



ORDER

OF

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEAR 2016 – 2017

IN

CASE NO: TP – 73 / 16 – 17

**IN RE THE TARIFF APPLICATION OF THE WEST BENGAL
POWER DEVELOPMENT CORPORATION LIMITED FOR
DETERMINATION OF TARIFF FOR EXTENSION UNITS
NO III AND IV OF ITS THERMAL POWER STATION
AT SAGARDIGHI FOR THE YEAR 2016 – 2017
UNDER FOURTH CONTROL PERIOD
UNDER SECTION 64(3)(a) READ WITH
SECTION 62(1) OF THE ELECTRICITY ACT, 2003**

DATE: 07.07.2017



CHAPTER - 1 INTRODUCTION

- 1.1 The West Bengal Power Development Corporation Limited (hereinafter referred to as “WBPDCCL”) was entrusted by the Government of West Bengal to set up and operate the 2X500 MW Thermal Power Units at Sagardighi under Sagardighi Stage –II project for the augmentation of the generation capacity in the State.
- 1.2 On completion of the construction of the above referred generating units and completion of the normative periods of the trial run, the dates for commercial operation of the referred units had been reported as under:

Generating Station	Name of the Unit	Date of Commercial Operation
Sagardighi	Unit No. III (500 MW)	01.07.2016
	Unit No. IV (500 MW)	20.12.2016

- 1.3 Accordingly, WBPDCCL made applications to the West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”) for the determination of tariff (energy charges and capacity charges) for the supply of electricity made / to be made from the referred generating station during the financial year 2016-17 under fourth control period ending on 31st March, 2017.
- 1.4 On preliminary examination of the referred applications of WBPDCCL, it was found that certain additional information / clarifications in regard to capacity charges recoverable through the tariff revenue would be needed for processing the same. WBPDCCL submitted the required data formats / clarifications on 17th April, 2017 vide its letter no. WBPDCCL/WBERC-23/17/1066. After due consideration of the facts and figures brought out by WBPDCCL, the Commission finally admitted the applications of WBPDCCL on 19.04.2017 and numbered as TP – 73 / 16 – 17.
- 1.5 On admission of the referred applications, and in terms of the provisions of the regulation 2.7.3 of the West Bengal Electricity Regulatory Commission (Terms



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and Conditions of Tariff) Regulations, 2011, as amended (hereinafter referred to as the “Tariff Regulations”) WBPDCCL was asked to publish the gist of its tariff proposals, duly approved by the Commission, inviting suggestions, objections and comments, if any. It was also directed to post the concerned applications in its website www.wbpdcl.co.in before the publication of the gist. WBPDCCL was further advised to allow all the interested parties, stakeholders and the members of the public to inspect the referred applications at its office at Vidyut Unnayan Bhawan, 3/C, LA Block, Bidhannagar, Kolkata 700 098. Accordingly, WBPDCCL published the gist of its tariff proposals as approved by the Commission on 27th April, 2017 in the Sangbad Pratidin, The Statesman, Sanmarg and Akhbar-e-Masdriq. The dates of such publication, dates upto which inspection of application were kept open and the dates by which the comments etc. were to be received by the office of the Commission were as under:

Generating Station / Matter	Date of Publication	Last date of inspection	Last date of submission of comments
Sagardighi Units – III & IV / Gist of tariff petition for 2016 – 2017	27.04.2017	12.05.2017	15.05.2017

- 1.6 No comments, objections or suggestions on the referred proposals were, however, received by the Commission.
- 1.7 The Commission, therefore, proceeded for determination of energy charges and capacity charges separately for the newly commissioned units of WBPDCCL for the year 2016-17. The determination of the amounts of capacity charges, with reference to the declared dates of starting commercial operations, will, however, be for the fraction of the financial year 2016-17. The different elements of the total capacity charges are related to the capital costs of the fixed assets constructed /



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acquired and put to operation as well as the sources of financing such capital costs. The issues relating to the capital cost and sources thereon are being taken up first in the next chapter.



CHAPTER - 2 CASE OF WBPDCCL

- 2.1 It has been stated that the instant application for revision of Tariff for the financial year 2016 - 2017 under the fourth control period for the two units at Sagardighi has been submitted pursuant to the regulation 2.5.1 of the Tariff Regulations for determination of Tariff to be made effective from the date of commercial operation of the units. The tariff application is in two volumes, each volume containing different parts of the total application, further information / data and documents submitted on 17.04.2017, which is posted in the website of the Commission.
- 2.2 WBPDCCL has submitted that the information furnished in the prescribed formats are based on reasonable estimation and unaudited.
- 2.3 WBPDCCL had taken up the construction of its III & IV Units of Sagardighi generating station for a capacity of 500 MW each which were projected to be commissioned on 22.02.2015 and 22.05.2015 respectively as per their submission. Completion of project was delayed due to various reasons and as per submission of WBPDCCL the dates of unit synchronization to grid and commercial operation of the units are as given below:

Particulars	Unit – III	Unit – IV
Synchronization Date	12.12.2015	15.12.2016
Commercial Operation Date	01.07.2016	20.12.2016

- 2.4 In view of the above, the Commission decides to consider the COD of Units No. III & IV as 1st July, 2016 and 20th December, 2016 respectively and all components of generation, sales and cost have been determined accordingly. WBPDCCL has also proposed tariff for infirm power generated during trial-run period on actual (unaudited) basis. WBPDCCL has proposed Plant Load Factor (PLF) for its Unit III



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and Unit IV of Sagardighi generating station at 44.6% and 80% respectively. WBPDCCL submitted that unit No.3 was commissioned with one stream of coal handling plant and there was frequent breakdown of the equipment of the commissioned coal handling plant resulting interruption in coal supply and due to this unit was stopped several times during 2016-17.

2.5 The Submission of WBPDCCL on different issues and against their claim under different heads of accounts are summarized as below:

2.5.1 Gross & Net Energy Generation:

WBPDCCL has submitted that the gross and net generation of firm power from unit No.4 of the generating station has been arrived based on the technical norms as specified in the Tariff Regulations. For unit No.3 generation has been projected at 44.6% PLF for the reasons stated in paragraph 2.3 of this order.

2.5.2 Cost of Fuel:

The primary fuel cost has been arrived at by estimating the coal consumption based on the technical parameters. The fuel mix are based on the estimated availability of quality and quantity of coal from different sources i.e., CIL subsidiaries in line with the coal received during April 2016 to November 2016. The prices of coal and oil and railways freight have been considered by WBPDCCL based on the latest price notified by the respective authorities.

The coal cost is further added up to include the railway freight charges for transportation of coal from respective coal mines to the generating stations. The freight charge is estimated for the year 2017 – 2018 on per MT of coal.

The cost of secondary fuel oil is estimated based on the projected based on the cost actually incurred during the year 2016 – 2017.



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2.5.3 Employee Cost:

WBPDCCL has submitted that the components of employee cost including salaries and wages, bonus, contribution to employee funds, employees' welfare expenses and Directors' fees are in line with Tariff Regulations. WBPDCCL has projected the employee cost based on the approximation of requirement of manpower during 2016-17 for two units of the generating station.

2.5.4 Operation and Maintenance Expenses (O&M):

WBPDCCL has projected the Operation and Maintenance Expenses as per norms specified in part G of schedule - 9A of the Tariff Regulations.

2.5.5 Other elements of fixed cost:

The petitioner has claimed the cost of coal and ash handling charges, water charges and insurance expenses without submission of any basis of estimation. Interest on borrowed capital has been estimated as per loan sanction orders of the Power Finance Corporation Limited. Depreciation and Normative Return has been computed as per norms and rate under Tariff Regulations, it is submitted.



CHAPTER - 3 FUEL COST FOR SALE OF INFIRM POWER

- 3.1 Supply of infirm power from Sagardighi project started at the initial part of 2016 – 2017 and continued till the dates of commercial operation of the units. Fuel charges for supply of such infirm power were not billed for recovery from the power recipient, i.e., West Bengal State Electricity Distribution Company Limited (in short “WBSEDCL).
- 3.2 The Commission accorded approval to the proposal of WBPDC through letters dated 22.12.2016 and 19.04.2017 and to recover fuel cost @ 217.23 Paise per KWh provisionally for the power generated from Unit No.3 and 4 of Sagardighi Generating Station during the year 2016-17.
- 3.3 WBPDC, however, determined and claimed fuel cost for sale of infirm power, on the basis of un-audited data of actual use of coal and oil, to the tune of Rs.3709.88 Lakh and Rs. 1571.25 Lakh for Unit No. III and IV respectively
- 3.4 The energy charges for the supply of infirm power during the year from the generating station are to be recovered at rates stated in paragraph 3.2 above and the entire amount of the short recovery of fuel cost will be recovered through adjustment in capital accounts of the generating station. Computation in this regard is shown in Annexure-3A to this chapter.



ANNEXURE – 3A
FUEL COST INCURRED AND REVENUE BILLED FOR
SALE OF INFIRM POWER FROM SAGARDIGHI (UNITS III& IV)

Sl. No.	Particulars	Unit	2016-17		
			Unit # III	Unit # IV	Total
1	Quantum of Sale	MU	65.999	24.643	90.642
2	Average rate of Sale	Paise/kWh	217.23	217.23	217.23
3	Revenue billed/ to be billed	Rs. in Lakh	1433.70	535.32	1969.02
4	Cost of Fuel (Actual-Unaudited)	Rs. in Lakh	3709.88	1571.25	5281.13
5	Unit Fuel Cost of Sale (4/1)	Paise/kWh	562.11	638.60	-
6	Short recovery of Fuel Cost (4 – 3)	Rs. in Lakh	2276.18	1035.93	3312.11



CHAPTER - 4 FUEL COST ALLOWABLE FOR COMMERCIAL OPERATION PERIOD

- 4.1 In this part of the order, the Commission takes up to ascertain the fuel cost allowable to WBPDC for its supply of electricity to WBSEDCL out of commercial operation at the Thermal Power Station. The workings in this regard are with reference to submissions made by WBPDC and the provisions of Tariff Regulations.
- 4.2 WBPDC has proposed Plant Load Factor (PLF) for its Unit III and Unit IV of Sagardighi generating station at 44.6% and 80% respectively. WBPDC submitted that unit No.3 was commissioned with one stream of coal handling plant and there was frequent breakdown of the equipment of the commissioned coal handling plant resulting interruption in coal supply and due to this unit was stopped several times during 2016-17. The Commission, however, goes by Regulation 2.8.6.1 of the Tariff Regulations to determine ARR based on the normative parameters as set in Schedule-9A of the Tariff Regulations. Considering normative PLF of 80% and total 274 days of operation of unit No.3 after COD during 2016-17, the Commission determined maximum availability of power from the unit for the purpose of tariff determination at this stage.
- 4.3 **Allowable Fuel Cost and the Rate of Energy Charges for 2016 – 2017:**
- As it came from the projections of WBPDC for the year 2016 – 2017, generation of gross firm power from the Thermal Power Station is 2445.58 MU.
- (a) WBPDC submitted a copy of the design guaranteed parameters declared by the vendor. Based on the submitted copy of the design guaranteed parameters and on application of regulation 2.8.1.4.9 of the Tariff Regulations, the Commission considers station heat rate of 2322 Kcal/kWh for determination fuel cost for the unit. The Commission further noted that all



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necessary technical parameters for determination of APC rate have not been submitted by WBPDCCL. The Commission accordingly decides provisionally to consider the APC rate of 5.25% as set by CERC for the same standard and capacity of generating station.

- (b) WBPDCCL projected the weighted average calorific value of oil with reference to the trend available at the time of submission of tariff petition. As this is a variable factor depending on the grades of oil used, the same has been considered for working out the amount of allowable fuel cost.

The weighted average heat value of coal is also a variable factor depending on the actual grade mix of coal consumption. As ascertained by WBPDCCL, the weighted average heat value of coal came as 4199.05 Kcal/Kg determined as per Regulation 5.8.15 of the Tariff Regulations. The Commission admits the same for the purpose of tariff determination at this stage.

- 4.4 The Commission determined average price of coal based on the notified price of Coal India Limited effective from 30.05.2016 considering projected coal-mix of different grades of coal submitted by WBPDCCL in Form D-1 to Annexure – I of the Tariff Regulations. Related charges and statutory levies are also considered as per latest price notifications to determine unit price of all grades of coal. Transportation charge of Rs. 475.5 per MT of coal as proposed by WBSEDCL is also considered. The Commission views that if there is any variation in fuel price in future from the fuel price to be considered in this order for ensuing years, WBPDCCL should take the course of application of Monthly Fuel Cost Adjustment (MFCA) in terms of regulation 5.8.9 and 5.8.10 of the Tariff Regulations.
- 4.5 WBPDCCL determined average heat value of coal, based on allocation schedule of different grades of coal and by application of the process of interpolation in



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terms of regulation 5.8.15 of the Tariff Regulations. The Commission admits the determination process. Heat value of oil and coal as admitted by the Commission for the year 2016 – 2017 are shown below:

Generating Station	Heat Value of Coal in Kcal/Kg	Heat Value of Oil in Kcal/Lit
	2016-2017	2016-2017
Sagardighi (III & IV)	4199	9560.72

The computation of average heat value and average price of coal are shown in Annexure 4A.

- 4.6 On the basis of above average price of coal and average price of oil and as per above heat value of fuel and normative parameters as specified in Schedule 9A of the Tariff Regulations and as determined in paragraph 4.3 (a) above, the allowable fuel costs are shown by detail computations in the tables at Annexure 4B as enclosed to this chapter.
- 4.7 Energy charges for supply of firm power of Sagardighi (Unit-III and IV) generating station of WBPDC for the year 2016 – 2017 now stand as follows:

Particulars	For the Year 2016 – 2017
	Sagardighi (III & IV)
Fuel Cost (Rs. in lakh)	77066.25
Ex-bus Generation (MU)	3420.10
Energy Charge (Paise/kWh)	225.33



ANNEXURE – 4A AVERAGE HEAT VALUE AND AVERAGE PRICE OF COAL

Source/grade of coal	Qty projected	Qty (%)	Unit price in Rs/Tonne	Price X qty in Rs.	GCV of Grade	Qty X heat value	Heat Value through Interpolation process
ECL G-4	527394.10	31.7%	4811.300	1525.43	6100	1934.02	4,199
ECL G-5	227621.10	13.7%	4350.850	595.36	5800	793.66	
ECL G-6	21831.00	1.3%	3089.800	40.55	5500	72.18	
ECL G-7	18239.70	1.1%	2703.400	29.64	5200	57.02	
ECL G-13	409173.00	24.6%	1356.460	333.66	3400	836.34	
others	34399.70	2.1%	2622.260	54.23	4600	95.13	
BCCL G-6	168876.50	10.2%	2946.150	299.10	5500	558.38	
BCCL G-7	57624.90	3.5%	2627.850	91.03	5200	180.14	
BCCLG-8	71969.40	4.3%	3042.840	131.65	4900	212.00	
BCCL G-9	126301.10	7.6%	2622.260	199.10	4600	349.27	
Total	1663430.5	100.0%		3299.77		5088.13	

Total projected coal cost in Rs./Tonne	3299.77
Total projected transport cost in Rs./tonne	475.5
Total landed cost in Rs./tonne	3775.27



ANNEXURE – 4B FUEL COST INCURRED FOR FIRM POWER FROM SAGARDIGHI (UNITS III & IV)

Sl. No.	Particular	Unit	Unit-III & IV
			SgTPS
1	Generation	MU	3609.60
2	Rate of Auxiliary Consumption	%	5.25
3	Auxiliary consumption	MU	189.50
4	Ex-bus generation (4=1-3)	MU	3420.10
5	Station Heat rate	Kcal/KWh	2322.00
6	Total Heat required (6=1 x 5)	M. Kcal	8381491.20
7	Heat Value of Oil	Kcal/lit	9560.72
8	Specific Oil Consumption rate	MI/KWh	1.00
9	Oil Consumed (9=1 x 8)	KL	3609.60
10	Heat Generated from oil (7 x 9/1000)	M. Kcal	34510.37
11	Heat Generated from Coal (6 - 10)	M. Kcal	8346980.83
12	Heat Value of Coal	Kcal/Kg	4199.00
13	Coal required [(11/12)x1000]	MT	1987849.68
14	Coal required at 0.80% Transit Loss	MT	2003880.73
15	Average Price of Oil	Rs./KL	39182.71
16	Average Price of coal	Rs./MT	3775.27
17	Cost of oil [(9 x 15)/100000]	Rs. In lakh	1414.34
18	Cost of Coal [(14x16)/100000]	Rs. In lakh	75651.91
19	Total Cost of Fuel (17 + 18)	Rs. In lakh	77066.25
20	Fuel cost per unit(20=(19/4)*10 (Ex-bus)	Paise/kWh	225.33



CHAPTER - 5 FIXED CHARGES ALLOWABLE FOR COMMERCIAL OPERATION PERIOD

5.1 In this part of the order, the Commission takes up to ascertain the amounts of allowable fixed charges for Unit-III and Unit IV of Sagardighi Thermal Power Station. In terms of regulation 2.3(a) of the Tariff Regulations, the amount of annual capacity charge is the Annual Revenue Requirement (in short 'ARR') recoverable through tariff of a year reduced by the amount of fuel cost for that year. The admissible amounts of fuel cost for the new generating units of the concerned generating stations have been determined in the earlier chapter of the order. The fixed cost elements of the amount of ARR are now being taken up hereunder for determination.

5.2 Project cost of Units III & IV of Sagardighi Generating Station:

5.2.1 Two units of Sagardighi generating station (Phase – II) were put in commercial operation during 2016 – 2017. The Commission accorded clearance in principle to its investment proposal for construction of two units of 500 MW each under Sagardighi Phase – II package vide order dated 25.11.2010 in case no. WBERC/OA-49/08-09 at the estimated project cost of Rs. 5340.38 crore. Date of commercial operation of unit III and unit IV of the generating station are 01.07.2016 and 20.12.2016 respectively.

5.2.2 WBPDC has not submitted the required report as per regulation 2.8.1.4.13 of the Tariff Regulations. Accordingly, project cost has not been determined by the Commission. The Commission accordingly decided to reduce the submitted project cost of Rs. 6029.50 crore by 05% for the purpose of tariff determination.

5.2.3 Reduction of 5% of the submitted project cost would have effect on different fixed charge components viz., depreciation, interest, return on equity and reserve for



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unforeseen exigencies. However, while determining ARR for the year 2016 – 2017, though deduction has been made from allocation under depreciation head, no deduction has been made from advance against depreciation head; rather allocation under the head will increase by the amount disallowed under depreciation head, though WBPDCCL has not claimed any amount under advance against depreciation in their tariff petition. Similarly, in order to facilitate interest payment, no deduction has been made under interest head. WBPDCCL has not made any claim under reserve for unforeseen exigencies for any of the generating station. Proportionate reduction has been made from the allocation under return on equity.

5.3 Employee Cost:

WBPDCCL has claimed Rs. 1014.06 Lakh as employee benefit expenses comprising of salary, terminal liabilities, staff welfare expenses and director's fee. In reply to Commission's letter dated 10.04.2017, WBPDCCL submitted through their letter dated 17.04.2017 that no manpower had been recruited for operation of any particular unit of any power station, but recruitment has been done for the Company as a whole. An amount of Rs. 6926.14 Lakh was admitted by the Commission as the employee cost of Sagardighi Unit 1 and 2 (2X300MW) of WBPDCCL in the tariff order for the year 2016-17. In consideration total period of run of the Unit No.3 and 4 of the power plant during 2016-17 from the Dates of Commercial Operation, the claimed employee cost of Rs. 1014.06 Lakh for 2016-17 is considered to be reasonable and hence admitted by the Commission.

5.4 Coal & Ash Handling Charges:

Coal and ash handling expenses are also classified as uncontrollable. The Commission admitted Coal and Ash handling charges for 2X300 MW unit No. 1 and 2 of Sagardighi Generating Station for Rs. 295.51 lakh in the tariff order of



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WBPDCCL dated for 2016-17. The Commission further noted that Unit No. 3 and 4 of the power station having capacity of 500 MW each were in operation collectively for about 12 months together during 2016-17 after COD of the units. Considering the generating capacity, period of operation and admitted cost as stated above, the projected claim of Rs. 246.26 Lakh on account of coal and ash handling charges for unit 3 and unit 4 is found reasonable admitted by the Commission.

The coal and ash handling charges as admitted corresponds to normative generation of the unit no. 3 and 4 during the year. Any shortfall in generation of the units of the generating station will be looked into in admitting the coal and ash handling cost in the APR for 2016-17.

5.5 Water Charges / Cess:

Expenditures towards water charges / cess are uncontrollable and the amount of Rs. 5.47 lakh claimed by WBPDCCL is found reasonable compared to the charges admitted by the Commission against unit no. 1 and 2 of Sagardighi Generating station (2X300 MW) in the tariff order of WBPDCCL for 2016-17 and hence admitted.

The water charges as admitted correspond to normative generation of the unit no. 3 and 4 during the year. Any shortfall in generation of the units of the generating station will be looked into in admitting the water charges in the APR for 2016-17.

5.6 Operation & Maintenance Expenses:

WBPDCCL submitted that Operation and Maintenance charges have been projected on the basis of normative parameters of the Tariff Regulations and claimed Rs. 2946.77 Lakh on account of administrative and general expenses,



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rent, rates and taxes and repair and maintenance expenses. The Commission viewed the claim with reference to the annual norms of operation and maintenance expenses as provided in the Tariff Regulations and admits Rs.2946.77 Lakh as O&M expenses for 2016-17 as claimed.

5.7 Insurance Charges:

WBPDCCL projected insurance charges of Rs.351.38 Lakh for 2016-17 without submission of any basis of such claim. The Commission admitted Rs. 200.33 Lakh as Insurance charges for Unit-1 and Unit 2 of Sagardighi Generating station in the Tariff Order of WBPDCCL for 2016-17. In absence of any justification for the claim, the Commission decides to admit Insurance charges at the level of Rs. 200.00 Lakh for 2016-17. WBPDCCL may claim actual expenses during submission of APR petition for the year with compliance of provisions of Regulation 5.23 of the Tariff Regulations.

5.8 Filing Charges:

WBPDCCL claimed Filing Charges for Rs. 20.00 lakh in their tariff petition which is admitted by the Commission.

5.9 Depreciation:

WBPDCCL projected and claimed depreciation on assets to the extent of Rs. 10797.63 lakh. The Commission noted from the calculations shown in submitted Form B to Annexure 1 of the Tariff Regulations that depreciation has been considered at 50% of the admissible depreciation for each category of asset. Considering total period of run of the two units of the power plant from the Dates of Commercial Operation, the Commission admits the projection. However, as decided in paragraph 5.2 of this order towards reduction of 5% of the submitted



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project cost, the Commission admits Rs.10257.75 Lakh as chargeable depreciation for the year 2016-17

5.10 Return on Equity:

WBPDCCL calculated and claimed return on equity for an amount of Rs.14018.70 Lakh in the tariff petition. The Commission noted that 50% of the chargeable return has been considered by WBPDCCL in consideration total period of run of the two units of the power plant from the Dates of Commercial Operation. However, as decided in paragraph 5.2 of this order towards reduction of 5% of the submitted project cost, the Commission admits Rs.13317.76 Lakh as return on equity for the year 2016-17

5.11 Interest on Borrowed Capital:

5.11.1 Interest on Loan:

All borrowings in the capital accounts of Sagardighi Thermal Power Station Stage-II were from the Power Finance Corporation Limited. WBPDCCL considered total drawl of loan of Rs. 420902.00 Lakh at the end of the year which is within 70% of the submitted project cost of Rs.602950.00 Lakh. WBPDCCL claimed Rs. 24922.26 Lakh as in the tariff petition as per calculation shown in Form-C to Annexure 1 of the Tariff Regulations considering total period of run of the two units of the power plant from the Dates of Commercial Operation. However, as decided in paragraph 5.2 of this order towards reduction of 5% of the submitted project cost, the Commission admits Rs.23676.15 Lakh as interest on borrowed capital for the year 2016-17.

5.11.2 Interest on Working Capital:

WBPDCCL claimed interest on normative working capital as per Tariff Regulations considering interest rate of 14.75% as PLR of State Bank of India as on



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01.04.2015. The Commission, however, computes the normative requirement of working capital based on the admitted variable cost and fixed cost and admits interest on working capital for Rs. 1551.33 lakh. Computations are shown in Annexure 5A to this chapter.

5.11.3 Other Finance Charges:

WBPDCCL claimed Rs.60.00 Lakh towards bank charges under the head 'other finance charges' in Form 1.17(c) of the tariff petition without submission of any justification of such claim. The Commission does not consider such claim to be allowed at this stage

5.11.4 Interest on Temporary Accommodation :

WBPDCCL has claimed interest on temporary accommodation for an amount of Rs.1659.18 Lakh without giving any justification for such claim. The Commission does not consider to admit the claim in the tariff order for 2016-17.

5.12 Income from Non-Tariff Sources:

WBPDCCL has not considered any amount as income from non-tariff sources.



ANNEXURE – 5A
COMPUTATION OF WORKING CAPITAL
FOR SAGARDIGHI TPS (UNITS III & IV)
FOR THE YEAR 2016-17

Particulars		(Rs. in lakh)
		SgTPS (III & IV)
Annual fixed cost		51684.22
Fuel cost		77066.25
Total		128750.47
Less:		
Depreciation		10257.75
Advance against depreciation		0.00
Deffered rev. expenditure		0.00
Return on Equity		13317.76
Bad Debts		0.00
Reserve for unforeseen exegencies		0.00
Sub total		23575.51
Allowable Fixed Charge for W.C		105174.96
Normative W.C	10%	10517.50
Interst on W.C	14.75%	1551.33



CHAPTER – 6

**SUMMARISED STATEMENT OF AGGREGATE
REVENUE REQUIREMENT FOR 2016–2017 AND
REVENUE RECOVERABLE THROUGH TARIFF FOR THE
YEAR 2016 – 2017 FOR SAGARDIGHI TPS (III & IV)**

- 6.1 Based on the analyses and findings recorded in the foregoing chapters we are now drawing the statement of Aggregate Revenue Requirements (ARR) separately for Sagardighi Unit-3 and 4 of WBPDC. Such summarized statements are given in Annexures 6A to this chapter. The ARR of the generating station is Rs. 130301.80 Lakh.
- 6.2.1 Accordingly, the amount of revenue in respect of capacity charges to be recovered through tariff for the year 2016 – 2017 for supply of firm power for the generating station of WBPDC works out as under:

SI No.	Particulars	Sagardighi (III & IV)
1	Aggregate Revenue Requirement for the year 2016 – 2017 (refer paragraph 6.1)	130301.80
2	Fuel cost admitted for the year 2016 – 2017 (refer paragraph 4.7)	77066.25
3	Capacity charge allowed for the year 2016 – 2017 [(1)-(2)]	53235.55



**ANNEXURE – 6A
STATEMENT SHOWING AMOUNTS
OF AGGREGATE REVENUE
REQUIREMENT FOR 2016 – 2017**

SI No.	Particulars	Amount
1	Fuel	77066.25
2	Coal and Ash handling charge	246.26
3	Employee cost	1014.06
4	Operation and Maintenance charges	2946.77
5	Filing charges	20.00
6	Insurance	200.00
7	Financing Charges	0.00
8	Interest on Borrowed Capital	23676.15
9	Interest on Working Capital	1551.33
10	Interest on Temporary Accommodation	0.00
11	Depriciation	10257.75
12	Water Charges	5.47
13	Total Expenditure (13=sum 1 to 12)	116984.04
14	Return on Equity	13317.76
15	Gross Aggregate Revenue Requirement	130301.80
16	Less: Other Miscellaneous Income	0.00
17	Net Aggregate Revenue Requirement	130301.80



CHAPTER – 7 TARIFF ORDER

- 7.1 Based on the analyses and the decisions recorded in earlier chapters the Commission has determined the capacity charge and energy charge for 2016 – 2017 in respect of Sagardighi (Units III and IV) generating station of WBPDC as shown in chapter 6. The Commission now orders as shown in the following paragraphs.
- 7.2 The annual capacity charge recoverable by WBPDC from WBSEDCL shall be on the following basis:
- (a) The annual capacity charge recoverable by WBPDC from WBSEDCL shall be on monthly basis depending on actual availability during the month with reference to the target normative annual availability subject to the conditions as laid down in regulation 6.11.4 of the Tariff Regulations.
- (b) The capacity charge is recoverable at the target normative availability as provided in following table for 2016 – 2017.

Generating Station	2016 – 2017	
	Target normative availability factor	Capacity charge in Rs. lakh
Sagardighi (III & IV)	85%	53235.55

- (c) The capacity charges for 2016 – 2017 so determined are for the period of operation of plant at normative availability commencing from the date of commercial operation, as submitted by WBPDC. The number of days of operation of unit no. III during 2016 – 2017 from the date of commercial operation is 274 and the same for unit no. IV is 102 days. Based on the admitted capacity charges of Rs. 53235.55 lakh for 2016 – 2017, the



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annualized capacity charges is computed at Rs. 103356.30 lakh for both the units together.

- 7.3 The energy charge recoverable in 2016 – 2017 against each unit of injection of energy under implemented schedule on injection under commercial operation of each unit shall be as follows:

Generating Station	Energy Charge (Paisa/kWh)
	2016 – 2017
Sagardighi (III & IV)	225.33

- 7.4 WBPDCCL shall raise the energy charge bill and capacity charge bill as per the energy accounting and availability declared by State Load Despatch Centre (in short 'SLDC') in its monthly energy accounting schedule.
- 7.5 The annualized capacity charge computed at Rs. 103356.30 lakh at the target normative availability for both units together shall be recoverable on monthly basis depending on actual availability during the month during 2017 – 2018 onwards till further order of the Commission. The rate of energy charge of Rs. 225.33 paise / kWh as mentioned in paragraph 7.3 above, shall be continued till further order of the Commission.
- 7.6 Adjustments, if any, for over recovery / under recovery from WBSEDCL upto the month of issue of this order shall be made in the monthly bills in 20 (twenty) equal instalments commencing from the month succeeding the month of issue of this order.
- 7.7 There will be no separate Monthly Fuel Cost Adjustment (MFCA) for WBPDCCL in respect of Unit No.3 and 4 of Sagardighi Generating Station till the month of issue of this order. The MFCA, if any, realized by WBPDCCL during this period shall be adjusted in computation of adjustments for over recovery / under



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- recovery from the energy recipients as mentioned in paragraph 7.6 above. WBPDCCL shall, however, be entitled to realize MFCA for variation in fuel cost in respect of Unit No.3 and 4 of Sagardighi Generating Station for any subsequent period after the month of issue of this order as per provisions of the Tariff Regulations.
- 7.8 WBPDCCL may pay additional instalment on account of any arrear of WBPDCCL in any month and such payment will then be considered as payable in that month.
- 7.9 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.9.8 and 2.9.9 of the Tariff Regulations.
- 7.10 SLDC/ALDC shall consider the energy charge of. 225.33 paise / kWh for Sagardighi Units III & IV of WBPDCCL for the purpose of merit order despatch. However, MFCA declared after the month of issue of this order will be added to the energy charge for consideration of merit order despatch from the date of issue of MFCA notification respectively.
- 7.11 WBPDCCL shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in terms of aforesaid regulation within four working days from the date of receipt of the approval of the Commission.

Sd/-
(AMITAVA BISWAS)
MEMBER

Sd/-
(R. N. SEN)
CHAIRPERSON

DATE: 07.07.2017