burdwan with 4 nos. 220 KV Feeder Bays, 3 Nos. 132 KV feeder bays, 2x160 MVA 220/132/33 KV Transformers, 12 nos. 33 KV feeder bays will help to feed the above mentioned bulk consumers at 220 KV and 132 KV, 33/11 KV Substations, 33 KV Bulk consumers and upcoming loads in that region and will revive the distribution system in the area, improve overall redundancy in the system.
- 5.4 The construction of 220 KV D/C line for S/C LILO of 220 KV Durgapur- J K Nagar line at proposed Jamuria GIS and construction of 220 KV D/C line from proposed BAPL 400 KV S/S has been considered as 220 KV connectivity of the proposed Jamuria 220 KV GIS.
- 5.5 It is revealed from the DPR that the proposed 220/132/33 KV GIS at Jamuria will be set up on Govt. vested land of 6.12 Acre at Mouza–Mondalpur, Jamuria. The project is scheduled to be commissioned by 2024–25.
- 5.6 The Jamuria project has been contemplated in the Rolling Plan of WBSETCL for the year up to 2027–28 (target year 2024-25) which was approved by the BoD, WBSETCL in its 85th meeting held on 16.11.2022.
- 6.0 The project cost, as submitted by WBSETCL in its DPR covered under paragraph 5.0 is tabulated as under:

Sl. No	Description	Amount (Rs lakh)
1	Construction of 220/132/33 kV GIS at Jamuria with 4 nos. 220 KV Feeder Bays, 3 Nos. 132 KV feeder bays, 2x160 MVA 220/132/33 KV Transformers, 2x50 MVA, 132/33 KV Transformers, 12 nos. 33 KV feeder bays, 2 nos. 33/0.415 KV, 630 KVA Station Service Transformers and 2 Nos. 33 KV Earthing Transformers (874A)	11858.30
2	I. Construction of 220 KV D/C transmission line for S/C LILO of 220 Durgapur – J.K. Nagar line at proposed Jamuria 220 KV GIS (D/C RL= 15 km, S/C RL = 0.40 km) and II. Construction of 220 KV D/C transmission line from proposed BAPL 400 KV Substation to proposed Jamuria 220 KV Substation (D/C RL= 23.50 km, M/C RL= 4.5 km)	10729.07
	Total Cost	22587.37
3	Supervision Charge @ 10%	2258.74
	Total Project Cost including Supervision Charge	24846.11
4	IDC	2144.79
	Project Cost Including Supervision Charge & IDC	26990.90



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- 7.0 It is revealed from the DPR that :
- 7.1 The project is proposed to be funded through WBSETCL's Internal Resources (IR) and through domestic borrowings. The equity component (30%) is proposed to be met through Internal Resources (IR) and the loan component (70%) through domestic borrowings from any Financial Institute. The interest during construction (IDC) is worked out at Rs. 2144.79 Lakh with interest rate @ 9.50% for the domestic funding with a payback period of 9 years 6 months.
- 7.2 The unit rates for all equipment for transmission lines & substations have been considered from WBSETCL's latest cost data as on 21.07.2023 and inclusive of all Taxes & Duties.
- 7.3 The target beneficiary of the projects is WBSEDCL. The projects are in pre-tender engineering stage.
- 8.0 **C. Construction of 220/132/33 KV Gas Insulated Substation (GIS) at Panagarh and Associated Transmission System:**
- 8.1 WBSETCL submitted that the construction of 220/132/33 KV GIS at Panagarh Industrial Park, Panagarh in the district of West Burdwan will help to meet the prospective industrial loads of around 155 MVA at 132 KV level and 33 KV level.
- 8.2 After detailed line route survey D/C LILO of BKTPP – Durgapur 220 KV D/C line at proposed Panagarh 220 KV GIS has been considered as 220 KV connectivity of proposed Panagarh 220 KV GIS.
- 8.3 WBSETCL has submitted that the project will revive the distribution system in the area, improve overall redundancy in the system and that any contingency can be tackled.
- 8.4 It is revealed from the DPR that the proposed 220/132/33 KV GIS at Panagarh is to be set up on 3.680 Acre of land at North Zone of Panagarh Industrial Park, Mouza–Kanksa, West Burdwan and permissive possession has been taken from WBIDCL. The project is scheduled to be commissioned by 2025-26.
- 8.5 The Panagarh project has been contemplated in the Rolling Plan of WBSETCL for the year up to 2027–28 (target year 2025-26) which was approved by the BoD, WBSETCL in its 85th meeting held on 16.11.2022.
- 9.0 The project cost, as submitted by WBSETCL in its DPR covered under paragraph 8.0 is tabulated as under:



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Sl. No	Description	Amount (Rs lakh)
1	Construction of 220/132/33 kV GIS at Pangarh Industrial Park with 4 nos. 220 KV Feeder Bays, 2x160 MVA, 220/132/33 KV Transformers, 3 nos. of 132 KV feeder bays, 2x50 MVA, 132/33 KV Transformers, 06 nos. 33 KV feeder bays, 02 nos. 33/0.415 KV, 630 KVA Station Service Transformers and 2 Nos. 33 KV Earthing Transformers	9597.31
2	Construction of 220 KV D/C and M/C transmission line for D/C LILO of 220 KV BKTPP - Durgapur Transmission Line at proposed Panagarh 220 KV GIS (D/C O/H RL= 3.55 km, M/C O/H RL = 23.135 km)	11528.64
	Total Cost	21125.95
3	Supervision Charge @ 10%	2112.59
	Total Project Cost including Supervision Charge	23238.54
4	IDC	2237.30
	Project Cost Including Supervision Charge & IDC	25475.84

10.0 It is revealed from the DPR that:

- 10.1 The project is proposed to be funded through WBSETCL's Internal Resources (IR) and through domestic borrowings. The equity component (30%) is proposed to be met through Internal Resources (IR) and the loan component (70%) through domestic borrowings from any Financial Institute. The interest during construction (IDC) is worked out at Rs. 2237.30 Lakh with interest rate @ 9.50% for the domestic funding with a payback period of 9 years 6 months.
- 10.2 The unit rates for all equipment for transmission lines & substations have been considered from WBSETCL's latest cost data as on 21.07.2023 and inclusive of all Taxes & Duties.
- 10.3 The target beneficiary of the projects is WBSEDCL. The projects are in pre-tender engineering stage.
- 11.0 The Commission, after carefully analyzing, admitted the application on 06.10.2023 and directed WBSETCL to publish the gist of their application as approved by the Commission in the newspapers and also in the website of WBSETCL as per requirement of regulation 2.8.2.3 of the WBERC Tariff Regulations. WBSETCL accordingly published the gist of the application in (i) The Telegraph (ii) The Times of India (iii) the 'Aajkaal' and (iv) the 'Bartaman' and in their website on 16.12.2023 inviting suggestions and objections on their application within 21 days (including the date of publication) of publication of the notice in Newspaper.
- 12.0 No suggestion and objection were received by the Commission within the stipulated time-period.



In regard to the application submitted by the West Bengal State Electricity Transmission Company Limited (WBSETCL) for approval of incurring Capital Expenditure of an estimated cost Rs. 76401.34 Lakh for implementation of different transmission scheme in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended.



OBSERVATIONS OF THE COMMISSION

- 13.0 The Commission observes that, in terms of Regulation 2.8.2.3 of the WBERC Tariff Regulations, approval of the Commission for investment in new transmission project is mandatory after 31.12.2007. The Commission also observes that the regulation inter-alia specifies approval of the project shall be taken before investment is made in order to minimize the investment risk.
- 14.0 The Commission noted that the projects submitted by WBSETCL in the application under consideration have been considered in the Rolling Plan 2023-24 to 2027-28 along with their Multi Year Tariff Application for the 8th Control Period for the years 2023 – 24, 2024 – 25 and 2025 – 26 which was admitted by the Commission in Case No. TP - 99/22 – 23.
- 15.0 Commission observes that the proposed BAPL 400/220/33 kV GIS is to be set up at BAPL Airport, Burdwan (West). The Commission also observes that the Jamuria 220/132/33 KV GIS is to be set up at the Govt. vested land available within Mouza-Monsalpur, Jamuria. The Commission has further observes that the construction of Panagarh 220/132/33 KV GIS is to be set up upon Panagarh Industrial Park, West Burdwan.
- 16.0 The Commission further observes the following:
- The proposed projects of 400/220/33 kV GIS at BAPL, 220/132/33 KV GIS at Jamuria and 220/132/33 KV GIS at Panagarh will cater growing load demand in and around the areas in the District of (West) Burdwan to supply adequate, reliable & quality power supply in the vicinity.
- 17.0 Total cost of the 3 (three) different projects as estimated by WBSETCL are as follows:

Sl. No	Description	Amount (Rs lakh)
A	Construction of BAPL 400/220/33 kV GIS	23934.60
B	Construction of 220/132/33 kV GIS at Jamuria with associated transmission system including IDC.	26990.90
C	Construction of 220/132/33 kV GIS at Pangarh with associated transmission system including IDC.	25475.84
Grand Total		76401.34



In regard to the application submitted by the West Bengal State Electricity Transmission Company Limited (WBSETCL) for approval of incurring Capital Expenditure of an estimated cost Rs. 76401.34 Lakh for implementation of different transmission scheme in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended.



ORDER

18.0 The Commission after consideration of all the facts and the project reports submitted by WBSETCL, accords approval of the investment proposal for incurring Capital Expenditure to an estimated cost Rs. 76401.34 Lakh for implementation of 3 (three) different transmission scheme in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended with the details as given below subject to approval of project cost in terms of regulation 2.8.5 of the WBERC Tariff Regulations:

19.0 The Commission also gives the following directions:

- (i) For the purpose of capitalization, WBSETCL will have to seek approval of the Commission for the project cost along with actual interest during construction and all actual expenditure incurred or apportioned to the project cost on account of spares, transportation, insurance, tax, establishment charges, tools and plants, audit and accounts, maintenance and losses during construction and consultancy charges and also any actual expenditure met out of contingency. WBSETCL is to provide the cost break-up of each scheme showing the actual vis-à-vis estimation included in the total project cost as above.
- (ii) WBSETCL shall ensure proper metering arrangement in line with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time and arrangement for real time data display at SLDC control room before energization of the sub-station and associated Transmission Systems.
- (iii) On completion of each project WBSETCL shall submit the COD and a benefit analysis of the project separately before the Commission.
- (iv) Approval of the project cost shall be dealt with by the commission in terms of Regulation 2.8.5 of the WBERC Tariff Regulations as amended from time to time.
- (v) In case of escalation in project cost in any scheme, WBSETCL shall take due approval from the Commission before capitalization of assets.



In regard to the application submitted by the West Bengal State Electricity Transmission Company Limited (WBSETCL) for approval of incurring Capital Expenditure of an estimated cost Rs. 76401.34 Lakh for implementation of different transmission scheme in terms of regulation 2.8.2.3 and Paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended.



20.0 The application is thus disposed of.

21.0 A copy of the order shall be posted in the website of the Commission. A copy of the order be served upon WBSETCL.

22.0 WBSETCL 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

Sd/-

(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 13.05.2024

Sd/-
(SECRETARY)