



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

**IN CASE NO. OA-497/24-25**

**IN REGARD TO THE PETITION FILED BY WEST BENGAL POWER  
DEVELOPMENT CORPORATION LIMITED (WBPDC), FOR  
APPROVAL OF FINAL PROJECT COST FOR SAGARDIGHI  
THERMAL POWER STATION UNITS 1&2 IN TERMS OF  
REGULATION 2.8.5.1 OF THE WEST BENGAL ELECTRICITY  
REGULATORY COMMISSION (TERMS AND CONDITIONS OF  
TARIFF) REGULATIONS, 2011 AS AMENDED.**

**DATE: 22.07.2025**



In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

### **Facts in brief:**

- 1.0 The West Bengal Power Development Corporation Limited (hereinafter referred to as "the Petitioner" or "WBPDCCL") has submitted a petition to the West Bengal Electricity Regulatory Commission (hereinafter referred to as "the Commission") on September 4, 2024, under Section 86(1)(k) of the Electricity Act, 2003, read in conjunction with Regulation 2.8.5.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended. The petition seeks approval for the final project cost of ₹2,89,167.74 lakh for the 2 x 300 MW units of Sagardighi Thermal Power Plant (SgTPP)- Stage 1, Located in Manigram, Sagardighi, within the Murshidabad district of West Bengal. The Commission duly admitted the petition on October 5, 2024, and registered it as Case No. OA-497/24-25.
- 2.0 The petition inter alia states the following:
- 2.1 The initial scope of the project comprised 2 x 250 MW units, with an estimated project cost of ₹2,057.10 crore, as approved by the State Planning Board on July 23, 2004. Subsequently, the project capacity was enhanced to 2 x 300 MW, with a revised estimated cost of ₹2,750 crore. The Board of Directors (BoD) of WBPDCCL, in its 522nd meeting held on January 12, 2006, approved the revised scope and cost of the project. Thereafter, the Department of Power, Government of West Bengal (GoWB) granted Techno-Economic Clearance (TEC) for the revised scope and cost vide Memo No. 211-Power/VI/SS-31/2001(pt) dated September 18, 2006. The detailed break-up of the project cost as per TEC is provided in Table 1 below:

**Table 1: Project Cost as per Techno-Economic Clearance (TEC)**

| Sl. No. | Description                   | Project Cost as per TEC (Rs in Lakh) |        |        |
|---------|-------------------------------|--------------------------------------|--------|--------|
| 1       | Work Cost                     |                                      |        | 231100 |
| 1.1     | Main Plant                    |                                      | 154800 |        |
|         | 1.11 • Steam Generator Island | 29540                                |        |        |
|         | 1.12 • TG Island              | 29100                                |        |        |





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| Sl. No.  | Description                                                        | Project Cost as per TEC (Rs in Lakh) |       |               |
|----------|--------------------------------------------------------------------|--------------------------------------|-------|---------------|
|          | 1.13 • BOP Mechanical                                              | 27660                                |       |               |
|          | 1.14 • BOP Electrical                                              | 19930                                |       |               |
|          | 1.15 • Initial Spares, Tools & Tackles                             | 5530                                 |       |               |
|          | 1.16 • Civil Works                                                 | 25480                                |       |               |
|          | 1.17 • Erection, Testing & Commissioning                           | 14540                                |       |               |
|          | 1.18 • Project Management                                          | 3020                                 |       |               |
| 1.2      | Coal Handling Plant                                                |                                      | 15800 |               |
| 1.3      | Plant Water System                                                 |                                      | 6700  |               |
| 1.4      | 400 KV & 220 KV Transmission Package                               |                                      | 20800 |               |
| 1.5      | Taxes and Duties                                                   |                                      | 33000 |               |
| <b>2</b> | <b>Non-EPC (Engineering, Procurement, and Construction) Cost</b>   |                                      |       | <b>19500</b>  |
| 2.1      | Railway Infrastructure                                             |                                      | 5000  |               |
| 2.2      | Diversion Road & R. R                                              |                                      | 500   |               |
| 2.3      | Township & Colony                                                  |                                      | 5500  |               |
| 2.4      | Temporary Construction & Enabling Works (Boundary Wall, Raw Water) |                                      | 2500  |               |
| 2.5      | Land                                                               |                                      | 5850  |               |
| 2.6      | Survey & Investigation (Site Development)                          |                                      | 150   |               |
| <b>3</b> | <b>Overhead (including consultancy)</b>                            |                                      |       | <b>3000</b>   |
| <b>4</b> | <b>Contingency</b>                                                 |                                      |       | <b>2100</b>   |
| <b>5</b> | <b>Revised Project Cost without IDC</b><br>(Sum of 1 + 2 + 3 + 4)  |                                      |       | <b>255700</b> |
| <b>6</b> | <b>Interest During Construction (IDC)</b>                          |                                      |       | <b>19300</b>  |
| <b>7</b> | <b>Revised Project Cost with IDC</b><br>(Sum of 5 + 6)             |                                      |       | <b>275000</b> |

2.2 The project achieved Commercial Operation (COD) for Unit-I on September 7, 2008, and Unit-II on November 6, 2008. By its letter no. WBPDC/WBERC-12/09/330 dated June 15, 2009. WBPDC applied for tariff determination for the period 2008–2011. The Commission, in its Tariff Order dated December 30, 2011 in Case No TP 42/09-10





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provisionally admitted a project cost of ₹2,81,290 lakh. In the said order the Commission referring to regulation 2.8.5 of tariff regulation observes that the final project cost approval can be done only after closure of all contracts. The Commission noted that some capital construction works were ongoing and supply/work contracts were yet to be finalized. To account for possible Liquidated Damages or penalties upon eventual contract closure, the Commission withheld 5% of the provisional cost (i.e., ₹14,065 lakh). Consequently, the Commission allowed a provisional capital cost of ₹2,67,225 lakh for tariff purpose. The break-up of the provisional project cost allowed by the Commission is presented in Table 2 below:

**Table 2: Provisional Project Cost Admitted by the Commission (as on March 31, 2009)**

| Sl. No. | Particulars                                                             | Amount (₹ in Lakh) |
|---------|-------------------------------------------------------------------------|--------------------|
| 1       | Provisional Project Cost including Residual Work, IDC, and Infirm Power | 2,88,772.00        |
| 2       | Less: Common Infrastructure Cost                                        | (-) 6,891.00       |
| 3       | Less: Excess Erection Testing & Corresponding IDC                       | (-) 591.00         |
| 4       | Less: 5% on account of pending contract closure                         | (-) 14,065.00      |
| 5       | <b>Net Provisional Admissible Capital Cost</b>                          | <b>2,67,225.00</b> |

- 2.3 The Petitioner, in the instant petition has claimed an actual capital cost of ₹2,89,167.74 lakh, which includes hard cost of ₹ 2,57,597.74 lakh and IDC amount of ₹ 31,570 lakh. The petitioner also submitted a statement certified by M/s Maheswari Associates, Chartered Accountants, regarding the hard cost of ₹2,57,597.74 lakh, which includes a provision for Additional Capitalization of ₹12,182.25 lakh, as detailed in Table 3 hereunder.

**Table 3: Summary of Package-Wise Project Cost (2 x 300 MW Coal-Based Thermal Power Plant at Sagardighi, Units I & II)**

| Sl. | Package / Item     | Cost Element                         | Total Amount (₹ lakh) |             |
|-----|--------------------|--------------------------------------|-----------------------|-------------|
| 1   | Main Plant Package | a. Equipment Supply                  | 1,09,674.00           | 1,74,522.26 |
|     |                    | b. Civil Cost                        | 26,832.26             |             |
|     |                    | c. Erection, Testing & Commissioning | 11,568.00             |             |





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| Sl. | Package / Item                       | Cost Element                         | Total Amount (₹ lakh) |                     |
|-----|--------------------------------------|--------------------------------------|-----------------------|---------------------|
|     |                                      | d. Taxes & Duties                    | 3,656.00              |                     |
|     |                                      | e. Port Clearance Charges            | 22,792.00             |                     |
| 2   | Coal Handling Plant (CHP)            | a. Equipment Supply                  | 6,404.00              | 15,492.20           |
|     |                                      | b. Civil Cost                        | 6,944.20              |                     |
|     |                                      | c. Erection, Testing & Commissioning | 249.00                |                     |
|     |                                      | d. Taxes & Duties                    | 1,895.00              |                     |
| 3   | Plant Water System (PWS)             | a. Equipment Supply                  | 3,668.00              | 5,550.52            |
|     |                                      | b. Civil Cost                        | 721.52                |                     |
|     |                                      | c. Erection, Testing & Commissioning | 507.00                |                     |
|     |                                      | d. Taxes & Duties                    | 654.00                |                     |
| 4   | 220 kV Transmission Line             | Erection, Testing & Commissioning    |                       | 20,570.80           |
| 5   | Land & Site Development              | Civil Cost                           |                       | 4,838.08            |
| 6   | Others (Including Civil Works)       | Civil Cost                           |                       | 11,275.02           |
| 7   | Railways Infrastructure              | Civil Cost                           |                       | 7,050.84            |
| 8   | Consultancy                          | Consultancy / Design / Drawing       |                       | 4,559.00            |
| 9   | Overhead & Pre-Operative Expenses    | Overhead & Pre-Operative             |                       | 13,739.00           |
| 10  | IDC (Interest During Construction)   | IDC Package                          |                       | 31,570.00           |
|     | <b>Total Generation Project Cost</b> |                                      |                       | <b>2,89,167.72*</b> |

\* Note: There is a decimal mismatch between the claimed amount and the total of the break up given

2.4 WBPDCCL has submitted that the project was financed through:

- Sanctioned Loan of ₹1,92,500.00lakh from Power Finance Corporation (PFC), with an interest rate ranging from 8.75% to 13.5% (variable) of which the total loan drawn by the petitioner was ₹1,76,306.94 Lakh up to 31.03.2011;
- Equity contribution of ₹82,500 lakh from Government of West Bengal (GoWB); and
- WBPDCCL infused ₹30,360.80 Lakh from its internal funds.

3.0 WBPDCCL in the instant petition prays before the Commission for the following approvals:





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- a. Approve the final project cost of ₹2,89,167.74 lakh for the Sagardighi Thermal Power Project in accordance with Regulation 2.8.5.1 of the WBERC Tariff Regulations,
- b. Grant consequential reliefs to the Petitioner in terms of depreciation, return on equity, and interest paid from the Commercial Operation Date (COD) of Unit-I (07.09.2008) and Unit-II (06.11.2008), in line with the Commission's Orders dated 30.11.2012 and 10.01.2024,
- c. Release the amounts withheld by the Commission vide Order dated 30.12.2011, as follows:
  - (i) ₹524 lakh towards mandatory spares, excess erection, testing, and commissioning components,
  - (ii) ₹6,891 lakh towards future units,
  - (iii) ₹67 lakh towards interest during construction (IDC),
  - (iv) ₹14,065 lakh towards 5% cushion for settlement of accounts,
- d. Consider and approve the settlement agreement with M/s DEC, post-arbitration, for inclusion in the final project cost determination,
- e. Condone any deficiency or shortcoming in the petition and allow the Petitioner to submit additional information or data as may be required by the Commission,
- f. Condone the delay in submission of the final project cost by the Petitioner, and
- g. Pass such further orders or directions as the Commission may deem fit and proper in the interest of justice and regulatory compliance.

**4.0** While scrutinizing the petition submitted, certain deficiencies were noted. Accordingly, the Commission, vide Letter Reference No. WBERC/OA-497/24-25/5780 dated 24th December 2024, directed the Petitioner to submit additional documents and sought clarification on the following points:

- (i) Reasons for the discrepancy between the claimed civil cost of the main plant package and the corresponding TEC-approved amount.
- (ii) Justification for the significant increase in transportation, port handling, and insurance expenses compared to the TEC-approved amount.





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- (iii) Explanation for the near-doubling of erection, testing, and commissioning costs under the plant water system.
- (iv) Clarification on the higher-than-approved expenses for roads, township, colony, and boundary wall.
- (v) Details regarding the substantial escalation in establishment and overhead costs, including confirmation on the adjustment of infirm power revenue.
- (vi) Auditor-certified year-wise data on additional capitalization, in Form P(G).
- (vii) Submission of performance guarantee (PG) test reports for the main plant.
- (viii) Capacity test report of the coal handling plant.
- (ix) Capacity test report of the plant water system.
- (x) Contract closing certificates for all packages, in line with Regulation 2.8.5.1.
- (xi) Details and justifications regarding the imposition or waiver of Liquidated Damages (LD) package-wise.
- (xii) Breakdown of costs for shared facilities across Stage I (2x300 MW), Stage II (2x500 MW), and Stage III (1x660 MW), such as the transmission system, ash pond, colony, boundary wall, and intake channel.

**5.0** In response to the Commission's directives, WBPDC submitted a point-wise reply and additional documents on 09.01.2025. The Commission notes that WBPDC in its initial petition did not submit the detailed break-up of their actual expenditure. However, upon seeking clarifications, WBPDC submitted a reconciliation statement along with further supporting information. WBPDC on 17.06.2025 submitted a supplementary petition along with revised statement of hard cost certified by M/s Maheswari Associates, Chartered Accountants. In the revised statement it is mentioned that, there were some mistakes in classification of expenses under appropriate heads in previous submission. WBPDC has also mentioned contract values and enclosed relevant pages of contract documents in support of their submission. The overall hard cost remains same. The revised package-wise hard cost submitted in the supplementary petition is shown in Table 3A below:





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**Table 3A: Revised summary of Package-Wise Project Cost (2 x 300 MW Coal-Based Thermal Power Plant at Sagardighi, Units I & II)**

| Sl. | Package / Item                     | Cost Element                         | Total Amount (₹ lakh) |                    |
|-----|------------------------------------|--------------------------------------|-----------------------|--------------------|
| 1   | Main Plant Package                 | a. Equipment Supply                  | 1,09,674.00           | 1,78,875.28        |
|     |                                    | b. Civil Cost                        | 26,832.28             |                    |
|     |                                    | c. Erection, Testing & Commissioning | 11,568.00             |                    |
|     |                                    | d. Project Management Charges        | 2808.67               |                    |
|     |                                    | e. Port Clearance Charges            | 1544.33               |                    |
|     |                                    | f. Custom Duty                       | 22792                 |                    |
|     |                                    | g. Taxes & Duties                    | 3,656.00              |                    |
| 2   | Coal Handling Plant (CHP)          | a. Equipment Supply                  | 6,404.00              | 15,662.20          |
|     |                                    | b. Civil Cost                        | 6,944.20              |                    |
|     |                                    | c. Erection, Testing & Commissioning | 249                   |                    |
|     |                                    | d. Project Management Charges        | 0.28                  |                    |
|     |                                    | e. Transportation Charges            | 169.72                |                    |
|     |                                    | f. Taxes & Duties                    | 1,895.00              |                    |
| 3   | Plant Water System (PWS)           | a. Equipment Supply                  | 3,668.00              | 5,586.52           |
|     |                                    | b. Civil Cost                        | 721.52                |                    |
|     |                                    | c. Erection, Testing & Commissioning | 507                   |                    |
|     |                                    | d. Project Management Charges        | 4.5                   |                    |
|     |                                    | e. Insurance Charges                 | 31.5                  |                    |
|     |                                    | f. Taxes & Duties                    | 654                   |                    |
| 4   | 220 kV Transmission Line           | Equipment Supply Cost                |                       | 20,570.80          |
| 5   | Land & Site Development            | Civil Cost                           |                       | 4,838.08           |
| 6   | Others (Including Civil Works)     | Civil Cost                           |                       | 11,275.02          |
| 7   | Railways Infrastructure            | Civil Cost                           |                       | 7,050.84           |
| 8   | Consultancy                        | Consultancy / Design / Drawing       |                       | 690.18             |
| 9   | Overhead & Pre-Operative Expenses  | Overhead & Pre-Operative             |                       | 13,048.82          |
|     | <b>Total Hard cost Without IDC</b> |                                      |                       | <b>2,57,597.74</b> |





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| Sl. | Package / Item                       | Cost Element | Total Amount (₹ lakh) |                    |
|-----|--------------------------------------|--------------|-----------------------|--------------------|
| 10  | IDC (Interest During Construction)   | IDC Package  |                       | 31,570.00          |
|     | <b>Total Generation Project Cost</b> |              |                       | <b>2,89,167.74</b> |

6.0 In the subsequent paragraph, the Commission has analyzed the submissions and their justifications while determining the admissible project cost, in accordance with the relevant regulatory provisions.

### Observations of the Commission:

7.0 The Commission observes that the Sagardighi 2 x 300 MW Thermal Power Project was conceived in 2004, at a time when there was no regulatory requirement for a two-stage investment approval process. For this project WBPDC got investment approval from its Board of Directors (BoD) and subsequently got Techno-Economic Clearance (TEC) from the Department of Power, Government of West Bengal, dated 16.10.2006.

8.0 Since there was no prior investment approval from the Commission as per the regulatory provisions, the TEC-approved cost is considered as the deemed investment approval. The actual project cost claimed, including additional capitalization, and corresponding TEC approved amount is outlined in Table 4 below:

**Table 4: Investment Approval vs. Actual Expenditure Claimed**

| Particulars             | TEC-Approved (₹ lakh) | As per revised certified Statement |                          |                          |                          |                          |                          |                          |           |
|-------------------------|-----------------------|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------|
|                         |                       | Up to 31.03.2009                   | 01.04.2009 to 31.03.2010 | 01.04.2010 to 31.03.2011 | 01.04.2011 to 31.03.2012 | 01.04.2012 to 31.03.2013 | 01.04.2013 to 31.03.2014 | 01.04.2014 to 31.03.2015 | Total     |
|                         |                       | (₹ lakh)                           | (₹ lakh)                 | (₹ lakh)                 | (₹ lakh)                 | (₹ lakh)                 | (₹ lakh)                 | (₹ lakh)                 | (₹ lakh)  |
| Main Plant Package      | 154800.00             | 178875.28                          | –                        | –                        | –                        | –                        | –                        | –                        | 178875.28 |
| Transmission Package    | 20800.00              | 19474.13                           | 1096.67                  | –                        | –                        | –                        | –                        | 0                        | 20570.80  |
| Coal Handling Package   | 15800.00              | 15662.20                           | –                        | –                        | –                        | –                        | –                        | –                        | 15662.20  |
| Plant Water System      | 6700.00               | 5586.52                            | –                        | –                        | –                        | –                        | –                        | –                        | 5586.52   |
| Railways Line & Sidings | 5000.00               | –                                  | –                        | –                        | –                        | –                        | 7050.84                  | –                        | 7050.84   |





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| Particulars                                     | TEC-<br>Approved<br>(₹ lakh) | As per revised certified Statement |                                |                                |                                |                                |                                |                                |                  |
|-------------------------------------------------|------------------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------|
|                                                 |                              | Up to<br>31.03.2009                | 01.04.2009<br>to<br>31.03.2010 | 01.04.2010<br>to<br>31.03.2011 | 01.04.2011<br>to<br>31.03.2012 | 01.04.2012<br>to<br>31.03.2013 | 01.04.2013<br>to<br>31.03.2014 | 01.04.2014<br>to<br>31.03.2015 | Total            |
|                                                 |                              | (₹ lakh)                           | (₹ lakh)                       | (₹ lakh)                       | (₹ lakh)                       | (₹ lakh)                       | (₹ lakh)                       | (₹ lakh)                       | (₹ lakh)         |
| Land and Site Development                       | 6000.00                      | 4838.08                            | 0                              | —                              | —                              | —                              | —                              | —                              | 4838.08          |
| Diversion of Road, Township, Boundary Wall etc. | 8500.00                      | 7240.27                            | —                              | —                              | —                              | 1528.06                        | 124.11                         | 2382.58                        | 11275.02         |
| Overhead and Pre-Operative Expenses             | 5100.00                      | 13048.82                           | —                              | —                              | —                              | —                              | —                              | —                              | 13048.82         |
| Consultancy                                     |                              | 690.18                             | —                              | —                              | —                              | —                              | —                              | —                              | 690.18           |
| Taxes                                           | 33000.00                     | Included in the packages           |                                |                                |                                |                                |                                |                                |                  |
| <b>Sub-Total Excluding IDC</b>                  | <b>255700.00</b>             | <b>245415.48</b>                   | <b>1096.67</b>                 | <b>0</b>                       | <b>0</b>                       | <b>1528.06</b>                 | <b>7174.95</b>                 | <b>2382.58</b>                 | <b>257597.74</b> |
| IDC                                             | 19300.00                     | 31570.00                           | —                              | —                              | —                              | —                              | —                              | —                              | 31570.00         |
| <b>Total Project Cost including IDC</b>         | <b>275000.00</b>             | <b>276985.48</b>                   | <b>1096.67</b>                 | <b>0</b>                       | <b>0</b>                       | <b>1528.06</b>                 | <b>7174.95</b>                 | <b>2382.58</b>                 | <b>289167.74</b> |

**9.0** The Commission observes that the major work packages for the Sagardighi Project—namely the Main Plant, Coal Handling Plant, and Plant Water System—were awarded through Competitive Bidding process. Under these M/s Dongfang Electric Corporation (China) was awarded the Main Plant Turnkey Package on firm price (covering both supply and erection/services) through International Competitive Bidding (ICB) on 27.07.2004. M/s McNally Bharat Engineering Limited was awarded the Coal Handling Plant Package, and M/s Larsen & Toubro Limited was awarded the Plant Water System Package through two-part domestic competitive bidding process as shown in the Table 5 below.

**10.0** The Transmission System, Railway Infrastructure were awarded as deposit work on cost plus basis. Power Grid Corporation of India Limited carried out the 400 kV and 220 kV Transmission System, M/s RITES handled the Railway Infrastructure for coal transportation and unloading. M/s DCPL was awarded for consultancy services encompassing project engineering, tender documentation, design review, and site supervision. According to WBPDC, this single tender route was adopted due to the





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specialized nature of these tasks, the limited pool of qualified service providers, and the necessity to meet strict project timelines.

**Table 5: Major Contract Package Details**

| Sl. No. | Package                | Contractor                               | Scope                                                                                                                                                                                                                           | Contract Value (₹ Lakhs) |
|---------|------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1       | Main Plant Turnkey     | M/s Dongfang Electric Corporation, China | Main Plant, Switch Yard, Ash Handling Plant, Ash Pond, Colony, Cooling Tower, Circulating Water System, Fuel Oil System, Compressed Air System, Air-Conditioning & Ventilation, Fire Detection & Fighting, Intake Channel, etc. | 154779.92                |
| 2       | Coal Handling Plant    | M/s McNally Bharat Engineering Co Ltd.   | Crusher, Track Hopper, Stacker Reclaimer, Conveyors up to bunkers                                                                                                                                                               | 15791.20                 |
| 3       | Plant Water System     | M/s Larsen & Toubro Ltd.                 | Intake Pump House, Raw Water Reservoir, Water Treatment Plant (WTP), Demineralization (DM) Plant, Intake Raw Water System, Wastewater Management, In-plant Raw Water System                                                     | 6700.00                  |
| 4       | Transmission System    | Power Grid Corporation of India Ltd.     | 400 kV & 220 kV Transmission System                                                                                                                                                                                             | 21056.00                 |
| 5       | Consultancy Services   | M/s DCPL                                 | Basic Engineering, Monitoring, Review, Inspection, Tender Preparation, General Plant Layout, Field Engineering Services, etc.                                                                                                   | 210.00*                  |
| 6       | Railway Infrastructure | M/s RITES                                | Coal Transportation & Unloading System                                                                                                                                                                                          | 6452.36                  |

**11.0** From the submitted documents the Commission notes that in some heads the awarded contract amount is higher than its TEC approved value. In light of this, the Commission has undertaken a detailed scrutiny of each package, comparing the actual expenses incurred vis-à-vis the contract values, TEC-approved estimates, and industry benchmarks.

## **12.0 Main Plant Package**

### **a. Award of Contract**

In accordance with the two-stage international competitive bidding (ICB) process, the main plant package was awarded to M/s Dongfang Electric Corporation (DEC), China, among the three prospective bidders whose offers were opened on the same day as specified in the Notice Inviting Tender (NIT). The total contract value for supply and erection excluding taxes and duties was ₹1,54,779.92 Lakh. The Petitioner has





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claimed an actual expenditure of ₹1,78,875.28 lakh up to Commercial Operation Date (COD), inclusive of taxes and duties.

**b. Commission's Analysis and Decision**

- i. **Equipment Supply Cost:** WBPDC claimed the expenses on Supply Items of ₹1,09,674.00 lakh against the awarded contract of ₹1,12,235.76 lakh. The claimed amount is within the contract value, the Commission admits the same.
- ii. **Civil Cost:** WBPDC claimed a civil cost of ₹26,832.28 lakh against the awarded contract of ₹25,317.40 lakh. While the Petitioner attributes some part of this increase to regrouping of expenses within the turnkey package, it has not furnished detailed justification or supporting evidence for the entire difference of ₹1,514.86 lakh. In the absence of adequate justification, the Commission considers it appropriate to limit the allowable civil cost to the contract awarded value of ₹25,317.40 lakh.

In response to the Commission letter No. WBERC/OA-497/24-25/5780 dated 24th December 2024, WBPDC responded with letter WBPDC/WBERC-34/25/674 Dated 09.01.2025 that the ash pond, which is a common shared facility constructed during Stage-I for the common purpose of Stage I & II (with a capacity for 2x300 MW + 3x500 MW), is included in the civil cost of the main plant package. The Commission thus admits ₹2388.80 lakh for ash pond and the rest of the civil cost under other civil expenses.

- iii. **Erection, Testing, Trial Run, Commissioning:** WBPDC claimed the expenses of ₹11,568.00 lakh for Erection, Testing, Trial Run, Commissioning against the awarded contract of ₹12,742.24 lakh. The claimed amount is within the contract value, the Commission admits the same.
- iv. **Project Management:** WBPDC claimed the expenses of ₹2808.67 lakh for Project Management against the awarded contract of ₹2,852.37 lakh. As the claimed amount is within the contract value, the Commission admits the same.
- v. **Taxes and Duties:** The Petitioner has submitted that an amount of ₹3,656 lakh was incurred towards taxes and duties in respect of the Main Plant Package. The Commission notes that the contract for the said package was awarded excluding taxes and duties, and the liability for payment of the applicable taxes





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and duties rested with the Petitioner. These are statutory levies, the Commission considers the said expenditure to be admissible.

- vi. **Port Clearance:** Under the Contract, the allocated amount for “transportation, port clearance, and insurance expenses” was ₹1,632.15 lakh. WBPDC has claimed ₹1544.33 lakh as expenses under this head. The claimed amount is within the contract value, the Commission admits the amount.
- vii. **Custom Duties:** WBPDC has accounted for a total of ₹22,792.00 lakh under this head. WBPDC vide letter WBPDC/WBERC-34/25/674 dated 09.01.2025 submits that this entire amount represents customs duties paid for imported supplies. WBPDC has provided copy of ledger accounting maintained, displaying custom duty paid in its additional information dated 09.01.2025. These charges are statutory levies and the Commission admits the full amount of ₹22,792.00 lakh.
- viii. **Liquidated Damages and Arbitration:** The petitioner submitted that, a dispute arose between them and Dongfang Electric Corporation (DEC), relating to two contracts executed on 26th August 2004 pertaining to the **Main Plant Package** of the Sagardighi Thermal Power Project, Stage-I — one for the **Supply of Equipment** [Contract No. SgTTP/1/SgMP-1:SUPPLY/03/2004] and the other for Erection Services [Contract No. SgTTP/2/SgMP-1:ERECTION/04/2004]. DEC filed petition against WBPDC in the International Chamber of Commerce (ICC) International Court of Arbitration regarding the final settlement. An arbitral award was passed on 24th August 2015 by the International Court of Arbitration in **ICC Arbitration No. 17973/CYK**, in favor of DEC. Subsequently, WBPDC filed a petition before Calcutta High Court **under Section 34** (A.P. 1709 of 2015) on 26.11.2015 challenging the Award. On 10th May 2018, WBPDC and DEC entered into a Settlement Agreement (SA) to resolve all disputes arising out of two contracts dated 26th August 2004 and on the final arbitral award dated 24th August 2015 (ICC Arbitration No. 17973/CYK). After adjusting for liquidated damages (LD) payable to WBPDC, the net amount payable to DEC is shown in Table 6:

**Table 6: LD payable**

| Particulars | Amount (USD) | Amount (INR) |
|-------------|--------------|--------------|
|-------------|--------------|--------------|





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|                           |                |                 |
|---------------------------|----------------|-----------------|
| Awarded Principal to DEC  | 16,908,482.00  | 88,369,048.00   |
| Less: LD Payable to WBPDC | (2,859,982.00) | (55,120,528.00) |
| Net Payable to DEC        | 14,048,500.00  | 33,248,520.00   |

The Commission, in its provisional order, had earlier disallowed an amount of ₹10,612.00 Lakh, retained as a cushion to address any potential liability arising from the imposition of liquidated damages (LD) upon final settlement with the contractors. However, from the above submission, the commission observes that the dispute between WBPDC and DEC has been settled and agreed to a net payable amount by WBPDC. Accordingly, WBPDC shall claim the amount as additional capitalization in terms of regulation 5.2.2(ii) in the APR of the corresponding year when the amount is paid.

**c. Approved Cost for the Main Plant Package**

Based on the foregoing analysis and subject to the modifications noted above—particularly in the civil cost component—the Commission approves a total Main Plant Package cost of ₹1,77,360.40 lakh for final project cost determination, as detailed in Table 7 below:

**Table 7: Main Plant Package Cost Analysis**

| Sl. No. | Particulars                                    | Contract Awarded<br>(₹ in Lakh) | Actual claimed<br>Expenditure Up<br>to COD (₹ in<br>Lakh) | Admitted by<br>Commission (₹<br>in Lakh) |
|---------|------------------------------------------------|---------------------------------|-----------------------------------------------------------|------------------------------------------|
| 1       | Supply Items                                   | 1,12,235.76                     | 1,09,674.00                                               | 1,09,674.00                              |
| 2       | Civil Cost                                     | 25,317.40                       | 2,388.80                                                  | 2,388.80                                 |
|         |                                                |                                 | 24,443.48                                                 | 22,928.60                                |
| 3       | Erection, Testing, Trial Run,<br>Commissioning | 12,742.24                       | 11,568.00                                                 | 11,568.00                                |
| 5       | Project Management                             | 2,852.37                        | 2808.67                                                   | 2808.67                                  |
| 6       | Taxes & Duties                                 | -                               | 3,656.00                                                  | 3,656.00                                 |
| 7       | Port Clearance                                 | 1,632.15                        | 1,544.33                                                  | 1,544.33                                 |
| 8       | Transportation Charge                          |                                 |                                                           |                                          |
| 9       | Insurance charges                              |                                 |                                                           |                                          |





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|       |                    |             |             |             |
|-------|--------------------|-------------|-------------|-------------|
| 10    | Custom Duties      |             | 22,792.00   | 22,792.00   |
| Total | Main Plant Package | 1,54,779.92 | 1,78,875.28 | 1,77,360.40 |

### 13.0 Coal Handling Package

#### a. Award of Contract

In line with the standard bidding procedure, the Coal Handling Package was awarded to M/s McNally Bharat Engineering Ltd. Through two-part Competitive Bidding (CB). Three prospective bidders submitted their offers, which were opened on the same day as mentioned in the NIT, and the contract was finalized based on a two-stage evaluation process. The total lump-sum contract value, covering supply and erection, was ₹15,791.20 lakh (excluding taxes and duties). WBPDCL reported the final expenditure incurred on this package amounts to ₹15,662.20 lakh, inclusive of taxes and duties. No further expenditure was claimed after COD under this head.

#### b. Commission's Analysis and Decision

The individual amount claimed under various heads of Coal handling plant are all within the contract awarded for those packages respectively. Thus, the Commission admits the claim as it is. As the taxes are statutory levies they are also admitted as claimed.

In its provisional approval, the Commission had disallowed an amount of ₹1,055 lakh as a precautionary measure to cover potential liabilities such as Liquidated Damages (LD) or penalties. However, WBPDCL has confirmed, through its additional submissions (Annexure VI of Vol. II in petition OA-497/24-25 dated 9 January 2025) and a certificate from Maheshwari & Associates, Chartered Accountants, that the contract has been closed without the imposition of any LD or penalty. The Contract/Purchase & Procurement Committee of the WBPDCL Board, at its 3rd meeting held on 21 November 2009, also approved an extension of time for completion of the CHP project without LD, as M/s McNally Bharat Engineering Co. Ltd. was not responsible for the delay. In light of these clarifications, the Commission admitted project cost for the Coal Handling Package.





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

#### c. Approved Coal Handling Package Cost

Based on the foregoing, the Commission approves a total cost of ₹15,662.20 lakh for the Coal Handling Package, as shown in Table 8 below:

**Table 8: Coal Handling Package Cost Analysis**

| Sl. No. | Particulars                                 | Contract Awarded<br>(₹ in Lakh) | Actual claimed Expenditure Up to COD<br>(₹ in Lakh) | Admitted by Commission<br>(₹ in Lakh) |
|---------|---------------------------------------------|---------------------------------|-----------------------------------------------------|---------------------------------------|
| 1       | Supply Items                                | 7125.33                         | 6404.00                                             | 6404.00                               |
| 2       | Civil Cost                                  | 8028.48                         | 6944.20                                             | 6944.20                               |
| 3       | Erection, Testing, Trial Run, Commissioning | 467.15                          | 249.00                                              | 249.00                                |
| 4       | Consultancy                                 |                                 |                                                     |                                       |
| 5       | Project management                          | 0.28                            | 0.28                                                | 0.28                                  |
| 6       | taxes & Duties                              |                                 | 1895.00                                             | 1895.00                               |
| 7       | Port Clearance                              |                                 |                                                     |                                       |
| 8       | Transportation charge                       | 169.96                          | 169.72                                              | 169.72                                |
| 9       | Insurance charges                           |                                 |                                                     |                                       |
| 10      | Other Cost                                  |                                 |                                                     |                                       |
| Total   | Coal Handling Package                       | 15791.20                        | 15662.20                                            | 15662.20                              |

#### 14.0 Plant Water System Package

##### a. Award of Contract

The Plant Water System was awarded to M/s Larsen & Toubro Ltd. (L&T) through domestic Competitive Bidding process. Three prospective bidders submitted their offers on 07.09.2004, and the evaluation was carried out in accordance with the prescribed two-stage bidding system. The total contract cost, covering both supply and erection, stood at ₹6,700 lakh (excluding taxes and duties) which is same as the original TEC- approved cost. The expenditure up to COD was ₹5,586.52 lakh (including taxes and duties). No further expenditure was claimed after COD under this head.

##### b. Commission's Analysis and Decision





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

The Commission notes that the expenditure incurred towards erection, testing, and commissioning for the Plant Water System Package amounts to ₹507 lakh, which exceeds the contract-awarded amount of ₹215 lakh. Upon seeking clarification, WBPDC was unable to provide any specific justification for the increase. WBPDC proposed that the overall expenditure be assessed against the total contract value. However, since the contract values under individual heads are clearly defined and have been certified by Maheshwari & Associates, Chartered Accountants, the Commission has decided to restrict the admissible expenditure under each head to the respective contract-awarded amount. Accordingly, the Commission admits a final project cost of ₹5,294.52 lakh (including taxes and duties) for the Plant Water System Package.

With regard to contract closure and performance tests, WBPDC has submitted, through additional information, that no further liabilities or penalties are outstanding. A certificate from Maheshwari & Associates, Chartered Accountants, confirms that no Liquidated Damages (LD) have been imposed on M/s L&T. Furthermore, the Contract, Purchase & Procurement Committee of the WBPDC at its meeting held on 23.03.2012, granted an extension of time until 15.02.2012 without levying any LD, as M/s L&T was not deemed responsible for the delay. In light of these clarifications, the Commission finds no reason to disallow any expenses toward contract closure and confirms the admitted project cost for the Plant Water System package.

**c. Approved Plant Water System Package Cost**

The final cost approved for the Plant Water System Package is ₹5,550.52 lakh, as shown below in Table 9:

**Table 9: Plant Water System Package Cost Analysis**

| Sl. No. | Particulars                                 | Contract Awarded (₹ in Lakh) | Actual Expenditure Claimed Up to COD (₹ in Lakh) | Admitted by Commission (₹ in Lakh) |
|---------|---------------------------------------------|------------------------------|--------------------------------------------------|------------------------------------|
| 1       | Supply Items                                | 3,826.00                     | 3,668.00                                         | 3,668.00                           |
| 2       | Civil Cost                                  | 2,621.00                     | 721.52                                           | 721.52                             |
| 3       | Erection, Testing, Trial Run, Commissioning | 215.00                       | 507.00                                           | 215.00                             |
| 4       | Taxes & Duties                              | -                            | 654.00                                           | 654.00                             |
| 5       | Consultancy                                 |                              |                                                  |                                    |
| 6       | Project management                          | 5.00                         | 4.50                                             | 4.50                               |
| 7       | Port Clearance                              |                              |                                                  |                                    |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

|              |                                   |                 |                 |                 |
|--------------|-----------------------------------|-----------------|-----------------|-----------------|
| 8            | Transportation charge             | 33.00           | 31.50           | 31.50           |
| 9            | Insurance charges                 |                 |                 |                 |
| 10           | Other Cost                        |                 |                 |                 |
| <b>Total</b> | <b>Plant Water System Package</b> | <b>6,700.00</b> | <b>5,586.52</b> | <b>5,294.52</b> |

## 15.0 Transmission System Package

### a. Award of Contract

WBPDC, in its submission, has stated that the amended final project cost for the transmission system awarded to PGCIL on deposit work on cost plus basis (vide WBPDC/SGD-TS/1398/1024 dated 24.02.2006) amounting to ₹21,056 lakh. According to WBPDC, the 400 kV and 220 kV transmission package which was originally TEC approved at ₹20,800 lakh, incurred an actual expenditure of ₹19,474.13 lakh up to COD, along with an additional capitalization of ₹1,096.67 lakh in FY 2009-10, thus bringing the total cost under this head to ₹20,570.80 lakh.

### b. Commission's Analysis and Decision

The Commission has examined the relevant information furnished by WBPDC. The final expenditure on the Transmission System Package is noted to be lower than the TEC-approved amount of ₹20,800.00 lakh. The additional capitalization of ₹1,096.67 lakh incurred post-COD has been substantiated by information indicating that it primarily relates to pending balance works and final settlements.

### c. Approved Transmission System Package Cost

In view of the above, the Commission approves the total actual expenditure of ₹20,570.80 lakh for the Transmission System Package. A summary of the cost analysis is provided in the following Table 10:

**Table 10: Transmission System Package Cost Analysis**

| Sl. No.      | Particulars                        | Contract Awarded<br>(₹ in Lakh) | Actual claimed Expenditure Up to COD<br>(₹ in Lakh) | Additional Capitalization<br>In the year 2009-10<br>(₹ in Lakh) | Admitted by Commission<br>(₹ in Lakh) |
|--------------|------------------------------------|---------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|---------------------------------------|
| 1            | Transmission Package               | 21056.00                        | 19,474.13                                           | -                                                               | 19,474.13                             |
| 2            | Additional Capitalization          | -                               | -                                                   | 1,096.67                                                        | 1,096.67                              |
| <b>Total</b> | <b>Transmission System Package</b> | <b>21056.00</b>                 | <b>19,474.13</b>                                    | <b>1,096.67</b>                                                 | <b>20,570.80</b>                      |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

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## **16.0 Railway Infrastructure Package**

### **a. Award of Contract**

WBPDCCL has submitted that the contract for the development of Railway Infrastructure at Sagardighi Thermal Power Station was awarded to M/s RITES Ltd. on a deposit work, cost-plus basis, under the original Work Order WBPDCCL/CGM/Sagar/1(iii)/306/2872 dated July 14, 2004.

Subsequently, the scope of consultancy and construction management services was revised. This revision, formalized vide letter Ref. No. WBPDCCL/Projects/Sagar/1(iii)/6107 dated March 24, 2011, led to an increase in the basic cost of works from ₹3643.46 lakh to ₹5,596.87 lakh. The completion timeline for all construction and commissioning activities was also extended to June 30, 2011.

It is further submitted by WBPDCCL that RITES's revised consultancy charges were subsequently approved at ₹777.72 lakh, as communicated through Ref. No. WBPDCCL/Project/1(vi)/D/6603 dated July 5, 2013. An 10% service tax on this revised fee amounts to ₹77.77 lakh is also applicable in terms of contract. Consequently, revised project cost for the Railway Infrastructure amounted to **₹6,452.36 lakh.**

However, WBPDCCL claimed ₹7,050.84 lakh as expenses incurred on this account owing to subsequent alterations of scope with increase in cost pertaining to this contract.

### **b. Commission's Analysis and Decision**

The contract value for the Railway Infrastructure ₹6452.36 lakh. The expenditure claimed by WBPDCCL paid to RITES was ₹7,050.84 lakh. The certified statement from M/S Maheshwari & Associates, Chartered Accountants, has been provided by WBPDCCL. Since the contract is on a cost-plus basis, the Commission admits the claim of ₹7,050.84 lakh. WBPDCCL further state that the contract was ultimately closed without any pending liabilities or imposition of Liquidated Damages (LD). Considering that the railway linkage is critical for coal transportation and that no further liabilities remain, the Commission allows the cost overrun. Based on the





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justification offered and the available documentation, the Commission allows the full actual cost of ₹7,050.84 lakh for the Railway Infrastructure Package.

## 17.0 Land & Site Development

### a. WBPDCCL Submission

WBPDCCL has submitted that the TEC-approved amount for land acquisition and site development was ₹6,000.00 lakh. The final expenditure reported under this head is ₹4,838.08 lakh. WBPDCCL submitted that settlements with landowners and site preparation efforts were concluded at a level lower than the estimate, and no further claims or liabilities remain.

### b. Commission's Analysis and Decision

The Commission observes that the expenditure of ₹4,838.08 lakh is within the TEC-approved amount of ₹6,000.00 lakh. Since no cost overrun has occurred, the Commission allows the full amount under this head.

## 18.0 Others including Civil Works: Diversion of Roads, Township, Boundary Wall, and Raw Water Reservoir

### a. WBPDCCL Submission

The petitioner has submitted that the package "Others including Civil Works" consisting of Diversion of Road, Township & Colony, Boundary Wall, and Raw Water Reservoir works had a total TEC-approved cost of ₹8,500 lakh. However, WBPDCCL claimed cost of ₹11,275.02 lakh (including cost of additional capitalization of ₹4,034.75 lakh). In its additional information dated 09.01.2025 the petitioner furnished a comparative statement showing the expenditure incurred vis-à-vis the TEC-approved costs & contract value appear at Table 11 as follows:

**Table 11: WBPDCCL Submission**

| Particulars                                                                | As per TEC Cost<br>(₹ lakh) | As per Contract<br>(₹ lakh) | As Claimed<br>(₹ lakh) |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|------------------------|
| Diversion Road & R.R.                                                      | 500                         | 1496.83                     | 1592.61                |
| Township & Colony                                                          | 5500                        | 6796.46                     | 7808.47                |
| Temporary Construction &<br>Enabling Works including<br>Boundary wall & RW | 2500                        | 3130.95                     | 3338.94                |





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|                       |      |          |                 |
|-----------------------|------|----------|-----------------|
| reservoir             |      |          |                 |
| Total                 | 8500 | 11424.24 | 12740.02        |
| Less: IDC & Overheads | -    |          | 1465            |
| <b>Net Total</b>      | -    |          | <b>11275.02</b> |

b. **Commission's Analysis and Decision**

The initial Techno-Economic Clearance (TEC) for the other civil works was ₹8,500 lakh. In the supplementary submissions dated 24.04.2025, the petitioner stated that it has engaged different small contractors for carrying out the different related civil works as and when basis. The Petitioner provided 30 individual contract documents whose cumulative value amounted to ₹11424.20 lakh. However, WBPDC, in its petition, has claimed an aggregate amount of **₹11,275.02 lakh** under the head of "Others including Civil Works".

The cumulative sum of the claims presented under the individual heads of "Others including Civil Works" vide latter dated 09.01.2025, as shown in the aforementioned Table 10, amounts to **₹12,740.02 lakh**. It is further observed that this aggregated amount incorporates an amount of **₹1,465 lakh**, representing IDC (Interest During Construction) and overhead charges. To ascertain the precise base claim of the Petitioner under each aforementioned head, the Commission deems it necessary to proportionately segregate the included IDC and overhead charges from each individual cost component.

All submitted work order documents were reportedly approved by WBPDC's Board or Standing Tender Committee (STC). Following a prudence check and review of the justifications provided by the Petitioner, the Commission has admitted the cost for other civil works as per the following analysis (Table 11A):

1. **Diversion Road & R.R.:** For the Diversion Road & R.R. works, the contract value submitted was ₹1496.83 lakh. The Petitioner claimed an amount of ₹1409.47 lakh, excluding the proportionate IDC of ₹183.14 lakh (from a gross claim of ₹1592.61 lakh). As the claimed amount (excluding IDC) was within the contract value, the Commission admits the full claimed amount of ₹1409.47 lakh.
2. **Township & Colony:** Under the Township & Colony head, the documented contract value stood at ₹6796.46 lakh. WBPDC claimed ₹6910.56 lakh





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(exclusive of the ₹897.91 lakh IDC component from a gross claim of ₹7808.47 lakh). The Commission observed that the claimed amount exceeded the contract value. Due to the non-availability of supporting documentation to justify this increase beyond the contract value, the Commission restricts the admitted cost for Township & Colony to the contract value of ₹6796.46 lakh.

3. **Temporary Construction & Enabling Works (including Boundary wall & RW reservoir):** For Temporary Construction & Enabling Works, which also includes the Boundary Wall and Raw Water Reservoir, the contract value was ₹3130.95 lakh. The amount claimed by the Petitioner, after excluding the proportionate IDC of ₹383.95 lakh (from a gross claim of ₹3338.94 lakh), was ₹2954.99 lakh. Since this claimed amount (excluding IDC) is within the approved contract value, the Commission has admitted the entire claimed sum of ₹2954.99 lakh.

**Table 11(A): Others including Civil Works Cost Analysis**

| Particulars                                                                             | As per<br>TEC Cost<br>(₹ lakh) | As per<br>Contract<br>(₹ lakh) | As Claimed<br>(₹ lakh) | Corresponding<br>IDC loaded in<br>the Cost<br>(₹ lakh) | Amount<br>Claimed<br>without IDC<br>(₹ lakh) | Amount<br>Admitted<br>(₹ lakh) |
|-----------------------------------------------------------------------------------------|--------------------------------|--------------------------------|------------------------|--------------------------------------------------------|----------------------------------------------|--------------------------------|
|                                                                                         | A                              | B                              | C                      | D                                                      | E= C-D                                       | F                              |
| Diversion Road & R.R.                                                                   | 500                            | 1496.83                        | 1592.61                | 183.14                                                 | 1409.47                                      | 1409.47                        |
| Township & Colony                                                                       | 5500                           | 6796.46                        | 7808.47                | 897.91                                                 | 6910.56                                      | 6796.46                        |
| Temporary Construction<br>& Enabling Works<br>including Boundary wall<br>& RW reservoir | 2500                           | 3130.95                        | 3338.94                | 383.95                                                 | 2954.99                                      | 2954.99                        |
| <b>Total</b>                                                                            | <b>8500</b>                    | <b>11424.24</b>                | <b>12740.02</b>        | <b>1465</b>                                            | <b>11275.02</b>                              | <b>11160.92</b>                |
| Less: IDC & Overheads                                                                   | —                              |                                | 1465                   |                                                        |                                              |                                |
| <b>Net Total (Claimed<br/>without IDC)</b>                                              | <b>—</b>                       |                                | <b>11275.02</b>        |                                                        | <b>11275.02</b>                              | <b>11160.92</b>                |

The Petitioner, in its additional information dated January 9, 2025, furnished a statement detailing the additional capitalization of “Others including Civil Works” package for financial year 2012-13, 2013-14 and 2024-15, aggregating to ₹4,034.75 lakh. Based on the admitted value of “Others including Civil Works” cost of ₹11160.92 lakh, the Commission decides the admitted cost up to COD and Additional Capitalization for the corresponding years in proportion to the claim of WBPDCL. The details are presented in Table 11(B).





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**Table 11 (B): Admitted Cost for Other Civil Works (Up to COD and Additional Capitalization)**

| SL.NO | Head of Work/<br>Equipment              | Up to<br>COD<br>(₹ in<br>Lakh) | 2012-13<br>(₹ in<br>Lakh) | 2013-14<br>(₹ in<br>Lakh) | 2014-15<br>(₹ in<br>Lakh) | Total<br>Additional<br>Capitalization<br>(₹ in Lakh) | Total<br>(₹ in Lakh) |
|-------|-----------------------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|------------------------------------------------------|----------------------|
|       |                                         | A                              | B                         | C                         | D                         | E=B+C+D                                              | F=A+B+C+D            |
| 1     | "Others including civil works" Claimed  | 7240.27                        | 1528.06                   | 124.11                    | 2382.58                   | 4034.75                                              | 11275.02             |
| 2     | "Others including civil works" Admitted | 7240.27                        | 1484.85                   | 120.60                    | 2315.20                   | 3920.65                                              | 11160.92             |

\*Note: The Commission admits the cost up to COD same as the petitioner claimed amount and admitted the additional capitalization in proportion to the claim of petitioner.

## 19.0 Overhead and Pre-Operative Expenses

### a. WBPDC Submission

The Petitioner has claimed a total expenditure of ₹13,048.82 lakh under the head of **Overhead and Pre-Operative Expenses**, as against a Techno-Economic Clearance (TEC) approved amount of ₹3,000.00 lakh under **Establishment & Overhead**. TEC also approved ₹2,100.00 lakh against **Contingency**. WBPDC clarifies that its claim includes the cost of coal and oil used during the trial run of the units, which is partially offset by revenue from infirm power. The breakup of the claimed amount is presented below in Table 12.

**Table 12: Break-up of Claimed Establishment & Overhead Expenditure**

| Particulars                                             | Amount (₹ in Lakh) |
|---------------------------------------------------------|--------------------|
| Cost of Coal for Trial Run                              | 9,825.49           |
| Cost of Oil for Trial Run                               | 6,814.13           |
| <b>Total Cost of Fuel for Trial Run</b>                 | <b>16,639.62</b>   |
| Less: Revenue from Infirm Power                         | 6,442.17           |
| <b>Net Fuel Cost to be Capitalized</b>                  | <b>10,197.45</b>   |
| Add: Overhead Expenses (Establishment)                  | 2851.37            |
| <b>Total Claimed under Establishment &amp; Overhead</b> | <b>13,048.82</b>   |

### b. Commission's Observations and Decision





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

**Infirm Power Adjustment:** Infirm power refers to the electricity generated before a power plant achieves commercial operation. Costs related to fuel used during this pre-commissioning phase, as well as any revenue earned from selling the generated infirm power, must be carefully reconciled so that there is no undue financial burden on either the utility or consumers.

The petition provided reconciliation between the statement certified by KPMG and audited financial statement as on 31.03.2009. The said reconciliation statement provides cost of oil, cost of coal and sales realisation of power up to COD. It is noted that, while total fuel expenses for infirm power stood at ₹16,639.62 lakh, only ₹6,442.17 lakh was realized through ad-hoc sales revenue. As a result, the shortfall of ₹10,197.45 lakh pertains to the cost of infirm power.

Additionally, the petitioner has capitalized overhead expenses amounting to ₹2851.37 lakh. The overhead amount being 1.2% of the Hard Cost, as such, the Commission finds it reasonable to admit ₹2851.37 lakh as Establishment & Overhead (Including Contingency). To ensure clarity in the capitalization process, the cost of Infirm Power amounting to ₹10,197.45 lakh has been allowed under a distinct head, added to the project's capital cost in accordance with Regulation 2.8.5. Consequently, the total admitted cost capitalized [under the headings of Infirm Power and Establishment & Overhead (Including Contingency)] stands at ₹13,048.82 lakh.

## **20.0 Consultancy Services Package**

### **a. Award of Contract**

WBPDCCL, in its submission, states that the contract for total system basic engineering, system engineering, and associated services was awarded to M/s Development Consultants Private Limited (DCPL), Kolkata, on nomination basis. The scope of services includes furnishing design clarifications and basic design data, collecting necessary information for tender specification preparation, formulating layout diagrams, conducting technical evaluations and negotiations with turnkey bidders, providing post-contract turnkey award services, project monitoring, and field engineering support, among others. As per the awarded contract, a lump-sum amount of ₹210 Lakh was agreed upon, along with monthly charges for





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

the Resident Engineer (₹60,000), Assistant Resident Engineer (₹55,000), Commissioning Engineer (₹72,000), and a per-day rate of ₹6,000 for Inspection and Expediting services within India. The actual expenditure claimed by WBPDC is ₹690.18 lakh.

**b. Commission's Analysis and Decision**

The Commission notes that the variation between the actual cost incurred and the contract awarded to M/s DCPL is attributable to additional charges included in the contract, such as Field Engineer Services, Inspection and Expediting Services within India, and applicable taxes and duties. The Petitioner has submitted that the claimed expenditure amounting to ₹690.18 lakh has been paid, settled, and adjusted. In view of the above, the Commission considers the entire amount of ₹690.18 lakh towards the Consultancy Services Package as admissible.

**21.0 Claim for Initial Spares**

**a. WBPDC Submission**

The petitioner, in its Revised Cost Estimate (RCE), has included a total of ₹6,595 lakh towards the cost of mandatory spares. Of this amount, ₹6,281 lakh relates to the Main Plant Package, Coal Handling Plant, and Water System, while the remaining ₹314 lakh pertains to the associated transmission system. The cost of mandatory spares included in the cost of different supply packages are shown in table below (Table 13):

**Table 13: Breakdown of Mandatory Spares Costs under each Supply Packages**

| Sl. No. | Supply Package      | Cost- excluding spares in ₹ lakh | Cost of Mandatory Spares in ₹ lakh | Total Package Cost in ₹ lakh |
|---------|---------------------|----------------------------------|------------------------------------|------------------------------|
| 1       | Main Plant          | 104276.00                        | 5398.00                            | 109674.00                    |
| 2       | Coal Handling Plant | 5657.00                          | 747.00                             | 6404.00                      |
| 3       | Plant Water System  | 3532.00                          | 136.00                             | 3668.00                      |
|         | Total               | 113465.00                        | 6281.00                            | 119746.00                    |

**b. Commission's Analysis and Decision**





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

The Commission notes that the total admitted project cost, inclusive of Interest During Construction (IDC), stands at ₹2,83,429.58 lakh. Regulation 5.1(vi)(a) of the Tariff Regulations, 2007 stipulates a normative ceiling for mandatory spares at 2.5% of the capital cost.

It is observed that the claimed cost of mandatory spares (₹6,281 lakh) represents 2.2% of the relevant capital cost (including IDC up to 31.03.2009). As this amount is within the normative ceiling prescribed under the applicable regulations, the Commission hereby approves the cost of mandatory spares amounting to ₹6,281 lakh as claimed by the petitioner.

## 22.0 Summary of Hard Cost

The summary of the final hard cost determination for the 2 x 300 MW Sagardighi Thermal Power Project (Units I & II), without IDC is shown in Table 14 below. The breakup of the additional capitalization claimed and admitted are shown in Annexure 1 and 2 respectively.

**Table 14: Summary of Hard Cost of Project**

| Sl. No. | Description                                                           | TEC Approved (₹ lakh) | Claimed (₹ lakh)                       | Admitted (₹ lakh) |
|---------|-----------------------------------------------------------------------|-----------------------|----------------------------------------|-------------------|
| 1       | Main Plant Package (incl. AHP & Switchyard)                           | 1,54,800.00           | 1,78,875.28                            | 1,77,360.40       |
| 2       | Coal Handling Plant                                                   | 15,800.00             | 15,662.20                              | 15,662.20         |
| 3       | Plant Water System                                                    | 6,700.00              | 5,586.52                               | 5,294.52          |
| 4       | 400 kV & 220 kV Transmission Package                                  | 20,800.00             | 20,570.80                              | 20,570.80         |
| 5       | Land & Site Development                                               | 6,000.00              | 4,838.08                               | 4,838.08          |
| 6       | Railway Infrastructure                                                | 5,000.00              | 7,050.84                               | 7,050.84          |
| 7       | Diversion of Road, Township, Boundary Wall, Raw Water Reservoir, etc. | 8,500.00              | 11,275.02                              | 11,160.92         |
| 8       | Taxes & Duties                                                        | 33,000.00             | <i>Included in individual packages</i> |                   |
| 9       | Consultancy                                                           | -                     | 690.18                                 | 690.18            |
| 10      | Establishment & Overheads + Contingency                               | 5,100.00              | 2,851.37                               | 2,851.37          |
| 11      | Infirm Power                                                          | -                     | 10,197.45                              | 10,197.45         |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

| Sl. No. | Description              | TEC Approved<br>(₹ lakh) | Claimed (₹ lakh) | Admitted (₹ lakh) |
|---------|--------------------------|--------------------------|------------------|-------------------|
| —       | Subtotal (Excluding IDC) | 2,55,700.00              | 2,57,597.74      | 2,55,676.76       |

### 23.0 Interest During Construction (IDC)

#### Petitioner's Claim

The Petitioner has claimed IDC of ₹ 31,570.00 lakh for Unit-1 and Unit -2 of Sagardighi (2x300 MW) thermal power project. From the sanctioned loan by PFC, WBPDC has claimed the IDC as per the loan drawn up to COD (for Unit-1 as on 07-09-2008 loan drawal is ₹ 1,61,745.83 lakh and for Unit-2 as on 06-11-2008 additional loan of ₹ 3,495.38 lakh) aggregating to ₹ 1,65,241.22 lakh. WBPDC has prayed to allow the actual IDC of ₹ 31,570.00 lakh. The computation of IDC claimed by WBPDC is as below in Table 15(A):

**Table 15 (A): IDC claimed by WBPDC**

| Particulars             | Loan Drawn<br>(₹ lakh) | Interest Paid<br>(₹ lakh) | IDC Claimed<br>(₹ lakh) |
|-------------------------|------------------------|---------------------------|-------------------------|
| Unit 1 (COD 07-09-2008) | 1,61,745.83            | 29,905.94                 | 29,905.94               |
| Unit 2 (COD 06-11-2008) | 3,495.38               | 3,039.61                  | 1,661.19                |
| Total                   | 1,65,241.21            | 32,945.55                 | 31,567.14               |

#### Commission's Analysis

It is observed that in the TEC an amount of ₹ 19,300.00 lakh was allocated as IDC considering the project completion period of 33 and 36 months for unit 1 and unit 2 respectively. In Regulation 5.6.4.2(vi) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations the following principle was mentioned regarding consideration of scheduled commercial operation date:

- No interest during construction for any unit of a generating station whose order has been placed before 15.10.2007 shall be allowed to be capitalized for the period beyond the scheduled commercial operation date (SCOD) as set out in the contract agreement of boiler and/or turbine- generator or the COD as per norms under schedule-9C, whichever is later





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

- IDC shall not be capitalized for projects where the order for construction was placed before 15.10.2007 beyond the SCOD set forth in the contract agreement or as per Schedule-9C, whichever is later.
- IDC can be allowed beyond SCOD only in cases where the Commission is satisfied that the time overrun resulted from force majeure events or extenuating circumstances.

As the order of SgTPP-1 was placed prior to 2007, the scheduled completion period of the plant is 45 months for Unit 1 and 51 months for unit 2. Table 15(B) below shows the SCOD for both the units:

**Table 15 (B): SCOD of Unit 1 and Unit 2**

| Unit   | Zero Date (LOA) | Target Completion Period (Months) as per Regulations | Scheduled COD as per Regulations | Actual COD | Actual Completion Period (Months) | Delay (Months) |
|--------|-----------------|------------------------------------------------------|----------------------------------|------------|-----------------------------------|----------------|
| Unit 1 | 27.07.2004      | 45                                                   | 27.04.2008                       | 07.09.2008 | 49                                | 4              |
| Unit 2 | 27.07.2004      | 51                                                   | 27.10.2008                       | 06.11.2008 | 51                                | 0              |

It is noted from the submission of WBPDCL that no specific justification for time overrun has been provided by the petitioner. Rather from the reasons of LD waiver submitted along with the petition, it transpires that the delay was primarily attributes to the petitioner itself. Consequently, no time overrun has been considered and the Commission determines that IDC shall be allowed only up to the SCOD.

**a) Computation of Base IDC up to SCOD**

The Commission decides to consider the actual interest paid for both Unit-1 and Unit-2 up to SCOD of Unit-1. For the period commencing from SCOD of Unit-1 and extending upto SCOD of Unit-2, the Commission decides to admit 50% of the interest paid during this period as the base IDC. The computation of base IDC appears in Table 15(C) below:





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**Table 15 (C): Computation of Base IDC**

| Particulars              | Loan Drawn up to SCOD | Interest Paid up to SCOD (₹ lakh) | Base IDC Admitted (₹ lakh) |
|--------------------------|-----------------------|-----------------------------------|----------------------------|
| Unit 1 (SCOD 27-04-2008) | 151387.05             | 23,428.23                         | 23,428.23                  |
| Unit 2 (SCOD 27-10-2008) | 13854.16              | 9,060.86                          | 4,530.43 (50 % allowed*)   |
| <b>Total</b>             | <b>165241.21</b>      | <b>32,489.09</b>                  | <b>27,958.66</b>           |

**b) Adjustment for Cost Overrun on IDC**

WBPDCL has claimed hard cost of ₹ 2,45,415.48 lakh (excluding Additional Capitalization) against which the Commission admits an amount of ₹ 2,43,608.60 lakh (Detailed analysis in Annexure 1 & 2). Thus, a proportionate amount is required to be adjusted for the base IDC on account of cost overrun as shown in Table 15(D) below:

**Table 15 (D): Adjustment of Cost Overrun**

| Particulars                               | Amount (₹ in lakh)                                                 |
|-------------------------------------------|--------------------------------------------------------------------|
| Hard Cost Claimed up to COD (A)           | 2,45,415.48                                                        |
| Hard Cost Admitted up to COD (B)          | 2,43,608.60                                                        |
| Base IDC (C)                              | 27,958.66                                                          |
| IDC Admitted (D) = $C \times \frac{B}{A}$ | $27,958.66 \times \frac{243608.60}{245415.48} \approx ₹ 27,752.82$ |

**Commission's Decision**

In view of the foregoing, the Commission **approves IDC of ₹ 27,752.82 lakh** for capitalization in the completed cost of the generating station.

**24.0 Overall Project Cost**





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

The admitted final project cost of SgTPP-1, including hard cost, additional capitalization and IDC vis-à-vis the claim of petitioner appears in table 16(A) below:

**Table 16 (A): Overall Project Cost of SgTPP-1**

| Particulars | Hard Cost as on 31.03.2009 | Additional Capitalization | IDC       | Final Project Cost |
|-------------|----------------------------|---------------------------|-----------|--------------------|
|             | A                          | B                         | C         | D=A+B+C            |
| Claim       | 245415.48                  | 12182.26                  | 31,570.00 | 289167.74          |
| Admitted    | 243608.60                  | 12068.16                  | 27,752.82 | 283429.58          |

Under the proposed funding scheme from Equity by Government of West Bengal, Internal Resources, and Loan from PFC, the following amount is admitted as shown in Table 16 (B) below:

**Table 16 (B): Funding analysis**

| Sources of Funding      | Claimed (₹ lakh)  |                    | Admitted (₹ lakh)  |
|-------------------------|-------------------|--------------------|--------------------|
|                         | Derivatives       | 1                  | 2                  |
| Total Project Cost      | From Table 16 (A) | 2,89,167.74        | 2,83,429.58        |
| Government equity share | A                 | 82,500.00          | 82,500.00          |
| Internal Resource funds | B                 | 30,360.80          | 24,622.64          |
| Loan                    | C                 | 1,76,306.94        | 1,76,306.94        |
| <b>Total Funding</b>    | <b>A+B+C</b>      | <b>2,89,167.74</b> | <b>2,83,429.58</b> |

*\*Note: The loan amount remains unchanged, the Commission having accepted the Petitioner's drawdown schedule as reasonable for the purpose of tariff determination.*

## 25.0 Common Infrastructure Allocation

### Petitioner Submission:

In the letter WBPDC/WBERC-34/25/674 dated 09.01.2025, the petitioner submitted information regarding common facilities constructed for Sagardighi TPP Stages-I, II, & III. The petitioner stated that several common facilities were constructed primarily during the construction of Stage-I for shared use across all stages, namely the Transmission System, Ash





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Pond, Township Colony, Boundary Wall, and Railway Infrastructure. The costs incurred for these facilities, as submitted by the petitioner, appears at Table 17 as follows:

**Table 17: Petitioner submission of Allocation and Claim of Common Facilities**

| Sl. No. | Particulars            | Common Use         | As per TEC/Contract<br>(₹ Lakhs)  | Actual Claim<br>(₹ Lakhs) |
|---------|------------------------|--------------------|-----------------------------------|---------------------------|
| 1       | Transmission System    | Stage -I, II & III | 21056.00                          | 20570.80                  |
| 2       | Ash Pond               | Stage -I & II      | Included in Main Plant<br>Package | 2388.80                   |
| 3       | Township Colony        | Stage -I, II & III | 5500.00                           | 7808.47                   |
| 4       | Boundary Wall          | Stage -I           | 2500.00                           | 3338.94                   |
| 5       | Intake Channel         |                    |                                   |                           |
| 6       | Railway Infrastructure | Stage -I & II      | 7311.5                            | 7050.84                   |

**Commission's Observation:**

The Commission has examined the cost-allocation statement of common facilities submitted by the licensee in light of the admitted capital cost for each common facility used by Sagardighi Thermal Power Project (SgTPP). In doing so, the Commission allocates the total admitted cost of common facilities up to COD and year-wise additional cost of common facilities up to 2014-15 to Stage I, Stage II and Stage III in proportion to the installed capacity of each Stage. The detailed apportionment is placed at *Annexure-3* of this Order. Based on the allocation, the sharing of common-facility cost amongst Stage-I and Stage-II & III is summarised at Table 18 below:

**Table 18: Allocation of Common Facilities**

| Year                   | Total Cost for Common Facilities<br>Admitted by the Commission<br>(₹ Lakhs) | Cost of Common Facility shared<br>by Stage-II & III<br>(₹ Lakhs) | Net Cost of Common<br>Facilities for Stage-I<br>(₹ Lakhs) |
|------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------|
| Up to COD (31-03-2009) | 28188.85                                                                    | 19035.46                                                         | 9153.40                                                   |
| 2009-10                | 1096.67                                                                     | 805.52                                                           | 291.15                                                    |
| 2010-11                | 0.00                                                                        | 0.00                                                             | 0.00                                                      |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

|              |                 |                 |                 |
|--------------|-----------------|-----------------|-----------------|
| 2011-12      | 0.00            | 0.00            | 0.00            |
| 2012-13      | 1297.33         | 664.15          | 633.19          |
| 2013-14      | 7156.22         | 4460.72         | 2695.50         |
| 2014-15      | 2022.82         | 1035.55         | 987.27          |
| <b>Total</b> | <b>39761.90</b> | <b>26001.39</b> | <b>13760.50</b> |

It is therefore noted that out of the aggregate admitted capital cost of ₹ 39,761.90 lakh for common facilities, an amount of ₹ 26,001.39 lakh pertains to common assets utilised by Stage II and Stage III. Consequently, the net capital cost on account of common facilities attributable exclusively to Stage I stands at ₹ 13,760.50 lakh. A stage-wise financing analysis differentiating debt and equity for the net capital cost of Stage-I after exclusion of the common-facility portion allocated to Stage II and Stage III—has been carried out, and the analysis is presented in *Annexure-4*. As summary of the analysis is presented below in Table 19.

**Table 19: Summary of Financing Pattern for SgTPP (Stage-I) after Segregating Common-Facility Assets**

| Item                               | Gross Admitted Project Cost (₹ lakhs) | Less: Common Assets Allocated to Stage II & III (₹ lakhs) | Net Project Cost Attributable to Stage-I (₹ lakhs) |
|------------------------------------|---------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| Up to CoD (31-03-2009)             | 2,71,361.42                           | 19,035.46                                                 | 2,52,325.96                                        |
| FY 2009-10 to FY 2014-15 (add-cap) | 12,068.16                             | 6,965.93                                                  | 5,102.23                                           |
| <b>Total</b>                       | <b>2,83,429.58</b>                    | <b>26,001.39</b>                                          | <b>2,57,428.19</b>                                 |

## 26.0 Admitted Project Cost and funding structure for SgTPP (Stage-I)

The Commission, after carrying out prudence check of the additional capitalisation and financing arrangements, admits a **final project cost of ₹ 2,57,428.19 lakh** for Stage I. Equity comprises the State-Government contribution of **₹ 76,713.00 lakh** and internal resources of **₹ 21,059.86 lakh** (aggregating **₹ 97,772.86 lakh**, i.e., 38 % of the approved cost), while the balance **₹ 1,59,655.33 lakh** (62 %) is met through long-term debt from the Power Finance Corporation.





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

The details of the same is attached in *Annexure 4* and summary of the same is presented here in Table 20 below:

**Table 20: Year wise Equity–Debt Composition of Net Stage-I Cost**

| Year                   | Net Stage-1 Cost<br>(₹ lakhs) | Equity —Govt Share<br>(₹ lakhs) | Equity —Internal<br>(₹ lakhs) | Debt —PFC<br>(₹ lakhs) |
|------------------------|-------------------------------|---------------------------------|-------------------------------|------------------------|
| Up to COD (31-03-2009) | 252325.9631                   | 76713.0000                      | 19529.1920                    | 156083.7711            |
| 2009-10                | 291.1513                      | –                               | 87.3454                       | 203.8059               |
| 2010-11                | 0.0000                        | –                               | 0.0000                        | 0.0000                 |
| 2011-12                | 0.0000                        | –                               | 0.0000                        | 0.0000                 |
| 2012-13                | 820.7018                      | –                               | 246.2105                      | 574.4913               |
| 2013-14                | 2710.7227                     | –                               | 813.2168                      | 1897.5059              |
| 2014-15                | 1279.6503                     | –                               | 383.8951                      | 895.7552               |
| <b>Total</b>           | <b>257428.19</b>              | <b>76713.00</b>                 | <b>21059.86</b>               | <b>159655.33</b>       |

**Order:**

**27.0** The Commission, after due consideration of all relevant facts and the project report submitted by WBPDC, along with the submissions, clarifications, and documents provided in terms of Regulation 2.8.5 of the Tariff Regulations, hereby approves ₹ **2,57,428.19 Lakhs** as the final Project Cost for Stage-I of the 2 × 300 MW, after excluding common shared facilities pertaining to Stage-II & III.

**Table 21: Final Admitted Project Cost of SgTPP-I after excluding Common facilities**

| SL. No | Year                               | Net Stage-I Cost<br>(₹ lakhs) |
|--------|------------------------------------|-------------------------------|
| 1      | Up to COD (31-03-2009)             | 252325.9631                   |
| 2      | 2009-10                            | 291.1513                      |
| 3      | 2010-11                            | 0.0000                        |
| 4      | 2011-12                            | 0.0000                        |
| 5      | 2012-13                            | 820.7018                      |
| 6      | 2013-14                            | 2710.7227                     |
| 7      | 2014-15                            | 1279.6503                     |
| 8      | Add Cap from 2009-10<br>to 2014-15 | 5102.2261                     |
| 9      | <b>Total (1+8)</b>                 | <b>257428.19</b>              |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

- 28.0** WBPDCCL is directed to file a composite petition within one month from the date of issuance of this Order, detailing the impact of the admitted project cost of Sagardighi Stage-I vis-à-vis the amount considered in the APR orders issued by the Commission for all the years where APR has already been issued.
- 29.0** The petition is thus disposed of.
- 30.0** A copy of the order shall be posted on the website of the Commission.
- 31.0** West Bengal Power Development Corporation Limited (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/-**

**(Dr. MALLELA VENKATESWARA RAO)**

**CHAIRPERSON**

**Dated : 22.07.2025**

**Sd/-**

**DEPUTY DIRECTOR , WBERC**





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDCL) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

## Annexure -1

**Table: Hard Cost Claimed including Add Cap**

| Description                                                      | Claimed (₹ lakh) |                |             |             |                |                |                |                 |                  |
|------------------------------------------------------------------|------------------|----------------|-------------|-------------|----------------|----------------|----------------|-----------------|------------------|
|                                                                  | 31.03.2009       | 2009-10        | 2010-11     | 2011-12     | 2012-13        | 2013-14        | 2014-15        | Add Cap         | Total            |
| Main Plant Package (including AHP & Switchyard)                  | 178875.28        |                |             |             |                |                |                | 0.00            | 178875.28        |
| Coal handling Plant                                              | 15662.20         |                |             |             |                |                |                | 0.00            | 15662.20         |
| Plant Water System                                               | 5586.52          |                |             |             |                |                |                | 0.00            | 5586.52          |
| 400 kV & 220 kV Transmission package                             | 19474.13         | 1096.67        |             |             |                |                |                | 1096.67         | 20570.80         |
| Land & Site Development                                          | 4838.08          |                |             |             |                |                |                | 0.00            | 4838.08          |
| Railway infrastructure                                           | 0.00             |                |             |             |                | 7050.84        |                | 7050.84         | 7050.84          |
| Diversion of Road, Town ship, Boundary wall, Raw water reservoir | 7240.27          |                |             |             | 1528.06        | 124.11         | 2382.58        | 4034.75         | 11275.02         |
| Taxes & Duties (included in each package)                        |                  |                |             |             |                |                |                | 0.00            |                  |
| Consultancy                                                      | 690.18           |                |             |             |                |                |                | 0.00            | 690.18           |
| Establishment & overheads + contingency                          | 2851.37          |                |             |             |                |                |                | 0.00            | 2851.37          |
| Infirm power                                                     | 10197.45         |                |             |             |                |                |                | 0.00            | 10197.45         |
| <b>TOTAL (HARD COST)</b>                                         | <b>245415.48</b> | <b>1096.67</b> | <b>0.00</b> | <b>0.00</b> | <b>1528.06</b> | <b>7174.95</b> | <b>2382.58</b> | <b>12182.26</b> | <b>257597.74</b> |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

## Annexure -2

**Table: Hard Cost Admitted including Add Cap**

| Description                                                      | Admitted (₹ lakh) |                |             |             |                |                |                |                 |                  |
|------------------------------------------------------------------|-------------------|----------------|-------------|-------------|----------------|----------------|----------------|-----------------|------------------|
|                                                                  | 31.03.2009        | 2009-10        | 2010-11     | 2011-12     | 2012-13        | 2013-14        | 2014-15        | Add Cap         | Total            |
| Main Plant Package (including AHP & Switchyard)                  | 177360.40         |                |             |             |                |                |                | 0.00            | 177360.40        |
| Coal handling Plant                                              | 15662.20          |                |             |             |                |                |                | 0.00            | 15662.20         |
| Plant Water System                                               | 5294.52           |                |             |             |                |                |                | 0.00            | 5294.52          |
| 400 kV & 220 kV Transmission package                             | 19474.13          | 1096.67        |             |             |                |                |                | 1096.67         | 20570.80         |
| Land & Site Development                                          | 4838.08           |                |             |             |                |                |                | 0.00            | 4838.08          |
| Railway infrastructure                                           | 0.00              |                |             |             |                | 7050.84        |                | 7050.84         | 7050.84          |
| Diversion of Road, Town ship, Boundary wall, Raw water reservoir | 7240.27           |                |             |             | 1484.85        | 120.60         | 2315.20        | 3920.65         | 11160.92         |
| Taxes & Duties (included in each package)                        |                   |                |             |             |                |                |                |                 |                  |
| Project management /Consultancy                                  | 690.18            |                |             |             |                |                |                |                 | 690.18           |
| Establishment & overheads + contingency                          | 2851.37           |                |             |             |                |                |                | 0.00            | 2851.37          |
| Infirm power                                                     | 10197.45          |                |             |             |                |                |                |                 | 10197.45         |
| <b>TOTAL (HARD COST)</b>                                         | <b>243608.60</b>  | <b>1096.67</b> | <b>0.00</b> | <b>0.00</b> | <b>1484.85</b> | <b>7171.44</b> | <b>2315.20</b> | <b>12068.16</b> | <b>255676.76</b> |





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

# Annexure -3

**Table: Year-wise cost sharing of Commonly used facilities**

All figures are in ₹ lakh as admitted by the Commission

| Asset/Facility                                    | Plant            | Up to COD<br>(31-03-2009) | 2009-10        | 2010-11     | 2011-12     | 2012-13        | 2013-14        | 2014-15        | Total           | Total<br>(Stage<br>III)<br>II + I |
|---------------------------------------------------|------------------|---------------------------|----------------|-------------|-------------|----------------|----------------|----------------|-----------------|-----------------------------------|
|                                                   |                  | (a)                       | (b)            | (c)         | (d)         | (e)            | (f)            | (g)            | (a):(g)         |                                   |
| <b>Transmission System</b>                        | Stage-I          | 5170.12                   | 291.15         | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 5461.27         |                                   |
|                                                   | Stage-II         | 8616.87                   | 485.25         | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 9102.12         |                                   |
|                                                   | Stage-III        | 5687.14                   | 320.27         | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 6007.40         | 15109                             |
|                                                   | <b>Total (A)</b> | <b>19474.13</b>           | <b>1096.67</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>20570.80</b> |                                   |
| <b>Ash Pond</b>                                   | Stage-I          | 895.80                    | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 895.80          |                                   |
|                                                   | Stage-II         | 1493.00                   | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 1493.00         |                                   |
|                                                   | Stage-III        | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 0.00            | 1493.                             |
|                                                   | <b>Total (B)</b> | <b>2388.80</b>            | <b>0.00</b>    | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b>    | <b>0.00</b>    | <b>2388.80</b>  |                                   |
| <b>Township</b>                                   | Stage-I          | 1170.52                   | 0.00           | 0.00        | 0.00        | 240.05         | 19.50          | 374.30         | 1804.37         |                                   |
|                                                   | Stage-II         | 1950.87                   | 0.00           | 0.00        | 0.00        | 400.09         | 32.50          | 623.83         | 3007.28         |                                   |
|                                                   | Stage-III        | 1287.58                   | 0.00           | 0.00        | 0.00        | 264.06         | 21.45          | 411.72         | 1984.81         | 4992.                             |
|                                                   | <b>Total (C)</b> | <b>4408.97</b>            | <b>0.00</b>    | <b>0.00</b> | <b>0.00</b> | <b>904.20</b>  | <b>73.44</b>   | <b>1409.84</b> | <b>6796.46</b>  |                                   |
| <b>Boundary Wall &amp; Intake Channel</b>         | Stage-I          | 1916.95                   | 0.00           | 0.00        | 0.00        | 393.13         | 31.93          | 612.98         | 2954.99         |                                   |
|                                                   | Stage-II         | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 0.00            |                                   |
|                                                   | Stage-III        | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 0.00            | 0.00                              |
|                                                   | <b>Total (D)</b> | <b>1916.95</b>            | <b>0.00</b>    | <b>0.00</b> | <b>0.00</b> | <b>393.13</b>  | <b>31.93</b>   | <b>612.98</b>  | <b>2954.99</b>  |                                   |
| <b>Railway</b>                                    | Stage-I          | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 2644.07        | 0.00           | 2644.07         |                                   |
|                                                   | Stage-II         | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 4406.78        | 0.00           | 4406.78         |                                   |
|                                                   | Stage-III        | 0.00                      | 0.00           | 0.00        | 0.00        | 0.00           | 0.00           | 0.00           | 0.00            | 4406.                             |
|                                                   | <b>Total (E)</b> | <b>0.00</b>               | <b>0.00</b>    | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>    | <b>7050.85</b> | <b>0.00</b>    | <b>7050.85</b>  |                                   |
| <b>Grand Total</b>                                | <b>A+B+C+D+E</b> | <b>28188.85</b>           | <b>1096.67</b> | <b>0.00</b> | <b>0.00</b> | <b>1297.33</b> | <b>7156.22</b> | <b>2022.82</b> | <b>39761.90</b> |                                   |
| <b>Total Cost Allocated to Stage-II &amp; III</b> |                  | <b>19035.46</b>           | <b>805.52</b>  | <b>0.00</b> | <b>0.00</b> | <b>664.15</b>  | <b>4460.72</b> | <b>1035.55</b> | <b>26001.39</b> | <b>26001</b>                      |

West Bengal Electricity Regulatory Commission





In regard to Application submitted by West Bengal Power Development Corporation Limited (WBPDC) for approval of the final project cost in respect of 2 x 300 MW Units (Unit 1 & Unit 2) Stage-I of Sagardighi Thermal Power Project.

#### Annexure -4

**Table: Debt: Equity ratio and funding analysis of SgTPP-1 and net project cost of stage 1 after deducting share of common facilities**

| SgTPP-1                       | Project Cost |           | Equity     |          | Debt      |
|-------------------------------|--------------|-----------|------------|----------|-----------|
|                               | Claimed      | Admitted  | Govt share | Internal | PFC       |
|                               | ₹ Cr         |           | ₹ Cr       |          |           |
| Project Cost as on 31.03.2009 | 2769.8548    | 2713.6142 | 825.0000   | 210.0219 | 1678.5923 |
| 2009-10                       | 10.9667      | 10.9667   |            | 3.2900   | 7.6767    |
| 2010-11                       | 0.0000       | 0.0000    |            | 0.0000   | 0.0000    |
| 2011-12                       | 0.0000       | 0.0000    |            | 0.0000   | 0.0000    |
| 2012-13                       | 15.2806      | 14.8485   |            | 4.4546   | 10.3940   |
| 2013-14                       | 71.7495      | 71.7144   |            | 21.5143  | 50.2001   |
| 2014-15                       | 23.8258      | 23.1520   |            | 6.9456   | 16.2064   |
| total Add Cap                 | 121.8226     | 120.6816  |            | 36.2045  | 84.4771   |
| Total                         | 2891.6774    | 2834.2958 | 825.0000   | 246.2264 | 1763.0694 |

  

| Common Assets -II & III | Equity     |          | Debt     |
|-------------------------|------------|----------|----------|
|                         | Govt share | Internal | PFC      |
|                         | ₹ Cr       |          | ₹ Cr     |
| Total                   | 57.8700    | 14.7300  | 117.7546 |
| 8.0552                  |            | 2.4166   | 5.6386   |
| 0.0000                  |            |          | 0.0000   |
| 0.0000                  |            |          | 0.0000   |
| 6.6415                  |            | 1.9924   | 4.6490   |
| 44.6072                 |            | 13.3822  | 31.2250  |
| 10.3555                 |            | 3.1066   | 7.2488   |
| 69.6593                 |            | 20.8978  | 48.7615  |
| 260.0139                | 57.8700    | 35.6278  | 166.5161 |

  

| Net Project Cost of Stg-1 | Equity     |          | Debt   |
|---------------------------|------------|----------|--------|
|                           | Govt share | Internal | PFC    |
|                           | ₹ Cr       |          |        |
| Admitted                  | 767.1300   | 195.2919 | 1560.7 |
| 2523.2596                 |            |          |        |
| 2.9115                    |            | 0.8735   | 2.00   |
| 0.0000                    |            | 0.0000   | 0.00   |
| 0.0000                    |            | 0.0000   | 0.00   |
| 8.2070                    |            | 2.4621   | 5.74   |
| 27.1072                   |            | 8.1322   | 18.9   |
| 12.7965                   |            | 3.8390   | 8.96   |
| 51.0223                   |            | 15.3067  | 35.7   |
| 2574.2819                 | 767.1300   | 210.5986 | 1596.3 |