



ORDER

OF THE

**WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN THE MATTER OF

CASE NO: RP-11/25-26

**REVISITING THE ORDERS DATED 20.07.2022 IN CASE NO. OA-
270/17-18 PASSED BY THE COMMISSION AGAINST JUDGEMENT
OF APTEL IN APPEAL NO 141 OF 2023 DATED 30.04.2025.**

DATE: 29.07.2025



Revisiting order dated 20.07. 2022 in case no. OA-270 /17-18 passed by commission against the order passed by Hon'ble Appellate Tribunal for Electricity (APTEL) at New Delhi in Appeal no. 141 of 2023 dated 30.04.2025

CASE IN BRIEF

- 1.0 The Hon'ble Appellate Tribunal for Electricity at New Delhi (in short 'APTEL') in its judgement dated April 30,2025 in Appeal No. 141 of 2023 in the Matter of Haldia Energy Limited(in short 'HEL') and West Bengal Electricity Regulatory Commission (In short 'the Commission') , set aside specific findings from the Commission's order dated July 20,2022 in Case No. OA-270/17-18 .APTEL directed the Commission to pass a consequential order within three months to implement its findings. Accordingly, the Commission is reviewing the relevant portion of orders OA-270/17-18 and re-registered these findings as Case No. OA-270/R/25-26.
- 2.0 On July 20,2022, the Commission issued Order OA-270/17-18, approving a final project cost of Rs. 3832.6 crore for the 2x300 MW thermal power generating station of Haldia Energy Ltd at Haldia, Midnapore. This approval was granted under regulation 2.8.5.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,2011(in short Tariff Regulation). The Commission, however, disallowed certain costs and expenditures claimed by HEL related to the project's construction.
- 3.0 Aggrieved by the Commission's order in Case No. OA-270/17-18, HEL filed an appeal (Appeal No.141 of 2020) before the Honorable APTEL, challenging the disallowance of costs under the following heads:
 - a) Rs. 5.90 Crore in relation to the Boiler Turbine Generator (in short "BTG");
 - b) Rs. 37.00 Crore in relation to the Balance of Plant cost;
 - c) Rs. 5.70 Crore on account of Intake Water System;



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- d) Rs. 47.40 Crore on account of Other Enabling Work;
- e) Rs. 44.10 crore on account of Overhead Expenses and Pre-operative Expenses;
- f) Rs. 82.50 Crore under the head of Interest during Construction (in short "IDC").

4.0 APTEL issued its judgement on April 30,2025 regarding appeal no 141 of 2023. APTEL's decision on these issues are summarized in Table 1 below.

Table 1

Packages where extra claim was made before APTEL	Claim by HEL	Admitted by APTEL
(i) BTG Package	Rs. 5.90 Cr.	Rs. 5.90 Cr.
(ii) Balance of Plant Package	Rs. 37.00 Cr.	Rs. 17.40 Cr.
(iii) Intake Water System Package	Rs. 5.70 Cr.	Rs. 3.30 Cr.
(iv) Other Enabling Work Package	Rs. 47.40 Cr.	Rs. 47.40 Cr.
(v) Overhead Expenses and Pre-operative Expenses Package	Rs. 44.10 Cr.	Rs. 44.10 Cr.
vi) IDC	Rs. 82.50 Cr.	To be decided based on the costs allowed.

- a) APTEL found merit in the claims of HEL for the costs related to the retention of the BTG costs, Other Enabling Work, Overhead Expenses and Pre-Operative expenses allowing HEL's full claim for these. However, for the Balance of Plant system, Intake water system Tribunal partially allowed HEL's claim.



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- b) Observation of APTEL regarding IDC is *"..IDC prayed for by the Appellant is congruent and consistent with the capital cost incurred by the Appellant. The allegations of excess loan drawl and excess interest booked are therefore erroneous"*. Consequently, APTEL allowed the claim of HEL for interest during construction (IDC) proportionate to the costs that is allowed by the APTEL.
- c) APTEL in the said judgement directs the Commission *"...to pass consequential Orders within 3 months from the date of this judgment"*.

5.0 In light of directions of APTEL, the revised Project Cost of Generation project of HEL will be as per given in Table 2 below:

Table 2

Sr No	Particulars	Amount in Rs. Crore
1	Original Project Cost Allowed as per OA-270 (excluding IDC)	3374.90
2	Costs allowed in light of APTEL's judgement	
a)	BTG Package	5.90
b)	Balance of Plant package	17.40
c)	Intake Water System package	3.30
d)	Other Enabling Work package	47.40



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e)	Overhead & Pre-operative Expenses	44.10
3	TOTAL (EXCLUDING IDC)	3493.00

Revised hard cost for 2x300MW Generation project of HEL after accommodating APTEL's judgement becomes Rs.3493.00 Crore against the claimed hard cost of Rs 3525.70 Crore by HEL.

6.0 The hard cost claimed by HEL in its petition was inclusive of additional capitalization post COD. Accordingly, the Commission in the order dated 20 July, 2022 in Case No. OA-270/17-18, had allowed the approved hard cost as on COD and year-wise additional capitalization in the same proportion as claimed by HEL. Now the Commission decides to allocate approved hard cost in the same principle in Table 3 given below.

Table 3

Particulars	Claimed by HEL in Rs. Crore	As per OA- 270/17-18 in Rs. Crore	Revised Cost after APTEL's judgement in Rs. Crore
Hard Cost as on COD	3285.70	3145.20	3255.26
Additional Capitalization			
FY 2015-16	50.30	48.10	49.78
FY 2016-17	37.60	36.00	37.26
FY 2017-18	98.80	94.60	97.91
FY 2018-19	39.20	37.50	38.81
FY 2019-20	0.70	0.70	0.72
Balance Additional Capitalization	13.40	12.80	13.25



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Total Additional Capitalization	240.00	229.70	237.74
Total Hard Cost	3525.70	3374.90	3493.00

The additional capitalization post COD as shown in the above Table 3 as computed by Commission shall not be construed as final approval by the Commission for the additional capitalization. The year wise additional capitalization shall be dealt with in the APR Order for the respective year based on the prudence check of the submissions of HEL in its APR Petitions in accordance with the provisions of the Tariff Regulations.

7.0 IDC for the revised Project cost

- 7.1 As per Order of WBERC OA-270/17-18 dated July 20,2022 hard cost of the HEL 2x300 MW generating station admitted by Commission up to COD was Rs. 3145.2 Crore and IDC was admitted as Rs. 457.7 Crore. The revised hard cost, as on COD based on above discussion is Rs. 3255.26 Crore.

The Commission in its order dated 20th July 2022, had disallowed Rs. 46.80 Crore as interest on excess drawl and Rs. 16.70 Crore as excess interest booked during first two months. Accordingly, the Commission in its order had considered net IDC (i.e. base IDC) as Rs. 478.10 Crore against the claimed amount of Rs. 541.50 Crore. However, the APTEL in its judgement dated 30 th April,2025 has observed the following:

"...set aside specific findings from the Commission's order dated July 20,2022 in Case No. OA-270/17-18. APTEL directed the Commission to pass a consequential order within three months to implement its findings."

- 7.2 In view of the above-mentioned observation of Hon'ble APTEL, the



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Commission redetermines the IDC for the project considering the revised hard cost of Rs. 3255.26 Crore as given in Table 4 below:

Table 4

Sr No	Particulars	Claimed by HEL	Admitted in OA-270/17-18	Revised value considering APTEL's judgement
			Rs. Crore	
1	Actual IDC Cost	541.50	541.50	541.50
2	Less: Interest on Excess Loan Withdrawal		46.80	Nil
3	Less: Excess Interest booked during first 2 months		16.70	Nil
4	Net (Base IDC)	541.50	478.10	541.50
5	Hard Cost	3285.70	3145.20	3255.26
6	Disallowance in IDC due to disallowance in Hard cost		20.40	5.02
7	IDC	541.50	457.70	536.48

For revised hard cost as on COD of Rs. 3255.26 Crore interest admitted by Commission becomes Rs. 536.48 Crore.



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8.0 In view of the revised hard cost in paragraph 6.0 and the revised IDC as in paragraph 7.2 above, the revised Project cost of HEL's 2x300 MW Generation project becomes Rs. 4029.48 Cr as given in Table 5 below.

Table 5

Sr no	Particulars	Cost in Rs. Crore
1	Total Hard cost	3493.00
2	IDC	536.48
3	Total Project Cost	4029.48

ORDER

9.0 Based on the foregoing analysis Commission admits the revision proposed in APTEL's judgement no 141 of 2023 with regard to additional claims in HEL's 2X300 MW coal based thermal power generation Project. Accordingly, Commission revised the following cost heads.

- i. Revised Hard Cost of the Project Rs. 3255.26 Crore as on COD.
- ii. Revised IDC of the Project Rs. 536.48 Crore.
- iii. Revised Project Cost as on COD including IDC is Rs. 3791.74 Crore
- iv. Revised Additional Capitalization considered Rs. 237.74 Crore
- v. Revised Project Cost including Additional Capitalization is Rs. 4029.48 Crore
- vi. The additional capitalization post COD considered above shall



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not be construed as final approval by the Commission for the additional capitalization. The year wise additional capitalization shall be dealt with in the APR Order for the respective year based on the prudence check of the submissions of HEL in its APR Petitions in accordance with the provisions of the Tariff Regulations

- 10.0 In compliance of the judgement of Hon'ble APTEL in appeal no 141 of 2023 the matter is disposed of by the commission.
- 11.0 HEL is directed to submit a composite petition claiming the impact of the revised project cost in the APRs, which are already been issued by the Commission within one month.
- 12.0 A copy of this Order shall be posted on the official website of the Commission
- 13.0 HEL is directed to download the copy of this Order from the Commission's website and act accordingly.
- 14.0 Certified copies of the Order, upon application and fulfilment of the requisite formalities as per WBERC (Conduct of Business) Regulation 2013, as amended, and upon submission of necessary fees shall be provided to the parties.

Sd/-

(DR. MALLELA VENKATESWARA RAO)

Dated : 29.07.2025

Sd/-

DEPUTY DIRECTOR , WBERC