



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. TP-71/16-17

IN REGARD TO THE APPLICATION SUBMITTED BY DAMODAR VALLEY CORPORATION (DVC) FOR DETERMINATION OF TARIFF FOR DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY FOR THE PART OF THE DAMODAR VALLEY AREA FALLING WITHIN THE TERRITORY OF THE STATE OF WEST BENGAL FOR THE YEAR 2017 – 2018

PRESENT:
SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER

DATE: 05.05.2022



CHAPTER – 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission"), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the "Act"), has been authorized in terms of section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 Damodar Valley Corporation (hereinafter referred to as DVC' or the 'Petitioner'), is a statutory body incorporated under the Damodar Valley Corporation Act, 1948 and undertakes multifarious functions. In regards to the electricity, DVC undertakes generation of electricity at their plants situated in two states viz. West Bengal and Jharkhand and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. DVC also undertakes transmission of electricity in the Damodar Valley area which falls within the territorial limits of the two states namely, West Bengal and Jharkhand. It, therefore, undertakes inter-state transmission of electricity and operates inter-state transmission system within the meaning of Section 2 (36) of the Electricity Act, 2003. DVC also undertakes the sale of electricity to licensees viz. WBSEDCL, IPCL etc. in the state of West Bengal and JBVNL, JUSCO etc. in the state of Jharkhand in consumer mode / radial mode in its capacity generally as a generating company. This is bulk sale of electricity by a generating company to a distribution licensee within the meaning of section 62 (1) of the Electricity Act, 2003. In addition to the above, DVC undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area which falls in two contiguous States, namely the State of West Bengal and the State of Jharkhand.
- 1.3 With regards to the retail sale and supply of electricity, DVC covers the entire Damodar Valley area which falls in two contiguous States, namely the State of West Bengal and the State of Jharkhand. Thus, tariff for retail sale and supply of electricity in the Damodar Valley area is governed by the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003 and has to be determined by the respective Electricity Regulatory Commissions in the states of West Bengal and Jharkhand.



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- 1.4 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period shall be normally for a period of five ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time. The Commission vide order dated 19.07.2013 in Case No. SM-7/13-14 decided the fourth control period consisting of three ensuing years and the tenure of the fourth control period was for the years 2014 – 2015 to 2016 – 2017. It was also decided by the Commission vide its order dated 04.05.2016 in Case No. SM-13/16-17 that the fifth control period shall also be consisting of three ensuing years for the period from 2017 – 2018 to 2019 – 2020. But, after careful consideration of all relevant factors, the commission decided vide its order dated 14.12.2016 in Case No. SM-15/16-17 that the fifth control period shall be for one year and shall consist of the financial year 2017 – 2018 only.
- 1.5 In terms of the Tariff Regulations and subsequent suo-moto orders of the Commission dated 04.05.2016 and 14.12.2016, the tariff applications for the fifth control period consisting of the year 2017 - 2018 under the Multi Year Tariff (MYT) framework was required to be submitted by DVC by 30.12.2016. The effective date of the fifth control period is 1st April, 2017.
- 1.6 Accordingly, DVC, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the year 2017 – 2018 under the fifth control period and submitted the same to the Commission on 29.12.2016. This tariff application was numbered as TP-71/16-17.
- 1.7 After several correspondences and Orders of the Commission, as detailed in subsequent chapters, DVC submitted additional information/ forms / documents on 27.08.2018, 11.07.2019, 01.12.2020, 16.07.2021, 19.07.2021, 02.08.2021, 16.08.2021 and 21.01.2022 respectively. The application submitted on 29.12.2016 along with subsequent submissions (collectively called as 'tariff application'), was admitted by the Commission on 16.02.2022 in compliance of the order dated 13.01.2022 of the Hon'ble High Court at Calcutta in case No: W.P.A. No. 153 of 2022.
- 1.8 DVC was thereafter directed to publish, as required under section 64(2) of the Act, the gist of the tariff application as approved by the Commission in their website and newspapers as specified in the Tariff Regulations. The gist was, accordingly, published on 19.02.2022 simultaneously in



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'The Telegraph', 'The Times of India', the 'Bartman' and the 'Ananda Bazar Patrika'. The gist along with the tariff petition was also posted in the website of DVC. The publication invited attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of DVC for the fifth control period and requested for submission of suggestions, objections and comments, if any, on the tariff application, to the Commission within the due date. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.

- 1.9 The suggestions, objections and comments on the aforementioned application of DVC for determination of tariff for the fifth control period were received from Damodar Valley Power Consumers' Association (DVPCA) and India Power Corporation Limited (IPCL) within the specified time limit and the same have been recorded in a summarized form in Chapter 4 of the instant order.
- 1.10 This order relates to tariff petition filed by the Petitioner before the Commission for determination of ARR for 2017 – 2018 and determination of retail tariff for 2017 – 2018 for supply in Damodar Valley area falling within the territorial jurisdiction of the State of West Bengal.



CHAPTER – 2 THE CASES OF DVC

2.1 Brief history on the tariff petitions filed by DVC:

- 2.1.1 The Commission had directed DVC to build up infrastructure to meet the Universal Service Obligation (USO) and to come up with an investment proposal through an order dated 13.08.2014 in case no. SM-11/14-15.
- 2.1.2 In the tariff order dated 25.05.2015 for the year 2014-2015 and 2015-2016, the Commission had given directives to DVC to meet Universal Service Obligation (USO). DVC was directed to furnish a report regarding their readiness to supply to all consumers. An investment proposal for building up infrastructure to give electricity supply to low and medium voltage consumers was to be submitted. DVC has failed to comply with the directions given in the Tariff order. Further, it failed to prepare DPR within the timeline of six (6) months as per directions of the Commission.
- 2.1.3 The Commission, through an order dated 22.11.2016, had summoned the Chairman of DVC to personally appear before the Commission and to explain the reasons for non-compliance. Fine was also imposed on DVC for non compliance of the directions of the Commission under section 142 of the Act. DVC challenged the order of the commission in the Hon'ble High Court at Calcutta .
- 2.1.4 In the writ petition being W.P. 26442 (W) Of 2016 filed by DVC in the Hon'ble High Court at Calcutta, the Hon'ble Justice Harish Tandon by the judgment and order dated 09.01.2017, inter alia, passed the following directions:

".....Since, the Regulation requires an application for investment proposal to be taken out in a prescribed format, the petitioner is directed to file the same within 4 (four) weeks from the date. If, such application is filed within the time indicated herein above the Regulatory Commission shall proceed with determining the tariff by observing the requirements envisaged under the relevant Regulations and Act.....".



- 2.1.5 However, after expiry of four weeks, when no such application was filed by DVC, the Commission by an Order dated 25.04.2017, directed DVC to comply with the directions and orders dated 09.01.2017 of the Hon'ble High Court so as to enable the Regulatory Commission to proceed with the determination of tariff. In the said order, DVC was also directed to submit a Supplementary Petition to the tariff petition considering and/or including the tariff impact of the said investment proposal.
- 2.1.6 As DVC did not comply with the directions given by the Commission in its order dated 25th April, 2017 in respect of the said tariff petition of DVC, the Commission again directed DVC vide an Order dated 23rd June 2017 to submit the application for investment proposal and the supplementary petition to the tariff petition considering and / or including the tariff impact of the said investment proposal in compliance of the directions given in the order dated 25.04.2017 within 30.06.2017 so as to enable the Commission to determine the tariff of DVC.
- 2.1.7 DVC vide its letter No. Coml/WBERC/977 dated 29.06.2017 informed the Commission that a DPR for development of LT network in its command area falling in West Bengal has been prepared as per direction of the Commission and has referred the same to the finance department of DVC for its comments/ inputs with an expectation to put up the same before the Board by 3rd week of July, 2017. DVC vide its letter No: Coml/LT/2017-01-1212 dated 19.07.2017 submitted their prayer for extension of time till 31.07.2017 in the form of a duly sworn-in Affidavit and the Commission granted their prayer vide letter no. WBERC/TP-71/16-17/0695 dated 28.07.2017. DVC, again vide its letter no. Coml/LT/2017-01/1319 dated 28.07.2017 submitted a duly sworn-in Affidavit praying for further extension of time for a period of two months, i.e., up to 30.09.2017 with a view to conducting further board meetings in relation to the approval of the DPR as the process of approval of the DPR by the Board was deferred. The Commission called for hearing on 14.09.2017 serving the notice dated 25.08.2017.
- 2.1.8 On 08.09.2017, DVC filed a petition before the Commission in the matter of investment proposal where DVC prayed before the Commission:
- a) for directions with regard to requirement of parallel network to be developed



- b) to consider alternate option of allowing DVC to supply power to LT consumers through Open Access till direction by the Commission is given.

2.1.9 During the hearing on 14.09.2017, the Commission did not take into cognizance the petition dated 08.09.2017 and decided that separate hearing will be held on merit. Representatives of DVC informed that DPR has already been prepared and it requires approval of the Board before submitting to the Commission. Also, representatives of the Government of West Bengal, Jharkhand and Central Govt. are required to contribute/assume liability towards capital expenditure amounting to Rs. 9862.00 Crore. When specifically asked by the Commission, representative of DVC confirmed that DVC will not be able to submit the DPR duly approved by the DVC Board before the Commission within 30.09.2017 and did not seek further extension of time for submission. The Commission in the Order dated 9th November, 2017 expressed that DVC was continuously misleading the Commission in regard to submission of proposal of investment Approval/DPR and playing double standard role. DVC was also directed to submit their proposal for investment approval/DPR in compliance with the orders of the Commission and the Hon'ble High Court at Calcutta.

2.1.10 The hearing on petition dated 08.09.2017 was held on 28.11.2017. The Commission in para 14.0 of the corresponding Order dated 08.12.2017 observed that the compliance of Universal Service Obligation has been admitted by the order dated 09.01.2017 passed by the Hon'ble Justice Harish Tandon in W.P.26442(W) of 2016 and being sub-judice, the Commission has no scope to give direction otherwise. Relevant portion of para 14.0 of the order is reproduced below:

In fact, the Commission has hardly any scope to give direction as the matter of investment proposal is sub-judice and as such for any diversion/ alternative proposal, DVC has to take up the matter with the Hon'ble High Court at Calcutta.

The alternate proposal of DVC for USO through Open Access was not agreed to by the Commission and Petition dated 08.09.2017 was not admitted

2.1.11 DVC was communicated vide letter no. WBERC/TP-71/16-17/2509 dated 19.07.2018 to



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submit investment proposal and supplementary petition considering and/or including the tariff impact of the investment proposal as well as CERC orders for the period 2014-2019 within 31.07.2018 in compliance with the High Court order. In response, vide letter dated 31.07.2018, DVC requested the commission to allow another two weeks' time and the Commission allowed two weeks' time for submission of proposal for investment approval/DPR vide letter no. WBERC/TP-71/16-17/2646 dated 08.08.2018.

2.1.12 DVC vide letter no. Coml/Tariff/WBERC 2017-18/3108 dated 27.08.2018 submitted supplementary petition revising the ARR by incorporating CERC orders for 2014-2019 but no investment proposal/DPR and its tariff impact was submitted. In clarification towards non submission of the investment proposal, DVC submitted that DVC Board, comprising of representatives from two State Governments as well as Central Government, did not approve the proposal placed in the Board meeting dated 29.07.2017 for investment of Rs 9862 Cr towards creation of such infrastructure as the representative members of the State of Jharkahand, & State of West Bengal thought it would be a wastage of public exchequer. The Commission vide letter no. WBERC/TP-71/16-17/3737 dated 14.03.2019 again asked DVC to submit the same complying with the High Court Order and Order of the commission dated 09.11.2017. Another letter, too, was issued to DVC on 07.06.2019.

2.1.13 DVC in reply vide letter no. Coml/Tariff/WBERC/2792 dated 11.07.2019 submitted the following:

- i. In view of existing LT network set up created by WBSEDCL, establishment of parallel network will be wastage of public exchequer.
- ii. The letter from MOP, GOI dated 27.11.2007 had intimated the following i.r.o establishment of LT Network by DVC:

SEB/successor company shall have the duty and power to supply any consumer even in valley area as per Electricity Act 2003. They will not require permission from DVC to supply at 30000 volt or above. SEB/successor company has to discharge obligation U/s 43 of the Electricity Act 2003.



DVC will also be able to sell electricity to consumers at a pressure of less than 30000 volts with the permission of the concerned state government U/s 18 of the DVC Act. But it will not have any obligation to do so.

- iii. Section 43(1) of EA 2003 does not provide for an absolute mandate that in all cases a parallel distribution licensee should necessarily establish a total LT infrastructure network.
- iv. Despite advertising in newspapers several times inviting application from LT Consumers DVC has received only one application which they have complied. Therefore, developing LT network where there already exists one and with hardly any desirous consumer will be an infructuous investment. This will adversely impact the existing consumers of DVC.
- v. Jharkhand SERC in Clause 15.2 of Tariff order dated 28.05.2019 i.r.o complying USO has stated that to avoid duplication of infrastructure, the petitioner, should strive to utilize the existing infrastructure wherever possible and construct new infrastructure only if necessary.
- vi. In similar matter MSERC has issued guidelines that for larger interest of consumers duplication/laying of parallel infrastructure needs to be avoided and consumers may be allowed to have flexibility to choose its preferred supplier who can supply using existing infrastructure wherever possible.

With the aforesaid clarifications, DVC prayed the following before the Commission:

- a) The implication of establishing duplicate LT infrastructure below 30,000 volts may please be reviewed by the Commission.
- b) Wherever infrastructure is not available, DVC may be directed to create new infrastructure to facilitate new consumers.
- c) If required other licensees can use the new infrastructure created by DVC.

DVC requested guidelines from the commission so that infructuous investment to create parallel distribution infrastructure can be avoided and wherever infrastructure is not



available, DVC may be directed to create new infrastructure to facilitate new consumers.

- 2.1.14 The Commission, vide its Order dated 20.05.2021 In Case No: TP-71/16-17, directed DVC to submit the application of investment proposal following the provision of extant regulations of the Commission in compliance with the order dated 09.01.2017 passed by the Hon'ble Justice Harish Tandon in W.P. No. 26442(W) of 2016. The Commission further ordered that on filing of such application by DVC, the Commission shall proceed with determining the tariff observing the requirement envisaged under the relevant Regulations and Act for the years 2017 – 2018 and onwards.
- 2.1.15 DVC, vide their submission dated 16.07.2021 and 19.07.2021 prayed for finalising the APR for the period 2006-07 to 2008-09 based on their submission of information and to determine the ARR and revenue gap as submitted for the period from 2017 – 2018 onwards stating its readiness to invest required amount every year as per demand arising out vide Section 43 of Electricity Act, 2003 to fulfil its USO in compliance with the order dated 09.01.2017 passed by the Hon'ble Justice Harish Tandon in W.P. No. 26442(W) of 2016 and also in compliance with the Electricity Act, 2003. DVC further submitted that it is also obligated to comply with the letter dated 31.07.2017 of the Principal Secretary, Department Power & NCES, Govt of West Bengal. w.r.t. the rolling out plan of LT Distribution network in the DVC command area of the state.
- 2.1.16 The Commission vide letter No. WBERC/ TP-71/16-17/873, dated: 26.07.2021, sought submission of additional information / clarification/confirmation from DVC w.r.t. the Petition for determination of Tariff for 2017-18. DVC submitted such additional information/clarification on 02.08.2021 and 16.08.2021.
- 2.1.17 DVC through a Writ Petition submitted before the Hon'ble High Court Calcutta prayed for allowing determination of retail tariff for the periods 2017-18, 2018-19 and 2019-20.
- 2.1.18 The High Court at Calcutta, vide Order dated 13.01.2022 in W.P.A No. 153 of 2022, directed the Commission to determine the retail tariff for the periods 2017-2018, 2018-2019 and 2019-2020 in accordance with law.



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- 2.1.19 With reference to the above Order of High Court at Calcutta, DVC prayed before the Commission vide letter dated 21.01.2022 to determine the ARR and Tariff for 5th Control Period based on their submission dated 29.12.2016 and subsequent additional information on 27.08.2018, 11.07.2019, 25.11.2020, 16.07.2021, 19.07.2021, 02.08.2021 and 16.08.2021 respectively.
- 2.1.20 The petition of DVC along with the documents / information submitted by DVC from time to time (collectively called as 'tariff petition for 2017-18') has been admitted by the Commission.
- 2.1.21 The Commission now decides to proceed with the determination of tariff against the tariff petition submitted by DVC for 2017 – 2018 in accordance with the Order dated 13th January 2022 issued by the Hon'ble High Court at Calcutta.



CHAPTER – 3 THE SUBMISSIONS OF DVC

3.1 Tariff petition of DVC for the period 2017 – 2018:

3.1.1 The net Aggregate Revenue Requirement (ARR) projected by DVC for sale to consumers including licensees in radial mode in West Bengal for the year 2017 – 2018 is Rs. 416597.76 lakh with projected average cost of supply at 471.06 paise / kWh as compared to the existing average cost of supply of 489.91 paise / kWh, vide the Tariff Order dated 3rd March 2017 for the year 2016 – 2017 in respect of DVC. Projected average cost of supply for sale to consumers excluding licensees in radial mode in West Bengal for the year 2017 – 2018 is 473.0 paise / kWh. However, DVC has proposed partial APR adjustment of Rs. 391.85 Crores (which includes revenue-gap of Rs. 53.66 Crores for FYs 2009-14 period, carrying cost of Rs. 157.34 Crores & principal amount of Rs. 180.85 Crores for FYs 2006-07) resulting in the average cost of supply for consumers excluding licensees as 521 paise / kWh. Major reasons for increase / decrease in proposed tariff by DVC for the year 2017 – 2018 includes the following:

- (a) ARR considering the Tariff Order issued by CERC in respect of Generation Plants for 2014-19 period and T&D network of DVC for the period 2014-19 on 09.08.2019 and 05.02.2020;
- (b) Power Purchase Cost and Generation Cost of DVC plants has decreased compared to approved cost in ARR for 2016-17; and
- (c) Consideration of other additional expenditure items in terms of subsisting regulations.

3.1.2 DVC has segregated the ARR and projected sale to Licensee (IPCL and WBSEDCL) to determine the tariff of consumers other than Licensees in radial mode. DVC has stated that this is without prejudice to the rights and contentions of DVC in the appeal no. 216 of 2019 (against the order dated 01.03.2019 of this Commission in Case No. OA-272/18-19) and appeal no. 190 of 2019 (against the order dated 01.03.2019 of this Commission in



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Case No. OA-273/18-19) pending before the Hon'ble Appellate Tribunal.

- 3.1.3 DVC has stated that though the Commission had approved Average cost of supply of 489.91 paise/kWh for 2016-17 in order dated 03.03.2017, the actual Average Billing Rate (ABR) realised by DVC was 464.91 paise/kWh in 2017-18. As per DVC, this difference has been due to substantial shift in load profile (for example: increase in LF and PF rebate, shifting sales from Non-TOD to TOD). Under the circumstances, to recover the Average Cost of supply of 471.06 paise/kWh as proposed in this submission for 2017-18, DVC has proposed approximately 4% increase in energy charge rate for entire class of consumers as compared to the tariff order dated 03.03.2017 for 2016-17, retaining other terms and conditions unchanged.
- 3.2 The submission of DVC in the tariff petition for the year 2017 – 2018 and the salient features of their proposal have been narrated in the following paragraphs:
- 3.2.1 DVC is supplying pooled power to its consumers under operational area in both West Bengal and Jharkhand from its own generation and power purchase from central sectors, power exchange and other utilities.
- 3.2.2 Tariff of DVC's own generating stations and T&D network were passed by CERC for the period 20014-19 and the same have been considered as the input cost in the instant tariff application. While computing the energy charge rate of different thermal generating stations of DVC, based on the stipulated formula of CERC, yearly price escalation @ 4.78% on LPPF (Landed Price of Primary Fuel) has been considered. The yearly escalation factor has been arrived at, after taking into consideration the average escalation in coal cost for competitive bidding during 2009-10 to 2015-16 as issued by CERC biannually.
- 3.2.3 DVC has considered contribution to Pension & Gratuity fund, Additional O&M, etc., not allowed by CERC in the tariff orders for 2014 – 2019, as input cost in the instant petition. DVC has referred to the para D-3 of the Order of APTEL dated 23.11.2007, also upheld by para 56 of the Order dated 23.07.2018 of the Supreme Court in this regard. In the said para D-3, Hon'ble APTEL has stated that once the Commission (here CERC), after



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prudence check, has agreed with the need for funding the Pension and Gratuity Contribution funds, DVC should have been allowed to recover entire amount from the consumers through the tariff.

3.2.4 Power purchase cost from different Central Sector Generating Stations, Hydro Power through PTC, power exchange/other utilities viz. Maithon Power Ltd. (MPL) etc. as per the requirements has been considered by DVC on projection basis for the year 2017-18. Power purchased from the hydro units namely Tala, Kurichu & Chukha hydel stations through PTC is the cheapest power & the cost is projected during control period as per the power purchase agreement. Tariff of NTPC, NHPC & MPL is determined by CERC as per the applicable Tariff Regulation of 2014. Fixed cost for NHPC stations have been considered based on the tariff orders issued by CERC and petition submitted by NTPC and MPL for the period FY 2014-19. For projection of energy charge rates in respect of NTPC and MPL units methodology adopted is same as that for DVC's own thermal generating stations. Renewable Purchase Obligations (RPO) of DVC in the State of West Bengal has been considered for the control period in line with the "Cogeneration and Generation of Electricity from Renewable Sources of Energy" Regulations, 2013 of the Commission. The projection of renewable energy rate is inclusive of STU transmission charges, if any. Additional quantum of RPO over the contracted quantum as per PPA has been proposed to be met through purchase of REC. DVC, in its submission dated 02.08.2021 in response to the letter of the Commission dated 26.07.2021, has clarified that the power purchase cost as submitted by DVC in the ARR computation is adjusted with rebate on purchase of power (as applicable).

3.2.5 The projected net generation from own generating stations and purchase of power during the year 2017 – 2018, as projected by DVC for sale in its command area in Jharkhand and West Bengal are as follows:

(MU)

Sl. No	Particulars	Quantity
1	Ex Bus Generation from own generating stations	19347.07



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Sl. No	Particulars	Quantity
2	Ex Bus Purchase from Non renewable sources	1856.71
3	Ex Bus Purchase from renewable sources	65.53
4	Total (1 + 2 + 3)	21269.31

- 3.2.6 The projected firm sale of DVC for the entire command area has been apportioned to Jharkhand part and West Bengal part of the DVC based on the past trend and expected load growth in future. The consumption pattern in MU under different category and sub-category have been projected based on the actual load pattern for FY 2014-15. Elements of generation tariff & charges towards T & D activities along with other elements of fixed charges and energy charge portion of ARR have been apportioned between the two states according to their respective energy consumption in MU during each year. Projected sale in West Bengal has been segregated between licensee and other consumers with detailed breakup of projected demand in the submission dated 02.08.2021 in response to the letter of the Commission dated 26.07.2021.
- 3.2.7 The allocation of proposed Demand Charge & Energy Charge of ARR in the ratio of sale of electricity by DVC to the consumers and licensees (in consumer mode) located in the two states has been done as per the methodology adopted by the Commission in the tariff orders of DVC dtd. 25.05.2015 and 24.08.2015.
- 3.2.8 DVC has prayed to enhance the demand charge rate by 20% over the current rate of 384 Rs./KVA/Month as per Regulation 4.3.4 despite the fact that if the demand charge is computed on the basis of entire Fixed Cost part of the ARR, it works out to be around 726 Rs./KVA/Month in terms of regulation 4.2.2.
- 3.2.9 The composite T&D loss level is proposed to be adjusted in the Damodar Valley command area forming part of the state of Jharkhand and West Bengal by the Commission. It is submitted that the Commission may kindly consider the losses incurred by DVC at the transmission and distribution level in the retail supply of electricity and account for the



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same in a unified and equitable manner applicable both in the states of Jharkhand and West Bengal.

- 3.2.10 It is submitted that reduced rate of energy charge has been proposed for the consumers during off peak and enhanced rate of energy charge has been proposed for peak period compared to that for normal period for uniformity in the load pattern, economic use of resources, good performance and optimal investment throughout the day. It is further mentioned that periods in respect of time of the day (TOD) is proposed to be from 06 00 hrs. to 17 00 hrs. for Normal Period, from 17 00 hrs. to 23 00 hrs. for Peak Period and from 23 00 hrs. to 06 00 hrs. for Off Peak Period in terms of Regulation 3.13 of (Terms and Conditions of Tariff) Regulations, 2011 of WBERC.
- 3.2.11 The Power Factor (PF) rebate in terms of Regulation 3.8 of WBERC (Terms and Conditions of Tariff) Regulations, 2011 is proposed on the basis of consumption profile during FY 2014-15 and is proposed, in the initial petition dated 29.12.2016, to be applicable for P.F > 92% in different steps. Rate of power factor rebate and surcharge has been proposed to be same for all category of consumers receiving electricity supply at and above 33 KV level. However, rates of rebate and surcharge are different for TOD and NON-TOD category. However, DVC has requested in submission dated 16.08.2021 to revisit the existing rebate structure in line with the current load profile of the consumers in view of the improved average Power factor and Load factor which is discussed in subsequent paragraphs.
- 3.2.12 The Load Factor (LF) rebate in terms of Regulation 3.9 of WBERC (Terms and Conditions of Tariff) Regulations, 2011, is proposed, in the initial petition dated 29.12.2016, to be applicable above LF of 65% in different steps based on load profile of consumers of DVC in the state of West Bengal during FY 2014-15 but the rate of such rebate is proposed different at different voltage levels. Load Factor surcharge is proposed to be levied if the load factor falls below 30%. Load Factor rebate and surcharge is proposed to be levied on Industrial Consumers and the licensees receiving power from DVC in consumer mode (excluding the traction load). However, DVC has requested in submission dated 16.08.2021 to revisit the existing rebate structure in line with the current load profile of the



consumers in view of the improved average Power factor and Load factor which is discussed in subsequent paragraphs.

- 3.2.13 DVC has proposed surcharge @ 5 paise / kWh for the industrial consumers if the load factor falls below 30% but equal to or above 25% for the amount of energy by which consumptions fall short corresponding to load factor of 30%. Similarly, @ 30 paise / kWh for the load factor below 25% for the amount of energy by which the consumption falls short corresponding to a load factor of 25% but not less than the amount of surcharge that would have been payable for load factor at 25% computed @ 5 paise / kWh.
- 3.2.14 DVC has stated in the submission dated 16.08.2021 that tariff design for FY 2017-18 in previous submissions, actual load profile for FY 2014-15 was considered which has improved on actual. As a result, the licensee has passed on more Load Factor (LF) and Power Factor (PF) rebate to the consumers during FY 2017-18 as per the prevailing tariff schedule for 2016-17 in the tariff order dated 03.03.2017. As a consequence, though the approved Average Cost of Supply (ACOS) was 4.90 Rs./Kwh in the Tariff order dtd 03.03.2017 for the period 2016-17, the average net billing rate remained around 4.65 Rs./Kwh during 2017-18. Thus, DVC has requested to revisit the existing rebate structure in line with the current load profile of the consumers in view of the improved average Power factor and Load factor.
- 3.2.15 DVC has claimed that when Maximum Demand (MD) in KVA of a consumer is high due to drawal of high Reactive power (KVAR) but Active power (KW) and Power Factor (PF) is low in a time block, consequent Load Factor (LF) becomes much higher e.g if a consumer switches off its capacitor bank in a particular time block when the demand in MW term is low, such that the MVA demand shoots up in that particular time block and qualifies as the Maximum Demand in terms of Regulation 3.9.4 (iv) as a result Load Factor (LF) that becomes eligible for rebate computation is made high artificially due to reduction of power factor during the particular time block. DVC has prayed to allow the licensee to compute Load Factor which qualifies for Load Factor (LF) rebate based on monthly average Power Factor in place of average power factor of the time block corresponding to the period of recording the maximum demand (greater than 85% of Contract Demand) as



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specified in regulation 3.9.4 (iv) and issue necessary directive in this regard in the tariff order

- 3.2.16 Rebate for payment within due date has been proposed in terms of para 7.4.5 and 7.4.6 of the tariff order of DVC dtd. 25.05.2015 for the period 2014-17. The Late Payment Surcharge (DPS) is proposed to be levied for all consumers as per regulation 4.14 of the Tariff Regulations, 2011.
- 3.2.17 DVC proposes applicability of minimum charges for all consumers in terms of Regulation 4.13 of the WBERC "Terms and Conditions of Tariff Regulations, 2011 @ 847.37 Rs./KVA/Month.
- 3.2.18 Rebate for consumption of electricity at higher voltage levels has been proposed in the tariff design. Such rebates have been embedded in the consumer category wise energy charge rates while designing the tariff.
- 3.2.19 The rates of meter testing charge, disconnection charge & reconnection charges under different categories mentioned under tariff order of DVC published on 25.05.2015 is proposed to be allowed.
- 3.2.20 It is proposed that in the event of dishonored cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs 500 or 0.5% of the billed amount, whichever is higher and the DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.
- 3.2.21 Levies, taxes, duties, ULDC Charges, POSOCO charges, RLDC Charges, SLDC charges, Non POC charges for few dedicated transmission line operated & maintained by PGCIL, service tax etc. that may be charged or levied by various authorities on DVC related to purchase of power have been included in the computation of ARR.
- 3.2.22 DVC has projected only 'Surcharge for Late Payments' as income other than sale of energy in requisite Form 1.26, later modified with the submission dated 02.08.2021 in response to the letter of the Commission dated 26.07.2021. DVC has clarified that rebate received on purchase of power is adjusted, hence, the same was not again considered in



the Non-Tariff Income.

3.2.23 It is submitted by DVC that the following has been taken as input cost of DVC while deciding the revenue requirements to be recovered from Distribution and retail supply tariff for the period, 01.4.2017 to 31.3.2018:

- a. Station wise generation tariff orders which have already been issued by CERC for the period FY 2014-19,
- b. Tariff orders of CERC for composite T&D system of DVC for the period FY 2014-19,
- c. The generation tariff for central sector generation companies such as NTPC, NHPC, etc. determined by CERC from whom DVC procures electricity on long term basis to meet the demand of electricity in the entire Damodar Valley command area;
- d. Power Purchase Cost expected to be incurred to procure electricity from other utilities viz. PTC, MPL etc. and also to meet RPO through purchase of renewable power / REC with the approval of this Hon'ble Commission;
- e. As per the directive of the Ministry of Power, Govt. of India, DVC is purchasing additional coal power from NTPC bundled with the solar power in order to reduce the average cost. Copy of MOP directives and other related documents are attached collectively as Annexure-7 of the submission dated 29.12.2016.
- f. The transmission charges of Power Grid Corporation (i.e. the POC charges) from whom DVC avails transmission services for receiving the purchased power at DVC bus; based on the tariff determined by CERC,
- g. Interest on security deposit;
- h. Regulatory fees paid / payable to this Hon'ble Commission, Publication expenses and other charges;



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- i. Regulatory fees paid / payable to CERC, Publication expenses and other charges to the extent of energy utilized for distribution activity;
- j. Water Cess;
- k. Rebate on sale of power,
- l. Projected legal expenses for distribution activity
- m. Projected Interest on Temporary Financial Accommodation
- n. Projected Interest on Working Capital
- o. Bad debt written off this in its Annual Accounts in respect of consumer of West Bengal
- p. Any other expenditure related to the distribution and retail supply of electricity not specifically included in any of the above;

3.2.24 The composite T&D loss level is proposed to be adjusted in the Damodar Valley command area forming part of the state of Jharkhand and West Bengal by the Commission. DVC submitted that the Commission may kindly consider the losses incurred by DVC at the transmission and distribution level in the retail supply of electricity and account for the same in a unified and equitable manner applicable both in the states of Jharkhand and West Bengal.

3.2.25 In the present petition load demand of consumers under the applicable categories including LV consumers has been done on projection basis.

3.2.26 It is submitted that a substantial amount of expenditure is scheduled to be incurred towards Social integration Program, Subsidiary Activities during discharge of the functions bestowed upon it in terms of the provisions of DVC Act on objects other than irrigation & flood control and Section 43 of the Electricity Act 2003 towards universal service



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obligation. It is submitted that these expenditures, when incurred on this account and submitted to the Commission, may kindly be allowed as a part of the revenue requirements of DVC and may be allowed to be recovered through tariff for retail supply of electricity.

- 3.2.27 It is submitted that DVC is going to undertake extensive renovation and upgradation of their age-old composite and integrated T&D infrastructure which have outlived their useful lives and are more than 40 to 50 years to reduce T&D loss, AT&C loss and to improve the quality of electricity supplied to the consumers. DVC will submit the entire data and documents before this Commission as approved by the Hon'ble Central Commission in order to service its expenditure through retail tariff.
- 3.2.28 The fees paid / to be paid by DVC to this Commission for submission of petition for tariff determination for the control period, fees for submission of APR petitions and expenditures related to publication of the tariff petitions etc. has been considered on projection basis while finalizing the ARR. Similarly tariff filing fees and publication expenses in respect of tariff petitions filed by DVC before CERC has also been considered in the ARR.
- 3.2.29 Water cess, pollution cess, labour welfare cess etc. directly paid by DVC to the concerned authorities of the State Govt. in respect of its different generating stations located in the state of West Bengal and Jharkhand which are not part of the generation tariff determined by CERC, has been claimed on projection basis by DVC from the consumers and beneficiaries pro rata with the station wise / unit wise capacity allocated to them. DVC has mentioned that Water Cess is a component of ARR in terms of Schedule – 5, item Sl. No. 2.1(f) of WBERC (Terms and Conditions of Tariff) Regulations, 2011.
- 3.2.30 It is submitted that DVC has been allowing few consumers for wheeling of power in their periphery spreading over two contiguous States and such open access provided by DVC to the intending entities / agencies is generally guided in terms of relevant Regulations notified by CERC in this regard.
- 3.2.31 As per directive of the Commission DVC submitted the business plan for the period FY 2017-18 to 2019-20 business plan related to the mining activities.



- 3.2.32 DVC has submitted Annual Accounts, soft copy of full Annual Report for the year 2017 – 2018 in the submission dated 02.08.2021 in response to the letter of the Commission dated 26.07.2021.
- 3.2.33 It is submitted that tariff filing fees and license fees have been considered on projection basis for the control period in terms of West Bengal Electricity Regulatory Commission (Fees) Regulations, 2013 while finalizing the year wise ARR. Publication expenses have also been included in the ARR based on the past trend.
- 3.2.34 DVC has stated that the Commission has approved Revenue Gap of Rs. 53.66 Crores during 2009-14 period in the order dated 31.05.2021 in Case No. APR-53/15-16 and Rs. 619.66 Crores during 2006-09 period and carrying cost on the revenue gap of 2006-09 in para 5.4 in the order dated 19.07.2021 in Case No. APR-81/20-21. Accordingly, DVC has requested to allow a portion (Rs. 391.85 Crores) of the approved revenue-gap along with applicable carrying cost as proposed in the following table:

(Rs Crore)

Particulars	2006-07	2007-08	2008-09	2009-14	Total
Revenue Gap as per WBERC Order dtd 31.05.2021	0	0	0	53.66	53.66
Revenue Gap as per WBERC Order dtd 19.07.2021	180.85	218.22	220.59	0	619.66
Carrying Cost @ 6%/ Yr till September 2021	157.34	176.76	165.44	0	499.54
Total Regulatory Asset incl. CC	338.19	394.98	386.03	0	1,172.86
Recovery proposed in 17-18	338.19	0	0	53.66	391.85
DVC has computed the carrying cost up to the month of September 2021 anticipating issuance of retail tariff order within September 2021.					

DVC has proposed that carrying cost amount is to be computed based on the date of tariff order or the date when such recovery is allowed to DVC by the Commission.

- 3.2.35 DVC has prayed for specific direction in the distribution tariff schedule to be approved for



the 5th Control period that shall be applicable to the consumers and also to the licensees (WBSEDCL and IPCL) who draw electricity from DVC in consumer / radial mode through point-to-point wire connection. However, DVC has stated that if the Licensees agree to change from present consumer mode of supply of electricity from pooled power to generator specific schedule mode of supply, power supply may be made accordingly after execution of new PPA and technical feasibility study.

3.2.36 DVC has stated the following regarding compliance of Universal Service Obligation (USO):

- a) Expression of Interest (EOI) was invited from prospective consumers through publication of advertisement in newspaper on 28.08.2015 but the response was very poor which was intimated to the Commission. In view of the poor response vis-à-vis investment involved, DVC had started discussion with WBSEDCL who are already having their network and infrastructure in that area with proposal to supply power to LT consumers on the basis of sharing the infrastructure in cost sharing mode.
- b) However, DVC is ready to invest required amount every year as per demand arising out of Section 43 of Electricity Act, 2003.
- c) In view of contemplated segregation of carriage and content in prospective Amendment of Electricity Act, creating parallel infrastructure may not be required and feasible for optimal use of National asset.
- d) DVC will comply with the instruction of letter dated 31.07.2017 of the Principal Secretary, Department Power & NCES, Govt of West Bengal on rolling out plan of LT Distribution network in the DVC command area of the state.

3.2.37 Finally, DVC has prayed the following before the Commission:

- (a) Determine the Aggregate Revenue Requirement and Distribution & Retail Tariff for the year 2017-18 based on the submissions made by DVC,



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- (b) Allow a portion of the approved revenue-gap of Rs. 53.66 Crs. during 2009-14 period in the order dated 31.05.2021 in Case No. APR-53/15-16 and Rs. 619.66 Crs. during 2006-09 period in the order dated 19.07.2021 in Case No. APR-81/20-21 along with applicable carrying cost to be computed based on the date of tariff order or the date when such recovery is allowed to DVC by this Commission,
- (c) Settle other commercial issues based on the submission made by DVC,
- (d) Pass such other order(s) as the Commission may deem fit and proper keeping in view the facts and circumstances of the case.



CHAPTER – 4

OBJECTIONS AND SUGGESTIONS

- 4.1 Suggestions, objections and comments on the tariff petition of DVC for the year 2017 – 2018 have been received within the stipulated period of time from the persons as mentioned in Chapter – 1. The main points of the suggestions, objections, comments, etc. so received are summarized in the following paragraphs in this chapter. The views of the Commission on the relevant suggestions, objections, comments etc. are also recorded in this chapter.
- 4.2 Damodar Valley Power Consumers' Association (DVPCA) has submitted that –
- 4.2.1 DVPCA strongly opposes the maintainability of the instant Petition and prays that the same be rejected in limine, in the interest of justice and equity due to the reasons given below:
- i) Apparent non-compliance of Hon'ble Calcutta High Court Order dated 09.01.2017 in Writ Petition No. 26442 (W) Of 2016 (DVC v/s. Hon'ble WBERC);
 - ii) Tariff Determination without True-up/ Annual Performance Review for the period from 2014 to 2017. The tariff determination scheme under the applicable WBERC (Terms and Conditions of Tariff) Regulations, 2011 and subsequent amendments mandates Annual Performance Review (True-up) for past period before undertaking tariff determination for subsequent period.
 - iii) Retail Tariff Schedule to be determined for FY 2022 – 23 instead of FY 2017 – 18 and True-up/APR to be conducted for FY 2017 – 18 and subsequent years. In light of the fact that the audited actuals for FY 2014 – 15, FY 2015 – 16, FY 2016 – 17 and FY 2017 – 18 are available, the Hon'ble Commission may declare the instant Petition infructuous and reject the instant Petition in limine and instead direct the Petitioner to file a fresh application for True-up/APR for FY 2014 – 15 to FY 2021 – 22 and ARR & Tariff for FY 2022 – 23.

The Commission is directed to determine the retail tariff for the period 2017-2018 vide



order dated 13.01.2022 of the Hon'ble High Court at Calcutta in case No: W.P.A. No. 153 of 2022.

- 4.2.2 DVPCA has proposed that instead of projection by DVC, the Commission may approve the energy cost of Own Generating Station on actual basis and Fixed Cost Component including P&G and Sinking Fund of Own Generating Station and T&D Network of DVC based on actual Availability Factor for FY 2017-18. As per the Objector's assessment, taking same approach by the Hon'ble JSERC in its Order dated 29.09.2020 pertaining to True-up for FY 2017 – 18, Own Generating cost of DVC for FY 2017-18 vis-à-vis projection by DVC is as follows:

Rs Crore

Own Generation cost of DVC			
Projection by DVC for total DVC area	Assessment by DVPCA for whole DVC area	Disallowance proposed by DVPCA for whole DVC area	Disallowance proposed by DVPCA for WB part of DVC
8653.29	7376.59	1276.69	549.63

DVPCA has proposed disallowance of Rs. 549.63 crores for the area of supply in West Bengal due to the reasons detailed in their petition.

The Commission has noted the contentions of DVPCA; the issues are dealt in para 5.5 of Chapter-5.

- 4.2.3 On power Purchase cost, DVPCA has requested to allow Rs 778.07 Crore based on Audited Accounts of FY 2017-18 which is Rs 89.89 Crore more than the projection of DVC amounting to Rs 688.18 Crore. As per the Objector's assessment, taking same approach by the Hon'ble JSERC in its Order dated 29.09.2020 pertaining to True-up for FY 2017 – 18, Power Purchase Cost including Transmission Charges of DVC for FY 2017-18 vis-à-vis projection by DVC is as follows

Rs Crore

Power Purchase cost			
Projection by DVC for total DVC area	Assessment by DVPCA for whole DVC area	Disallowance proposed by DVPCA for whole DVC area	Disallowance proposed by DVPCA for WB part of DVC
688.18	778.07	(-) 89.89	(-) 38.70



DVPCA proposed that the Hon'ble Commission may approve the Power Purchase Cost from other Generating Stations including Transmission Charges for FY 2017-18 as per the Objector's assessment which tantamount to addition of Rs. 38.70 crores to the cost claimed by DVC for the area of supply in West Bengal due to the reasons detailed in their petition.

The Commission has noted the contentions of DVPCA; the issues are dealt in para 5.6 of Chapter-5.

- 4.2.4 The objector has prayed that instead of projection by DVC, the Commission may approve the Water & Environment Cess for own generating station based on actual audited figures available in Audited Annual Accounts for FY 2017-18. As per the Objector's assessment, taking same approach by the Hon'ble JSERC in its Order dated 29.09.2020 pertaining to True-up for FY 2017 – 18, Water & Environment Cess for Own Generating station of DVC for FY 2017-18 vis-à-vis projection by DVC is as follows:

Water & Environment Cess				Rs Crore
Projection by DVC for total DVC area	Assessment by DVPCA for whole DVC area	Disallowance proposed by DVPCA for whole DVC area	Disallowance proposed by DVPCA for WB part of DVC	
2.54	0.16	2.38	1.03	

The Commission noted the suggestion; the issues are dealt in para 5.8 of Chapter-5.

- 4.2.5 On Interest on Temporary Financial Accommodation, DVPCA has referred to that the West Bengal Commission did not admit any amount under this head in APR Order dated 31.05.2021 for the years 2009 – 10 to 2013 – 14 since such short term borrowings for 2011 – 12 to 2013 – 14, as per Annual Financial Statements, was on account of overdues of Jharkhand State Electricity Board (JSEB) and in absence of any substantial reason behind the claim. The objector has also pointed out that as per 'Short term Bank Borrowing (Line of Credit)' of Audited Accounts of 2017 – 18, short term line of credit of Rs 4100 crore has been taken by DVC for financing overdues of JSEB. Finally, the stakeholder has submitted that in absence of a reconciliation with the audited accounts at actuals substantiating the amount towards the short-term loans taken for delayed payment/short-payment by consumers, the claim of Rs 359.39 crore towards Interest on Temporary



Financial Accommodation for FY 2017-18 may be disallowed.

Noted by the Commission; the issues are dealt in para 5.16 of Chapter-5.

- 4.2.6 DVPCA has stated that regulations 1xxi (Non-Tariff Income) and 2 (Net Aggregate Revenue Requirement) of the Tariff Regulations provide for the items to be excluded from Non-tariff income. Any other income earned by the Petitioner is also to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR. In fact, the above regulations clearly provide for the items to be reduced from ARR besides non-tariff income also. It is submitted that the actual non-tariff incomes as per Audited Accounts are far in excess of those claimed by the Petitioner for the period FY 2017-18 which only includes Delayed Payment Surcharge. It is humbly prayed that the Commission may consider the non-tariff income as Rs. 1123.24 crores as against Rs. 466.76 crores as projected by DVC.

Noted by the Commission; the issues are dealt in para 5.15 of Chapter-5.

- 4.2.7 Instead of projection of Rs. 81.46 crores for West Bengal part of DVC for Solar and non-Solar RPO cost, Rs. 78.47 crore is assessed by the objector, taking same approach by the Hon'ble JSERC in its Order dated 29.09.2020 pertaining to True-up for FY 2017 – 18.

Noted by the Commission; the issues are dealt in para 5.6 of Chapter-5.

- 4.2.8 The objector has prayed that instead of projection by DVC, the Commission may approve the Interest on Security Deposit based on Audited Annual Accounts for FY 2017-18 as follows:

Interest on Security Deposit			Rs Crore
Projection by DVC for total DVC area	Assessment by DVPCA for whole DVC area	Disallowance proposed by DVPCA for whole DVC area	
0.50	0.19	0.41	

Noted by the Commission; the issues are dealt in para 5.9 of Chapter-5.

- 4.2.9 The claim of Rs 39.43 Crore for Bad Debt Written-off for West Bengal part of DVC is in excess of the provision of regulation 5.10.1. The Assessment of the Objector under such



head is Rs 18.70 Crore in strict adherence to its Regulations.

Noted by the Commission; the issues are dealt in para 5.13 of Chapter-5

- 4.2.10 Instead of projection of Rs 9.55 Crore for Interest on Working Capital for West Bengal part of DVC, Rs 9.84 Crore is computed by the Objector for such head with revised power purchase cost, less revised bad debt and SBI PLR rate as on 01.04.2017 as per regulation 5.6.5.1.

Noted by the Commission; the issues are dealt in para 5.7 of Chapter-5

- 4.2.11 It is prayed to disallow the adjustment of Revenue Gap of Rs. 391.85 Crores on account of Orders dated 31.05.2021 and 19.07.2021 of the Commission pertaining to APR of DVC for FY 2006 – 09 and FY 2009 – 14 as claimed by the Petitioner, since the objector has filed appeals in the Appellate Tribunal against the said orders which are sub-judice.

The issue is dealt in para 6.5 of Chapter-6.

- 4.2.12 The Commission may approve ARR excluding Revenue from Licensee for DVC (West Bengal) at Rs. 2,904.58 Crores and Revenue Surplus of Rs. 258.12 Crores as computed by the Objector.

The contention is noted by the Commission and the issues are dealt in para 6.1 and 6.5 of Chapter-6.

- 4.2.13 The Petitioner has proposed increasing the tariff rates based on its ARR submissions. DVPCA claimed to have demonstrated that there would be a revenue surplus, due to which, there ought to be a tariff reduction instead of a tariff hike.

The contention is noted by the Commission and the issues are dealt in para 6.6 of Chapter-6.

- 4.2.14 The Commission may conduct stakeholder consultation process for the proposed Load Factor incentive structure (para 3.2.15 of this order) before approving the modification sought by the petitioner since the same amounts to modification of Regulations.



The contention is noted by the Commission and the issues are dealt in para 7.4 of Chapter-7.

4.3 India Power Corporation Limited has submitted that –

4.3.1 Despite the clear Order issued by the Commission on March 1, 2019 DVC cannot charge the retail tariff approved by the Commission for consumers to IPCL, DVC is still raising the bills to IPCL at consumer tariff approved for FY 2016-17 ignoring the direction of the Commission given in its order dated January 28, 2021 on the Tariff Petition filed by IPCL for FY 2017-18 where the Commission considered the average power purchase cost of Rs 4.32/kWh for procurement of power by IPCL from DVC.

DVC in its current Tariff Petition for FY 2017-18 has also not proposed the tariff for supply of power to IPCL and in the Form 3.4 of the DVC's additional submission dated August 16, 2021 the applicable rate for supply of power to IPCL is mentioned as zero. The Commission may approve the tariff for supply of power from DVC to IPCL as already approved in IPCL's Tariff order dated 28.01.2021 for FY2017-18.

The Order issued by the Commission on March 1, 2019 prevails.

4.3.2 DVC has only proposed adjustment of Rs 391.85 Crore in ARR and tariff of FY 2017-18 which is inclusive of the revenue gap of Rs 53.66 Crore for FY 2009-2014 period and carrying cost of Rs 157.34 Crore and principal amount of Rs 180.85 Crore for FY 2006-07. But, they have not mentioned any reason as to why it has selectively considered only part of the approved Revenue Gap of the past period including carrying cost to be recovered from the tariffs in FY 2017-18 and proposed to carry forward the balance Regulatory Asset.

Considering the provisions of Tariff Policy, 2016 and the Commission's Order dated March 7, 2017, the entire approved gap with carrying cost needs to be considered as part of ARR for FY 2017-18 and recovery of same should be allowed as part of Tariff for FY 2017-18. Any delay in allowing the recovery of approved revenue gap will unnecessarily burden the consumers due to carrying costs till the same is allowed to be recovered from the



consumers.

IPCL requested the Commission to allow recovery of entire Regulatory Asset through ARR and Tariffs to be approved for FY 2017-18 so that the further burden of carrying cost on the consumers can be avoided.

The issue is dealt in para 6.5 of Chapter-6 in detail.

- 4.3.3 IPCL would like to submit that based on the analysis of Time of Day tariffs approved by the Commission for IPCL for FY 2017-18 and tariff proposed by DVC for FY 2017-18, there is wide variation in ratio of peak and off-peak hours' tariff with respect to normal tariff, which in case of IPCL is different.

IPCL submitted that it is a parallel licensee operating in the same area in which DVC is also a Licensee, ideally the ratio of peak and off-peak hour tariff with respect to normal tariff should be uniform across all the Licensees operating in same area to ensure a level playing field.

The issue is dealt in para 7.4 of Chapter-7.

- 4.3.4 Principle of uniformity may be applied for LF & PF Rebates and Surcharge rates across all the parallel licensees operating in the common area of supply. The Commission may take care of this aspect while approving the TOD tariffs, power factor rebate, power factor surcharge and load factor rebate while approving the ARR and Tariffs of DVC for FY 2017-18.

The issue is dealt in para 7.4 of Chapter-7.

- 4.3.5 In the computation of proposed gross rates as covered in Form 3.4, the basis of considering a particular Average monthly load factor and Average monthly power factor is not clear as similar type of industries in the same area of supply are exhibiting lower Load factor in case of other parallel licensees.

The Commission has taken note of the contention of IPCL.



CHAPTER – 5 SALES, ENERGY BALANCE AND AGGREGATE REVENUE REQUIREMENT

5.1 In this chapter the projection of various cost components of the Aggregate Revenue Requirement (ARR) for the MYT period 2017 – 2018 as submitted by DVC has been analyzed.

5.2 DVC, the petitioner is a statutory body incorporated under the Damodar Valley Corporation Act, 1948 and undertakes multifarious functions, viz. generation, transmission and distribution. It has got different power stations consisting of both the thermal and hydel power stations. With a substantial portion of its energy requirement met up from its own generation resources and the balance met up from the power purchased from other resources. It takes up retail sale and supply of electricity under the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003 to the consumers in Damodar Valley area in both the States of Jharkhand and West Bengal. The proper assessment of the sales during the FY 2017 – 2018, for which the tariff is to be determined on perspective basis is of prime importance. The Commission is, therefore, taking up different parameters linked with sales projection of DVC and thereafter different components of the ARR and tariff of DVC for the consumers in the state of West Bengal for the aforesaid period.

5.3 **Consumers, connected load and energy sales:**

5.3.1 **Sales projection:**

DVC has submitted that it has been supplying power at multiple supply points to the licensees viz. WBSEDCL, IPCL etc. in the state of West Bengal and JBVNL, JUSCO etc. in the state of Jharkhand at a voltage of 33KV and above. The petitioner has further submitted that depending on the past growth rate of sales, new application for power supply and probable addition that is going to take place in the coming years, projection of sales has been made. The petitioner has submitted the particulars of consumer details for different years from 2012 – 13 and corresponding sales in their command area in West



Bengal which has been segregated between consumers and other licensees in radial mode (WBSEDCL and IPCL) through their supplementary submission dated 02.08.2021 in response to the query of the Commission.

- 5.3.2 The projected sale of energy in the command area of DVC in West Bengal under the control period as submitted by the petitioner is admitted by the Commission. However, this will be reviewed during truing up in the Annual Performance Review (APR) based on audited data for the concerned year.

MU

Sales (MU)		
Particulars	Projected	Admitted
Sale to consumers in WB other than Licensee	8198.66	8198.66
Sale to Licensee - IPCL in radial mode	141.99	141.99
Sale to Licensee - WBSEDCL in radial mode	503.10	503.10
Total Annual Sale in WB area	8843.76	8843.76
Energy sales by DVC in Jharkhand area	11698.58	11698.58
Total annual sale of DVC in their command area in the State of West Bengal and Jharkhand	20542.34	20542.34
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	43.05	43.05

- 5.3.3 In this context it may be pointed out that the Commission does not make any approval of sale in command area in Jharkhand. The Commission only considers such sale as projected by DVC to arrive at the total sale of DVC for the purpose of apportionment of cost under different heads.

- 5.3.4 Besides, DVC has projected considerable quantum of energy to the tune of 75 MU for consumption in the own premises of DVC for the 2017 – 18 in their total command area covering both the States of West Bengal and Jharkhand. In this connection, the Commission likes to make it clear to only allow any such energy intimately connected for use in its sub-stations etc., linked particularly with the power distribution system of DVC in West Bengal area. However, the Commission presently considers proportionate quantum of such projection subject to truing up in the APR. DVC is directed to give details with proper justification evidencing such consumptions at their own premises in their APR



application for the respective years, for examination by the Commission before deciding on the issue in the APR, failing which no such consumption will be allowed in future.

5.4 Sources of energy

5.4.1 The petitioner has submitted that the total supply of energy of the petitioner to their command areas in West Bengal and Jharkhand and to other distribution licensees are met up from the resources of power from its own generating stations including both Thermal and Hydel Power Stations and through purchase of power from central sector generating stations (CSGS) viz., NTPC, NHPC, Hydro Power through PTC, power exchange/other utilities viz. Maithon Power Ltd. (MPL) etc. as per the requirements has been considered on projection basis for the year 2017-18 and from Renewable Energy Sources through Inter State Transmission.

5.4.2 Generation of Power from own power stations

5.4.2.1 The quantum of ex-bus energy in MU, as projected by the petitioner during the control period, is summarized below:

Projected ex-bus Generation from own generating stations

Sl. No	Name of the generating Station	Ex- bus Energy (MU)
[1]	[2]	[3]
1	BTPS 'B'	1640.61
2	CTPS U#1 to 3	1029.88
3	DTPS U# 4	684.37
4	MTPS U#1 to 3	2345.62
5	MTPS U# 4	789.39
6	HYDEL	260.00
7	MTPS U# 5 & 6	2656.29
8	MTPS U# 7 & 8	5690.69
9	CTPS U# 7 & 8	2637.18
10	DSTPS U # 1 & 2	5491.71
11	KTPS U# 1 & 2	5029.52
12	BTPS 'A'	1857.67
13	RTPS U # 1&2	4458.40
	TOTAL	34571.33



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In Table -1 and 12 of Annexure – 1 of submission dated 16.08.2021, DVC has stated that DTGS U # 3 has been de-commissioned with effect from 10.03.2016 and Commercial Operation Date (COD) of new generating units are as follows:

Name of the Generating units	Commercial Operation Date
RTPS Unit 1	31.03.2016
RTPS Unit 2	31.03.2016
BTPS 'A'	23.02.2017

- 5.4.2.2 The petitioner has projected ex-bus generation from its old generating stations installed both in the States of West Bengal and Jharkhand operating since long comprising of both thermal and small hydel power stations and new generating stations commissioned in recent past and also the generating stations commissioned during 2017 – 2018. The petitioner has also mentioned the percentage of ex-bus generation from generating stations to be available for their consumers after meeting the requirement of energy to be sold to other licensees outside their command area as per bilateral agreement as follows:

Projected share of net generation from own generating stations for supply in command area in West Bengal for 2017 – 18

Sl. No	Name of the generating Station	Ex- bus Energy	Percentage share of generation for own consumers	Share of Energy for sale to consumers of DVC	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(%)	(MU)	(%)	(MU)
[1]	[2]	[3]	[4]	[5]	[6]	[(7) = (5)x(6)/100]
1	BTPS 'B'	1640.61	100.00%	1640.61	43.05	706.31
2	CTPS U#1 to 3	1029.88	100.00%	1029.88	43.05	443.38
3	DTGS U# 4	684.37	100.00%	684.37	43.05	294.63
4	MTPS U#1 to 3	2345.62	100.00%	2345.62	43.05	1009.82
5	MTPS U# 4	789.39	100.00%	789.39	43.05	339.84



Tariff Order of DVC for the year 2017 – 2018

Sl. No	Name of the generating Station	Ex- bus Energy	Percentage share of generation for own consumers	Share of Energy for sale to consumers of DVC	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(%)	(MU)	(%)	(MU)
6	HYDEL	260.00	100.00%	260	43.05	111.93
7	MTPS U# 5 & 6	2656.29	32.85%	872.7	43.05	375.71
8	MTPS U# 7 & 8	5690.69	44.48%	2531.18	43.05	1089.71
9	CTPS U# 7 & 8	2637.18	0.00%	0	43.05	0.00
10	DSTPS U # 1 & 2	5491.71	62.88%	3453.32	43.05	1486.70
11	KTPS U# 1 & 2	5029.52	64.54%	3245.93	43.05	1397.42
12	BTPS 'A'	1857.67	45.14%	838.47	43.05	360.97
13	RTPS U # 1&2	4458.40	37.13%	1655.62	43.05	712.77
	TOTAL	34571.33		19347.09		8329.19

5.4.2.3 The ex-bus generation from own generating stations to be available for sale to consumers of DVC have been admitted by the Commission as projected by DVC subject to truing up on the basis of audited annual accounts in the APR for the respective years.

Admitted share of net generation from own generating stations for supply in command area in West Bengal for 2017 – 18

Sl. No	Name of the generating Station	Ex- bus Energy	Percentage share of generation for own consumers	Share of Energy for sale to consumers of DVC	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(%)	(MU)	(%)	(MU)
[1]	[2]	[8]	[9]	[10]	[11]	$\frac{[(12)]}{=(10) \times (11) / 100}$
1	BTPS 'B'	1640.61	100.00%	1640.61	43.05	706.31
2	CTPS U#1 to 3	1029.88	100.00%	1029.88	43.05	443.38
3	DTPS U# 4	684.37	100.00%	684.37	43.05	294.63
4	MTPS U#1 to 3	2345.62	100.00%	2345.62	43.05	1009.82



Tariff Order of DVC for the year 2017 – 2018

Sl. No	Name of the generating Station	Ex- bus Energy	Percentage share of generation for own consumers	Share of Energy for sale to consumers of DVC	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal
		(MU)	(%)	(MU)	(%)	(MU)
5	MTPS U# 4	789.39	100.00%	789.39	43.05	339.84
6	HYDEL	260.00	100.00%	260	43.05	111.93
7	MTPS U# 5 & 6	2656.29	32.85%	872.7	43.05	375.71
8	MTPS U# 7 & 8	5690.69	44.48%	2531.18	43.05	1089.71
9	CTPS U# 7 & 8	2637.18	0.00%	0	43.05	0.00
10	DSTPS U # 1 & 2	5491.71	62.88%	3453.32	43.05	1486.70
11	KTPS U# 1 & 2	5029.52	64.54%	3245.93	43.05	1397.42
12	BTPS 'A'	1857.67	45.14%	838.47	43.05	360.97
13	RTPS U # 1&2	4458.40	37.13%	1655.62	43.05	712.77
	TOTAL	34571.33		19347.09		8329.19

5.4.3 Power Purchase from CSGS and renewable energy sources

5.4.3.1 After meeting the energy requirement as earmarked above from its own generating stations of DVC for supply to consumers in the West Bengal command area, the balance admitted energy needs to be catered through the power purchase from the CSGS and other sources including renewable energy during 2017 – 18. The philosophy as has been adhered to by the Commission for admission subject to truing up with the audited accounts and annual report of the Petitioner to be submitted in relevant period, is that the energy projected for purchase by the petitioner from different sources other than renewable source has been apportioned for the balance requirement of energy for sale to consumers in West Bengal in the ratio of projected sale of energy in West Bengal area to the total projected sale of DVC during the respective years. Any excess purchase in this process is excluded on merit order basis.

5.4.3.2 As per prevailing Regulations framed by the Commission on Co-generation and generation of electricity from renewable sources of energy towards meeting up of the Renewable Purchase Obligation (RPO) target as specified in regulation 3.4 of the West Bengal



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Electricity Regulatory Commission (Co-generation and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 (in short 'RE Regulations') the RPO target expressed as percentage of their total consumption of electricity in the area of supply of the distribution licensee in 2017 – 18 is as follows:

Year	Minimum quantum of purchase (in %) of total consumption from Cogeneration and Renewable energy sources	
	Solar	Total including solar
2017-18	0.30	6.0

5.4.3.3 DVC has projected purchase of 65.53 MU bundled solar power, Solar REC of 62.17 MU and Non-Solar REC of 586.46 MU totaling to 714.16 MU energy from Cogeneration and Renewable energy sources for whole DVC for the year 2017 – 18. But DVC has not segregated the projected purchase from such sources between West Bengal and Jharkhand. Hence, the Commission admits purchase of energy from cogeneration and renewable sources of energy including solar power for sale to consumers in West Bengal other than Licensee during 2017 – 18 by applying the percentage share of sale in West Bengal on the total figure projected by DVC, in the instant tariff order. This should not be construed as giving clearance by WBERC of meeting the obligation on purchase from renewable and co-generation sources of energy in full. The RPO compliance by DVC for 2017 – 18 shall be judged as per regulation. Any non-compliance of meeting RPO may lead to penal action in future. The quantum of renewable purchase and price thereof are subject to truing up in APR.

5.4.3.4 The projection and admission of purchase of energy for sale to consumers in West Bengal including Licensee in radial mode during 2017 – 18 is as follows:

Agency	Projected			Admitted		
	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase
NHPC	MU	MU	MU	MU	MU	MU
Rangit	32.68	0.65	32.02	32.68	0.65	32.02
Teesta	209.19	4.18	205.00	209.19	4.18	205.00



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Agency	Projected			Admitted		
	Purchased Energy	CTU Grid Loss	Net Purchase	Purchased Energy	CTU Grid Loss	Net Purchase
NTPC						
Talcher	73.13	1.46	71.67	73.13	1.46	71.67
Farakka -I & II	65.03	1.30	63.73	65.03	1.30	63.73
Farakka -III	216.62	4.33	212.99	216.62	4.33	212.99
Kahalgaon -I	36.49	0.73	35.76	36.49	0.73	35.76
Kahalgaon -II	71.52	1.43	70.09	71.52	1.43	70.09
Solar Power	65.53	0.00	65.53	65.53	0.00	65.53
PTC power from Bhutan						
Chukha (PTC)	172.40	3.45	168.96	172.40	3.45	168.96
Kurichu (PTC)	58.08	1.16	56.92	58.08	1.16	56.92
Tala (PTC)	181.23	3.62	177.60	181.23	3.62	177.60
MPL	778.24	15.56	762.67	778.24	15.56	762.67
Sub Total	1960.13	37.87	1922.94	1960.13	37.87	1922.94
Percentage of share for sale in West Bengal			43.05			43.05
Share for sale in West Bengal			827.85			827.85

5.4.3.5 The petitioner has projected T&D loss to the tune of 3.12 % for FY 2017 – 2018 and proposed to adjust composite T&D loss level in their command area forming part of the state of Jharkhand and West Bengal by the Commission. DVC has prayed that that the Commission may kindly consider the losses incurred by DVC at the transmission and distribution level in the retail supply of electricity and account for the same in a unified and equitable manner applicable both in the states of Jharkhand and West Bengal. The Commission has allowed distribution loss at 2.2% as per norms specified in the Tariff Regulations against the proportionate utilization of energy by the petitioner in their command area in West Bengal.

5.4.4 Energy Balance

5.4.4.1 On the basis of the analysis done in the foregoing paragraphs, the Commission admits the energy balance for supply to their command area in West Bengal for the year 2017 – 18 as below:



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MU

Sl. No.	Particulars	Unit	Projected	Admitted
1	Sales within West Bengal	MU	8843.76	8843.76
2	Sales within Jharkhand	MU	11698.58	11698.58
3	Total Sales within DVC Area [(1)+(2)]	MU	20542.34	20542.34
4	Energy Wheeled	MU	260.00	260.00
5	Units utilized in own premises including Construction Power	MU	75.00	75.00
6	Overall Utilization [(3)+(4)+(5)]	MU	20877.34	20877.34
7	Proportionate utilization in West Bengal [(6) x (17)/100]	MU	8987.98	8987.98
8	T & D Loss (%) for West Bengal		3.12	2.2
9	T & D Loss (MU)	MU	289.31	202.18
10	Energy Requirement for DVC for distribution business in West Bengal [(7)+(9)]	MU	9277.29	9190.16
11	Total Energy receipt for Wheeling	MU	280.00	280.00
12	Proportionate Energy receipt for Wheeling for distribution business in West Bengal [(11) x (17)/100]	MU	120.54	120.54
13	Energy requirement for DVC for distribution business in West Bengal from generation and power purchase [(10) – (12)]	MU	9156.75	9069.62
14	Proportionate Generation available for sale within West Bengal	MU	8329.19	8329.19
15	Proportionate Purchase for sale in West Bengal	MU	827.85	827.85
16	Non Admissible energy drawal though purchase [(13) – (14) – (15)]	MU	0	87.42
17	Share of energy requirement in West Bengal against the total requirement of DVC	%	43.051	43.051

5.5 Cost arising from own generation

- 5.5.1 DVC being a statutory body controlled by the Central Government as envisaged under Section 79(1)(a) of the Electricity Act, 2003, the tariff for generation of electricity is decided by the Central Commission. Similarly, in view of its activities in respect of transmission and distribution of power extending in multi states, the inter-state transmission and distribution being an integrated activity, DVC will again be regulated by the Central Electricity



Regulatory Commission and tariff for composite T & D is to be determined by the Central Commission in terms of Section 79(1)(c) and (d) of the Electricity Act, 2003. In regard to retail sale and supply of electricity, however, DVC will be governed by the provisions of Section 62 read in conjunction with Section 86(1) of the Electricity Act, 2003 by the respective State Commissions in the state of West Bengal and Jharkhand.

- 5.5.2 Accordingly, the generation and transmission tariff of DVC, as determined/to be determined by the Central Commission, will be an input cost based on which the retail tariff has to be considered. Following CERC Orders has been considered by the Commission as proposed by DVC in its petition.

Sl. No	Name of Cost centre (generating Station/T&D)	Date of CERC Orders
[1]	[2]	[3]
1	BTPS 'B'	27.09.2016, 19.05.2017
2	CTPS U#1 to 3	23.09.2016
3	DTPS U# 4	20.7.2017
4	MTPS U#1 to 3	31.8.2016
5	MTPS U# 4	20.9.2016
6	HYDEL	
(a)	MHS	20.9.2016
(b)	PHS	20.9.2016
(c)	THS	23.9.2016
7	MTPS U# 5 & 6	16.3.2017
8	MTPS U# 7 & 8	03.10.2016
9	CTPS U# 7 & 8	17.2.2017
10	DSTPS U # 1 & 2	17.03.2017
11	KTPS U# 1 & 2	28.02.2017
12	BTPS 'A'	30.05.2018
13	RTPS U # 1&2	28.9.2017
14	T&D	05.02.2020, 09.08.2019

- 5.5.3 The fixed charges projected to be recovered by these stations are guided by PAFY (Plant Availability Factor Yearly) as per formula laid down in CERC tariff regulations 2014 and aforesaid tariff orders passed by CERC for the period 20014 -19 with Plant Availability



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Factor projected by DVC.

5.5.4 The Commission has admitted PAFY as projected subject to truing up in APR stage:

Name of the generating Station	Projected (%)		Admitted (%)	
	Normative Plant Availability (NAPAF)	Annual Plant Availability (PAFY)	Normative Plant Availability (NAPAF)	Annual Plant Availability (PAFY)
BTPS 'B'	75	43.40	75	43.40
CTPS U#1 to 3	75	43.40	75	43.40
DTPS U# 4 [*]	74	51.80	74	51.80
MTPS U#1 to 3	83	57.49	83	57.49
MTPS U# 4	83	57.95	85	57.95
HYDEL	80	80.00	80	80.00
MTPS U# 5 & 6	83	76.64	85	76.64
MTPS U# 7 & 8	83	78.56	83	78.56
CTPS U# 7 & 8	83	76.16	85	76.16
DSTPS U # 1 & 2	83	76.16	83	76.16
KTPS U# 1 & 2	83	70.60	83	70.60
BTPS 'A'	83	55.00	83	55.00
RTPS U # 1&2	83	55.00	83	55.00
* DTPS U # 3 has been de-commissioned with effect from 10.03.2016.				

The normative PAF of MTPS U# 4 and MTPS U# 5 & 6 are considered at 85% by the Commission as per CERC Tariff Regulations instead of 83% mentioned by the petitioner.

5.5.5 DVC has claimed contribution to Pension & Gratuity (P&G) fund and Sinking Fund in full in the petition irrespective of PAFY which has been objected by DVPCA. CERC has determined the Annual Fixed Cost (AFC) for all the generating stations of DVC including P&G fund and Sinking Fund in the respective tariff orders of each generating station for the year 2014 – 2019. The Commission has considered the AFC as determined by CERC for the respective generating stations as input cost. Commission allows the recovery of Fixed cost against each generating station as per AFC determined by CERC (column 10 of Annexure-5A) for the respective generating station based on the Plant Availability of each generating station projected by DVC (column 9 of Annexure-5A) against normative PAF as per CERC Tariff Regulations 2014 – 19 (column 8 of Annexure-5A) and percentage of share



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for the firm consumers in West Bengal (column 15 of Annexure-5A).

- 5.5.6 DVC has projected the energy charge rate (ECR) of different thermal generating stations, based on the stipulated formula of CERC, yearly price escalation @ 4.78% on LPPF (Landed Price of Primary Fuel). The yearly escalation factor has been arrived by the petitioner at taking into consideration the average escalation in coal cost for competitive bidding during 2009 – 10 to 2015 -16 as issued by CERC biannually. The yearly price escalation @ 4.78% is yearly price escalation is estimated by the petitioner as summarized below:

Particulars	Amount (%)
Average escalation rates for domestic coal from the CERC notifications for 2009 – 10 to 2015 – 16 (%)	4.893077
Average escalation rates for inland coal transportation charge from the CERC notifications for 2009 – 10 to 2015 – 16 (%)	3.155385
Ratio (weightage) of coal price of total price	90%
Ratio (weightage) of transportation charge of total price	10%
Weighted average of escalation (%)	4.780659

The Commission has noted that DVC has projected the average ECR for Ex-Bus generation from own thermal generating stations to be 259.52 p/kwh.

- 5.5.7 Now, as per Yearly Wholesale Price Index brought to light by the Office of the Economic Affairs, Gol, there has been a slight increase in the prices of Coal (reflecting an Index of 118.7 for 2017-18 in comparison to 104.8 in 2013-14) and Non-Coking Coal (showing an index of 112.5 for 2017-18 in comparison to 106.8 in 2013-14) as tabulated below:

Year	coal	Non-coking coal
2017-18	118.7	112.5
2016-17	109	110.5
2015-16	106.5	109.6
2014-15	106.7	109.6
2013-14	104.8	106.8



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- 5.5.8 The Commission has observed the escalation rates for domestic coal from the notifications by the Central Electricity Regulatory Commission (CERC), on Annual Escalation Rates applicable for the periods for the purpose of payment as tabulated below:

Period	Notification No.	Annual Escalation Rates (%)
01.10.17 – 31.03.18	Eco-2/2017-CERC dt 10.10.17	0.00
01.04.17 – 30.09.17	Eco-1/2017-CERC dt 30.05.17	13.78
01.10.16 – 31.03.17	Eco-2/2016-CERC dt 06.10.16	0.51
01.04.16 – 30.09.16	Eco-1/2016-CERC dt 01.04.16	0.00
01.10.15 – 31.03.16	Eco-2/2015-CERC dt 09.10.15	0.00
01.04.15 – 30.09.15	Eco-1/2015-CERC dt 07.04.15	0.00
01.10.14 – 31.03.15	Eco-2/2014-CERC dt 01.10.14	1.24
01.04.14 – 30.09.14	Eco-1/2014-CERC dt 07.04.14	(-)13.50
01.10.13 – 31.03.14	Eco-2/2013-CERC dt 07.10.13	6.62
01.04.13 – 30.09.13	Eco-1/2013-CERC dt 01.04.13	6.62

The Commission had considered ECR approved by CERC for the FY 2013-14 for different years of the control period (2014 – 15 to 2016 – 17) in the tariff order dated 03.03.2017. Now the Commission finds that there is an upward trend in domestic coal as discussed above. Hence, the Commission decides to admit the ECR proposed for the control period provisionally subject to actual truing up in the subsequent period after approval of the respective costs by the CERC.

- 5.5.9 The Commission has considered energy charge rate (ECR) of own generating stations as projected by the petitioner subject to truing up in APR stage as tabulated below:

Name of the generating Station	Energy Charge (P/kwh)	
	Projected	Admitted
BTPS 'B'	267.4	267.4
CTPS U#1 to 3	328.5	328.5
DTPS U# 4	361.5	361.5



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Name of the generating Station	Energy Charge (P/kwh)	
	Projected	Admitted
MTPS U#1 to 3	261.5	261.5
MTPS U# 4	261.5	261.5
HYDEL	0.0	0.0
MTPS U# 5 & 6	259.1	259.1
MTPS U# 7 & 8	251.9	251.9
CTPS U# 7 & 8	249.4	249.4
DSTPS U # 1 & 2	263.3	263.3
KTPS U# 1 & 2	238.9	238.9
BTPS 'A'	213.6	213.6
RTPS U # 1&2	230.6	230.6

5.5.10 The Commission has considered the Annual Fixed Charge (AFC) for the year 2017 – 18 as per the tariff orders determined by the CERC for the respective years subject to truing up of fixed costs on the basis of the subsequent APR orders of the CERC. The basis of estimation of Fixed Cost has been computed taking the projected running days as well as the plant availability factor as projected by the Petitioner in the relevant years with the corresponding normative values.

5.5.11 The station wise fixed charge, energy charge of different power stations of DVC in 2017 – 18, for consumers and other licensee in radial mode in West Bengal part of DVC command area, on the basis of availability and percentage utilization by the consumers in command area of West Bengal are as follows and summarized in Annexures 5A:

Own Generation cost							
Projected (Rs lakh)				Admitted (Rs lakh)			
Fixed Cost	Energy charge	Total	share of West Bengal	Fixed Cost	Energy charge	Total	share of West Bengal
332815.04	495352.51	828167.55	356537.54	308454.85	495353.02	803807.87	346050.36



5.5.12 Station wise computation of fixed charge and energy charge, as considered by the Commission for sale to consumers of DVC in the command area in West Bengal are subject to truing up in future tariff order or APR order as per provision of the Tariff Regulations.

5.6 Purchase cost from CSGS and Renewable Sources for sale to consumers in the command area in West Bengal

5.6.1 DVC has projected Fixed cost for NHPC stations based on the tariff orders issued by CERC and petition submitted by NTPC and MPL for the period FY 2014-19. For projection of energy charge rates in respect of NTPC and MPL units, methodology adopted is same as that for DVC's own thermal generating stations. Power purchased from the hydro units namely Tala, Kurichu & Chukha hydel stations through PTC is projected during control period as per the power purchase agreement. Overall, for consumers of DVC in West Bengal and Jharkhand, Rs 62039.22 lakh is projected for gross purchase of conventional power of 1894.60 MU which is found to be @ 327.45 p/kwh. The proportionate projection for West Bengal part of DVC is Rs 26708.74 lakh. The source wise power purchase cost from conventional power is tabulated below:

Source	Projected average rate (P/kwh)
NHPC	
Rangit	365.97
Teesta	231.91
NTPC	
TSTPS	283.11
FSTPS - I & II	378.22
FSTPS - III	438.11
KhTPS -I	354.75
KhTPS -II	350.47
PTC	
Chukha	229.00
Kurichu	203.00
Tala	202.00
MPL	377.56



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- 5.6.2 Incidental charges related to power purchase viz Transmission charge to CTU / STU for availing the transmission corridor (POC charges), ULDC charges, POSOCO charges etc. related to power purchase, Non POC charges paid for few dedicated transmission line operated & maintained by PGCIL are projected at Rs 6779.28 lakh for consumers of DVC in West Bengal and Jharkhand.
- 5.6.3 DVC has projected Rs 68818.49 Lakh for Power Purchase Cost (Rs 62039.22 lakh for purchase of conventional power + Rs 6779.28 lakh for associated Transmission & Other Charges), excluding power purchase cost of renewable power, for consumers of DVC in West Bengal and Jharkhand including licensees in radial mode. Proportional projection for consumers and licensees in radial mode in West Bengal part of DVC comes to Rs 29627.31 lakh.
- 5.6.4 The Commission admits the projected power purchase cost excluding cost of solar power and transmission and other incidental charges as tabulated below:

Agency	Projected			Admitted		
	Gross Purchased Energy	rate	Purchase Cost	Gross Purchased Energy	rate	Purchase Cost
NHPC	MU	p/kwh	(Rs Lakh)	MU	p/kwh	(Rs Lakh)
Rangit	32.68	365.97	1195.80	32.68	365.97	1195.80
Teesta	209.19	231.91	4851.31	209.19	231.91	4851.31
NTPC						
Talcher	73.13	283.11	2070.49	73.13	283.11	2070.49
Farakka -I & II	65.03	378.22	2459.43	65.03	378.22	2459.43
Farakka -III	216.62	438.11	9490.29	216.62	438.11	9490.29
Kahalgaoon -I	36.49	354.75	1294.46	36.49	354.75	1294.46
Kahalgaoon -II	71.52	350.47	2506.65	71.52	350.47	2506.65
Solar Power	65.53	1068.11	6998.91	65.53	1068.11	6998.91
PTC power from Bhutan						
Chukha (PTC)	172.40	229.00	3948.07	172.40	229.00	3948.07
Kurichu (PTC)	58.08	203.00	1179.02	58.08	203.00	1179.02
Tala (PTC)	181.23	202.00	3660.78	181.23	202.00	3660.78
MPL	778.24	377.56	29382.91	778.24	377.56	29382.91



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Agency	Projected			Admitted		
	Gross Purchased Energy	rate	Purchase Cost	Gross Purchased Energy	rate	Purchase Cost
Total Purchase cost including Solar Power	1960.13	352.21	69038.13	1960.14	352.21	69038.12
Total Purchase cost excluding Solar Power	1894.60	327.45	62039.22	1894.61	327.45	62039.21

The admitted power purchase cost for whole DVC is Rs 62039.21 lakh @ 327.45 p/kwh excluding RPO and transmission & associated incidental charges.

- 5.6.5 Transmission and other incidental charges related to power purchase as projected is allowed by the Commission as below:

Particulars	Projected	Admitted
POC TRANSMISSION, POSOCO, ULDC and PTC Transmission charge (Rs Lakh)	6763.28	6763.28
Contribution to ERPC fund (Rs Lakh)	16.00	16.00
Total (Rs Lakh)	6779.28	6779.28

- 5.6.6 The petitioner has projected Rs 6998.91 lakh for purchase of bundled Solar power of 65.53 MU @ 1068.11 p/kwh as per PPA with NVVN and NTPC for consumers of DVC in West Bengal and Jharkhand. As per the directives of Ministry of Power (MOP), Govt. of India (GOI), submitted with the petition, the solar power from NTPC Vidyut Vyapar Nigam Limited (NVVN) and NTPC are bundled with equal amount of coal power sourced from different generating stations of NTPC located in the eastern region. The projection of renewable energy rate is inclusive of STU transmission charges, if any. Additional solar power required to meet the RPO over the purchased solar power as per present contracts has been proposed to be met through purchase of solar REC @ 350.00 p/kwh. Non-solar renewable power obligation has been proposed to be met through purchase of non-solar REC @ 150.00 p/kwh.

- 5.6.7 The Commission finds from the copies of the directives of Ministry of Power (MOP), Govt. of India (GOI), dated 23.12.2010, 12.02.2013 and 12.09.2013 submitted with the petition, that such allocations of bundled solar power are made under Jawaharlal Nehru National



Solar Mission (Phase-I), Batch-II. The Commission admits such rate of bundled solar power at 1068.11 p/kwh as per regulation 6.1(v)(b) of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 as amended at tariff determination stage in the instant order subject to truing up in APR for 2017 – 18. The rates of Solar and Non-Solar REC are also admitted by the Commission.

5.6.8 The cost of purchase of Solar REC and Non-solar REC is admitted at Rs 8146.33 lakh for consumers of DVC in West Bengal excluding licensee in radial mode in the tariff determination stage subject to trueing up in APR for the year 2017 – 18.

5.6.9 Thus, the power purchase cost and transmission & associated incidental charges for whole DVC excluding cost of purchase of REC is allowed as below:

Particulars	Derivation	Projected	Admitted
POC TRANSMISSION, POSOCO, ULDC and PTC Transmission charge (Rs Lakh)	A	6763.28	6763.28
Contribution to ERPC fund (Rs Lakh)	B	16.00	16.00
Sub Total (Rs Lakh)	C = A + B	6779.28	6779.28
Power Purchase Cost including Transmission charge for DVC (Rs Lakh)	D	68818.50	68818.49
Percentage of share for sale in West Bengal	E	43.05	43.05
Power Purchase Cost including Transmission charge for Share of sale in West Bengal (Rs Lakh)	F = D x E	29627.31	29627.31
Net Power Purchase for sale in DVC (MU)	G	1960.13	1960.14
Net Power Purchase for Share of sale in West Bengal (MU)	H = G x E	827.85	827.85
Non-Admissible energy for Share of sale in West Bengal (MU) from Sl. No-16 of Table under Energy Balance	I	0	87.42
Less: Non-Admissible power purchase cost to supply consumer and Licensees in WB (Rs Lakh)	J = I x (D / G)		3069.23
Total cost of power purchase including Transmission charge excluding REC for sale in West Bengal (Rs Lakh)	K = F – J		26558.08

5.6.10 Thus the total power purchase cost including transmission & associated incidental charges



Tariff Order of DVC for the year 2017 – 2018

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and cost of purchase of REC for West Bengal part of DVC are admitted as follows:

Particulars	Projected	Admitted
Power Purchase Cost including Transmission charge for Share of sale in West Bengal (Rs Lakh)	29627.31	26558.08
Cost of Solar and Non-Solar REC for WB part (Rs Lakh)	8146.33	8146.33
Cost of power purchase including Tr. Charge and REC for WB part (Rs Lakh)	37773.64	34704.41

- 5.6.11 The power purchase cost from CSGS and Renewable Sources, as admitted by the Commission for sale to consumers of DVC in the command area in West Bengal are subject to true up in APR.

5.7 Interest on Working Capital:

- 5.7.1 DVC has projected interest on working capital on power purchase cost for the year 2017 – 2018 at Rs. 955.30 lakh as below:

Particular	2017-18
Total Power purchase cost for WB in Rs lakh	37773.64
Working Capital Requirement in West Bengal area in Rs lakh (@ 18% of Power Purchase cost)	6799.25
SBI PLR as per latest date (%)	14.05
Interest on working capital in Rs lakh	955.30

- 5.7.2 In terms of regulations 5.6.5.1 of the Tariff Regulations, as amended, working capital requirement shall be assessed on normative basis @ 18% on the base amount derived by summation of annual fixed charges and fuel and power purchase cost reduced by the amount of depreciation, deferred revenue expenditure, return on equity and other non cash expenditures such as, the provision for bad-debt, reserve for unforeseen exigencies, special



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appropriation against any withheld amount of previous year, arrear on account of adjustment due to Annual Performance Review , FPPCA, etc. It is also provided in the said regulation that where Monthly Variable Cost Adjustment (MVCA) exists the interest on working capital requirement will be 10% instead of 18%.

5.7.3 The Commission has introduced MVCA for all the distribution licensees with effect from April, 2011. The Commission, thus, considers the working capital requirement @ 10% only.

5.7.4 The Reserve Bank of India (RBI) has introduced the Marginal Cost of Funds based Lending Rate (MCLR) in April, 2016 to modify the existing base rate/ Retail Prime Lending Rate (RPLR) System in terms of notification dated 17.12.2015. According to the modified RBI guidelines, banks are required to calculate their MCLR which will be the internal benchmark lending rates. The actual loan pricing will be based on this benchmark depending on the credit standing of the customer and the existing relationship with the bank

5.7.5 In this regard, the Commission observes that the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, as amended from time to time, provides the rate of interest on working capital on normative basis and considers the rate as one-year MCLR of the State Bank of India issued from time to time plus 350 basis points.

One year Marginal Cost of Lending Rates (MCLR of the State Bank of India as on 1st April, 2016 was 9.20%. The Commission thus considers to admit the Interest on working capital at the rate of 12.70 % (9.20 % + 3.50 %) as per regulation 5.6.5.1 of Tariff regulations, 2011.

5.7.6 Thus, taking in view of the above consideration, the Commission has admitted the following interest on Working Capital for the Command area of West Bengal subject to truing up in the subsequent period:

(Rs Lakh)		
Sl. No	Particular	Admitted
1	Total Power purchase cost for WB part of DVC	34704.41
2	Water Cess on Generation	61.22
3	Interest on security deposit payable to West Bengal consumers	49.54
4	Diff petition filing fees to regulators and publication expenses	252.63



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Sl. No	Particular	Admitted
5	Legal Charges	69.20
6	Bad Debt write off for WB part of DVC	1880.61
7	Total [SUM (1:6)]	37017.61
8	Less: Bad Debt write off for WB part of DVC	1880.61
9	Total Net of Bad Debts (7 - 8)	35137.00
10	Rate of Working Capital Requirement	10.00%
11	Working Capital Requirement in West Bengal area [(9) x (10)]	3513.70
12	Normative Interest (%)	12.70
13	Interest on working capital [(11) x (12)]	446.24

5.8 Water cess, pollution cess, labour welfare cess:

5.8.1 In terms of Schedule – 5, item Sl. No. 2.1(f) of WBERC (Terms and Conditions of Tariff) Regulations, 2011, DVC has projected water cess, pollution cess, labour welfare cess etc. directly paid Rs 254.09 lakh to the concerned authorities of the State Govt. in respect of its different generating stations located in the state of West Bengal and Jharkhand . DVC has stated that such amounts of cess are not part of the generation tariff determined by CERC and has been claimed on projection basis by DVC from the consumers and beneficiaries pro rata with the station wise / unit wise capacity allocated to them. The proportionate projection for West Bengal part of DVC comes to Rs 109.39 lakh.

5.8.2 The Commission has estimated cess based on projected figure of DVC, share of generation to consumers and other licensee in radial mode in West Bengal and Jharkhand area of DVC as shown below:

Particulars	Derivative	Unit	Admitted
Water Cess and Environmental Cess for own generation of DVC	A	Lakh	254.09
Ex-Bus Own Generation of DVC	B	MU	34571.33
Ex-Bus Own Generation of DVC for Consumers	C	MU	19347.09
Cess for consumers of DVC	$D=A \times (C / B)$	MU	142.20
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	E	%	43.05
Cess for consumers of DVC in WB part	$F=D \times E / 100$	Lakh	61.22



- 5.8.3 Thus, the admitted amount of cess for consumers and other licensee in radial mode in West Bengal area of DVC comes as shown below:

Particulars	Unit	Projected	Admitted
Cess for consumers of DVC in WB part	Lakh	109.39	61.22

5.9 **Interest on Security Deposit to the consumers of West Bengal:**

The Petitioner has submitted a claim on interest on the Security Deposit for the consumers of West Bengal with a projection of about 6% over the previous year's value in anticipation of gradual increase in the number of consumers in West Bengal in the years to come of the control period. DVC has projected Rs. 49.54 lakh on this score for the year 2017 – 2018. The Commission allows the above claim of the petitioner subject to truing up in the APR in subsequent period.

5.10 **Projection of tariff petition filing fees and publication expenses:**

- 5.10.1 DVC has projected Rs 79.594 lakh for Tariff Filing Fees related to WBERC, Rs 46.852 lakh for Publication Expenses related to WBERC and Rs 511.67 lakh for Tariff filling fees & publication expenses to CERC for 2017 – 18. The projected and admitted Tariff Filing Fees and Publication Expenses related to WBERC for 2016 – 17 in the MYT order dated 25.05.2015 were Rs 26.25 lakh and Rs 2.87 lakh respectively, totaling to Rs 29.12 lakh. DVC has not clarified in its petition, the reason behind such manifold increase of Tariff Filing Fees and Publication Expenses related to WBERC in its projection. Thus, the Commission considers Rs 29.48 lakh, filing fees for the instant petition, as Tariff Filing Fees related to WBERC. Publication Expenses related to WBERC for 2017 – 18 is allowed at Rs 2.87 lakh as admitted in the tariff order for 2016 – 17. The Tariff Filing Fees and Publication Expenses related to CERC is admitted as projected by the petitioner. The admitted amount under this head is shown as below:



Tariff Order of DVC for the year 2017 – 2018

Rs lakh

Item	Derivative	Projected	Admitted
Tariff filing fees for WBERC	A	79.594	29.48
Publication expenses for WBERC	B	46.852	2.87
Licensee Fee	C	0.00	0.00
Fees for approval of power purchase agreement by WBERC	D	0.00	0.00
Total fees paid to WBERC and publication expense related to WBERC	E=SUM(A:D)	126.45	32.35
Tariff filing fees to CERC & related publication expenses	F	511.67	511.67
Share of sale in West Bengal against the total consumer sale of DVC in their command area (%)	G	43.05	43.05
Share for above in West Bengal Area	H = F x G	220.28	220.28
Total fees paid to WBERC & CERC and publication fees as admitted by the Commission	I = E + H	346.73	252.63

5.10.2 In APR petition for the year 2017 – 18, DVC will submit justification for increase in actual expense, if any, in respect of Tariff Filing Fees & Publication Expenses related to WBERC and Tariff filling fees & publication expenses related to CERC.

5.11 Transmission and distribution Expenses:

5.11.1 CERC has determined the tariff for composite transmission and distribution activities of DVC for the period 2014-19 vide orders dated 09.08.2019 and 05.02.2020. DVC has claimed proportionate cost for composite transmission and distribution expenses for West Bengal consumers in their ARR for the respective years on the basis of CERC orders. The Commission has considered that amount to arrive at the admissible amount for sale to consumers and other licensees in radial mode in West Bengal area on the basis of admitted utilization of energy during the respective year under the control period as below:

Particulars	Projected	Admitted
Normative Availability (NATAF)	98.00%	98.00%
Actual Yearly Availability (TAFY)	98.00%	98.00%



Tariff Order of DVC for the year 2017 – 2018

Particulars	Projected	Admitted
Total Annual Transmission charge (ATC) As per latest CERC Orders (Rs lakh)	37160.95	37160.95
Recoverable fixed charge as per CERC formula: ATC x (TAFY / NATAF) (Rs lakh)	37160.95	37160.95
Total Fixed Charge for T&D in DVC command area (Rs lakh)	37160.95	37160.95
Share of Sale in WB Command area of DVC (Rs lakh)	43.05	43.05
T&D Cost in WB Command area of DVC (Rs lakh)	15998.30	15998.30

5.11.2 DVC will submit truing up orders of CERC in APR stage for recovery of expenses under composite transmission and distribution network during the year.

5.12 Legal charges:

5.12.1 Legal charges of Rs 160.70 lakh for FY 2017-18 has been claimed by the petitioner on projection basis in respect of its distribution activity for consumers of DVC in the state of West Bengal and Jharkhand. Relevant format (Form-1.17) in terms of WBERC 'Terms and Conditions of Tariff' Regulations, 2011 and amendments thereof is submitted by them. The proportionate projection for West Bengal part of DVC comes to Rs 69.20 lakh. The Commission has admitted Rs 69.20 lakh under legal charges in the tariff order subject to truing up in APR stage.

5.13 Bad Debt

5.13.1 The petitioner has claimed around Rs. 3942.55 lakh towards bad debt at actuals and submitted that after final settlement with M/s Hindustan Cable Limited, the claimed amount has been written off in its Annual Accounts after final closure of that company recommended by BIFR and decided by Cabinet Committee on Economic Affairs (CCEA), GOI. However, minimum power supply based on request from Government Authority had to be continued by the petitioner, as submitted, even after suspension of its production operation from the



Tariff Order of DVC for the year 2017 – 2018

year 2003 which had further resulted in consequent non-payment / short payment of power supply bills.

5.13.2 The petitioner has further stated that the dues of M/s Hindustan Cable Limited which was written off during FY 2017-18 pertains to more than one previous year and the utility could not recover the dues of respective years in the concerned years since the bad debt was actually written off during 2017-18. As per the petitioner, if the annual gross sale value of the respective years when the dues started accruing is considered, then the written off amount remain way below the 0.5% ceiling as specified in the regulation 5.10.1. Accordingly, DVC has prayed before the Commission to allow the entire Bad Debt actually written off during 2017-18. The Commission has noted that the entire amount is claimed for West Bengal part of DVC.

5.13.3 The Commission admits Bad debt in tariff determination stage as below:

Particulars	Derivative	Amount
Firm Sale for WB part of DVC for consumers and other licensee in radial mode (Rs lakh)	A	404918.90
Sale to IPCL in radial mode in WB (Rs lakh)	B	6134.16
Sale to WBSEDCL in radial mode in WB (Rs lakh)	C	22662.64
Firm Sale for WB part of DVC for consumers excluding other licensee in radial mode (Rs lakh)	D=A - B - C	376122.10
Ceiling percentage of Gross Sale allowable as Bad Debt as per Regulation 5.10.1 of the Tariff Regulations	E	0.50%
Admitted Bad Debt for consumers of DVC (Rs lakh)	F= D x E	1880.61

5.14 Rebate on sale of power

5.14.1 The petitioner has prayed 'Rebate on Sale of Power' at Rs 5438.00 lakh on projection basis, for West Bengal part of DVC.

5.14.2 The Commission admits projected amount of Rs 5438.00 lakh under 'Rebate on Sale of Power' in the instant tariff order subject to trueing up in APR.



5.15 Non-Tariff Income

- 5.15.1 The petitioner has projected only 'Surcharge for Late Payments' at Rs 46676 lakh as income other than sale of energy for whole DVC command area in the state of Jharkhand and West Bengal. The petitioner has stated that the Delayed Payment Surcharge (DPS) amount for firm consumers is Rs. 466.76 Crore out of which DPS attributable to JBVNL is around Rs. 418 Crore. DVC has clarified that rebate received on purchase of power is adjusted, hence, the same was not again considered in the Non-Tariff Income.
- 5.15.2 The proportionate projection for West Bengal part of DVC comes to Rs 20094.66 lakh.
- 5.15.3 DVPCA has objected that Rs. 466.76 crores projected by DVC only includes Delayed Payment Surcharge whereas the actual non-tariff incomes as per Table-24 of Audited Accounts is Rs. 1123.24 crores. With reference to regulation 5.20, the objector has suggested to consider Rs 1123.24 crores as Non-Tariff income.
- 5.15.4 Any item booked under 'Other Income' in annual accounts of DVC does not necessarily qualify to be considered as Non-Tariff income for its retail business. In the instant tariff petition, as per submission of DVC, only the Late Payment Surcharge is the Non-Tariff income for its retail business. Therefore, in absence of further evidence, the Commission has considered only Late Payment Surcharge (LPS) or Delayed Payment Surcharge (DPS) as Non-Tariff Income for retail supply in West Bengal part of DVC in the instant tariff order. However, the Commission gives direction to DVC in subsequent paragraphs on non tariff income to be considered in APR.
- 5.15.5 The Commission has noted that out of Rs 466.76 crore as claim of Late Payment Surcharge (LPS) or Delayed Payment Surcharge (DPS) as Non-Tariff Income, Rs 418 Crore is attributable to Jharkhand Bijli Vitran Nigam Limited (JBVNL) which is in the state of Jharkhand. The Commission finds it prudent to consider Rs 4876 lakh (Rs 46676 lakh – Rs 41800 lakh) as Late Payment Surcharge from consumers of West Bengal part of DVC in Tariff determination stage. The petitioner will submit Auditor's certificate on Late Payment Surcharge (LPS) from consumers of only West Bengal part of DVC in APR petition for the year 2017 – 18 for examination by the Commission.



Tariff Order of DVC for the year 2017 – 2018

- 5.15.6 The Commission admits Rs 4876 lakh as Non-Tariff Income for West Bengal part of DVC in the instant tariff order as submitted by DVC. In the APR petition for the year 2017 – 18, DVC shall submit clarification against each element of other income of power business of Audited Annual Accounts for 2017 – 18 which are excluded by them from Non-Tariff Income in the APR petition. The Commission will decide after examination of such evidences as per provisions in the regulation.
- 5.16 **Interest on temporary financial accommodation**
- 5.16.1 The petitioner has claimed cost of Temporary Financial Accommodation at Rs 35939 lakh for whole DVC due to short term cash credit to make good the short/delayed payment by consumers including JBVNL who is the major payment defaulter, since, the Non-Tariff Income has been adjusted in the proposed ARR in which also JBVNL is the major contributor. Source wise details of such short-term cash credit (booked in the Annual Accounts under the head 'Line of Credit') in the relevant format Form 1.17(a) have been submitted by the utility. The proportionate claim for West Bengal part of DVC comes to Rs 15472.33 lakh.
- 5.16.2 DVPCA has objected to allow any amount under this head referring the APR Order dated 31.05.2021 of the Commission for the years 2009 – 10 to 2013 – 14, 'Short term Bank Borrowing (Line of Credit)' of Audited Accounts of 2017 – 18 and absence of a reconciliation with the audited accounts, all detailed in para 3.2.5 of this order.
- 5.16.3 Regulation 5.6.5.4 of the Tariff Regulations specifies that the Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company/ licensee from any source to a reasonable extent of unrealized arrears from the consumers / beneficiaries.
- 5.16.4 The Commission finds that, as per the petitioner's submission, Temporary Financial Accommodation for whole DVC is due to short term cash credit to make good the short/delayed payment by mainly JBVNL along with other consumers. This is also evident from the Audited Annual Accounts of DVC for the year 2017 – 18, that Short term line of Credit of Rs 4100 crore is for financing overdues of Jharkhand State Electricity Board and



Tariff Order of DVC for the year 2017 – 2018

not related to the Arrears of Consumers of West Bengal. Therefore, the Commission finds it prudent not to allow any amount for Interest on temporary financial accommodation for consumers of West Bengal part of DVC in the instant tariff order.



Tariff Order of DVC for the year 2017 – 2018

Annexure-5A

Sl No	Name of the generating Station	Ex- bus Energy	Percentage share of generation for firm consumers	Share of Energy for sale to consumers of DVC	Share for sale to consumers in West Bengal	Share of Energy for sale to consumers in West Bengal	Normative Availability NAPAF	Actual Availability (PAFY)	AFC as per CERC order	Allowable Fixed cost for DVC consumers as per PAF	Energy charge	Energy charge	Total Cost of Generation	Cost of generation for share to consumers in West Bengal
		(MU)	(%)	(MU)	(%)	(MU)	(%)	(%)	Rs. lakh	Rs. lakh	Paise/kWh	Rs. lakh	Rs. lakh	Rs. lakh
1	2	3	4	$[(5) = (3) \times (4)/100]$	6	$[(7) = (5) \times (6)/100]$	8	9	10	11(\$)	12	$[(13) = (5) \times (12)/10]$	$[(14) = (11) + (13)]$	$[(15) = (14) \times (6)/100]$
1	BTPS 'B'	1640.61	100.00%	1640.61	43.05	706.31	75	43.4	15514.57	8977.76	267.40	43869.91	52847.68	22751.65
2	CTPS U#1 to 3	1029.88	100.00%	1029.88	43.05	443.38	75	43.4	10346.10	5986.94	328.50	33831.56	39818.50	17142.41
3	DTPS U# 4	684.37	100.00%	684.37	43.05	294.63	74	51.8	10951.49	7666.04	361.50	24739.98	32406.02	13951.24
4	MTPS U#1 to 3	2345.62	100.00%	2345.62	43.05	1009.82	83	57.49	34614.58	23975.81	261.50	61337.96	85313.77	36728.75
5	MTPS U# 4	789.39	100.00%	789.39	43.05	339.84	85	57.95	14929.23	10178.22	261.50	20642.55	30820.77	13268.77
6	HYDEL	260	100.00%	260	43.05	111.93	80	80	6741.22	6741.22	0.00	0.00	6741.22	2902.19
7	MTPS U# 5 & 6	2656.29	32.85%	872.7	43.05	375.71	85	76.64	46358.38	13732.62	259.10	22611.66	36344.27	15646.71
8	MTPS U# 7 & 8	5690.69	44.48%	2531.18	43.05	1089.71	83	78.56	104110.68	43830.56	251.90	63760.42	107590.98	46319.4
9	CTPS U# 7 & 8	2637.18	0.00%	0	43.05	0	83	76.16	53806.68	0.00	249.40	0.00	0.00	0
10	DSTPS U # 1 & 2	5491.71	62.88%	3453.32	43.05	1486.7	83	76.16	113267.29	65355.55	263.30	90925.92	156281.46	67281.32
11	KTPS U# 1 & 2	5029.52	64.54%	3245.93	43.05	1397.42	83	70.6	119812.01	65771.73	238.90	77545.27	143317.00	61699.94
12	BTPS 'A'	1857.67	45.14%	838.47	43.05	360.97	83	55	72981.34	21828.16	213.62	17911.06	39739.22	17108.28
13	RTPS U # 1&2	4458.40	37.13%	1655.62	43.05	712.77	83	55	139837.32	34410.24	230.59	38176.74	72586.98	31249.70
14	Total	34571.33		19347.09		8329.19			743270.89	308454.85		495353.02	803807.87	346050.36

Note: (\$) (11) = $\{(10) \times (9) / (8)\} \times (5) / (3)$

**CHAPTER – 6****SUMMARISED STATEMENT OF AGGREGATE REVENUE
REQUIREMENT & REVENUE RECOVERABLE THROUGH TARIFF
FOR THE YEAR 2017-18**

- 6.1 Based on the analyses and findings recorded in the foregoing chapters the statements of Aggregate Revenue Requirement (ARR) for the year 2017 – 18 are given below:

Rs lakh

Particulars	Unit	Derivative	Projected	Admitted
Power Purchase Cost	Rs Lakh	A	37773.64	34704.41
Generation cost	Rs Lakh	B	356537.54	346050.36
Cess on Generation	Rs Lakh	C	109.39	61.22
Transmission and distribution cost	Rs Lakh	D	15998.30	15998.30
Interest on Working capital	Rs Lakh	E	955.30	446.24
Interest on security deposit payable to West Bengal consumers	Rs Lakh	F	49.54	49.54
Interest on Temporary Accommodation	Rs Lakh	G	15472.23	0.00
Diff petition filing fees to regulators and publication expenses	Rs Lakh	H	346.73	252.63
Legal Charges	Rs Lakh	I	69.20	69.20
Rebate on sale of Power	Rs Lakh	J	5438.00	5438.00
Bad debt write off	Rs Lakh	K	3942.55	1880.61
Gross Total	Rs Lakh	L=SUM(A:K)	436692.42	404950.51
Less: Non-tariff income	Rs Lakh	M	20094.66	4876.00
Net ARR for sale to consumers and Licensees in radial mode in West Bengal	Rs Lakh	N=L – M	416597.76	400074.51
Sale to IPCL in radial mode in WB	Rs Lakh	O	6134.16	6134.16
Sale to WBSEDCL in radial mode in WB	Rs Lakh	P	22662.64	22662.64
Net ARR for Sale to consumers excluding Licensees in radial mode in West Bengal	Rs Lakh	Q= N - (O+P)	387800.96	371277.71



Tariff Order of DVC for the year 2017 – 2018

- 6.2 In the APR order in respect of DVC for the years 2009 – 10 to 2013 – 14 in cases no. APR-53/15-16, the Commission had decided the following:
- 6.2.1 The entire recoverable amount of Rs. 5365.92 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2017 – 2018 or that for any other ensuing year or through a separate order, as may be decided by the Commission.
- 6.2.2 The decision of the Commission in this regard will be given in the tariff order of DVC for the year 2017 – 2018 or any ensuing year or in a separate order.
- 6.3 In para 5.4 of the APR order dated 19.07.2021 in respect of DVC for the years 2006 – 07 to 2008 – 09 in cases no. APR-81/20 – 21, the judgement and direction of the Commission was recorded as follows:
- 6.3.1 The entire recoverable amount of Rs. 61965.91 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2017 – 2018 or that for any other ensuing year, as may be decided by the Commission.
- 6.3.2 In the tariff order of the Commission dated 19.06.2020, for the years 2006 – 2007 to 2008 – 2009, DVC was directed to make adjustments, if any, for over recovery or under recovery for the period from respective consumers in compliance with the order dated 05.03.2019 passed by The Hon'ble High Court, Calcutta in W.P. No 5063 (W) of 2019. In the issue of refund of excess amount billed, the Court had mentioned para 107 of APTEL order dated 10.05.2010 in which DVC was directed to adjust the excess amount recovered, along with interest at the rate of 6% per annum, in 24 equal monthly prospective instalments.
- 6.3.3 While implementing the tariff order, DVC has been passing on the carrying cost with interest @ 6% per annum to individual consumers as computed till the last instalment, in line with the order dated 05.03.2019 passed by The Hon'ble High Court, Calcutta.
- 6.3.4 Following the same principle as laid out in the Tariff order dated 19.06.2020 for the years



Tariff Order of DVC for the year 2017 – 2018

2006 – 07 to 2008 – 09, carrying cost at the same rate i.e. simple interest of 6% per annum will be applicable on the yearly revenue gap.

6.3.5 The carrying cost shall be applicable since 01.04.2007, 01.04.2008 and 01.04.2009 on the yearly revenue gaps for the years 2006 – 2007, 2007 – 2008 and 2008 - 2009 respectively, upto the period till such recoverable amount is allowed to be recovered by DVC.

6.3.6 The decision of the Commission in this regard will be given in the tariff order of DVC for the year 2017 – 2018 or any ensuing year.

6.4 The petitioner, in its submission dated 16.08.2021, has prayed adjustment of Rs. 391.85 Crore which is inclusive of the revenue-gap of Rs. 53.66 Crore for FYs 2009-14 period, principal amount of Rs. 180.85 Crore for FYs 2006-07 with respective carrying cost of Rs. 157.34 Crore computed upto the month of September 2021 anticipating issuance of retail tariff order within September 2021 along with adjustment of Revenue-gap. However, DVC has proposed carrying cost amount to be computed based on the date of tariff order or the date when such recovery is allowed to DVC by this Commission.

6.5 The Commission now decides to adjust with the ARR for 2017 – 2018, an amount of Rs. 5365.92 lakh of APR Order dated 31.05.2021 for the years 2009 – 10 to 2013 – 14, revenue gap of Rs 18084.90 lakh for the year 2006 – 07, Rs 16276.50 lakh carrying cost on revenue gap of Rs 18084.90 lakh computed upto 31.03.2022 as per the APR Order dated 09.07.2021 for the years 2006 – 07 to 2008 – 09 to determine the revenue to be recovered through tariff for the year 2017 – 18. The total revenue gap to be adjusted in this tariff order is Rs 39727.32 Lakh is as tabulated below:

Rs lakh

Particulars	Derivative	Claimed	Admitted
Revenue Gap as per WBERC Order dtd 31.05.2021	A	5366.00	5365.92
Revenue Gap of FY07 as per WBERC Order dtd 19.07.2021	B	18085.00	18084.90
Carrying Cost @ 6% per Year on B above [#]	C	15734.00	16276.50
Total Regulatory Asset including Carrying Cost	D=A+B+C	33819.00	39727.32



Tariff Order of DVC for the year 2017 – 2018

Particulars	Derivative	Claimed	Admitted
Note[#]: DVC has computed carrying cost till September 2021 and the Commission till March 2022			

- 6.6 The Commission now works out the revenue to be recovered through tariff for 2017 – 2018 and the same is shown in the table below:

Particulars	Unit	Derivative	Projected	Admitted
Net ARR for Sale to consumers excluding Licensees in radial mode in West Bengal	Rs Lakh	A	387800.96	371277.71
Sale to consumers excluding Licensees in radial mode in West Bengal	MU	B	8198.66	8198.66
Revenue Gap as per WBERC Order dtd 31.05.2021	Rs Lakh	C	5366.00	5365.92
Revenue Gap of FY07 as per WBERC Order dtd 19.07.2021	Rs Lakh	D	18085.00	18084.90
Carrying Cost @ 6%/ Year	Rs Lakh	E	15734.00	16276.50
Total Regulatory Asset including Carrying Cost	Rs Lakh	F=C+D+E	33819.00	39727.32
ARR with revenue-gap	Rs Lakh	G=A+F	426960.00	411005.03
Average Tariff	Rs /kWh	H=G/B	5.21	5.0131

- 6.7 On the basis of above analysis and the revenue recoverable for supply of power to the consumers as mentioned in Average Cost of supply above, the detailed tariff structure for different classes of consumers and other terms and conditions related to tariff for the years 2017 – 2018 are provided in chapter -7 of this order.



CHAPTER – 7

TARIFF ORDER FOR 2017 – 18

- 7.1 In the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined for DVC the revenue recoverable through tariff during 2017 – 2018 and the average tariff for the consumers of DVC in the State of West Bengal for 2017 – 2018 as well. The Commission now proceeds to determine the tariff schedule applicable to the consumers of DVC and also the associated conditions of tariff of DVC for 2017 – 2018. The Commission is passing other orders also as mentioned in subsequent paragraphs.
- 7.2 For the year 2017 – 18, the Commission determines the tariff schedule for DVC considering the revenue recoverable from the consumer. Accordingly, the Tariff schedule for 2017 – 18 is given in Annexure 7A1 for LV & MV consumers and at Annexure 7A2 for HV & EHV consumers. The said tariff structure has been designed in a manner to fulfil the objective of attaining average tariff of each class of consumers within 80% to 120% of the average cost of supply (501.31 paise / kWh as per paragraph 6.6 of this order) except for lifeline consumers. For lifeline consumers the tariff has been kept at least of about 50% of average cost of supply in line with the guidelines in paragraph 8.3 of National Tariff Policy.
- 7.3 DVC has also projected sale of electricity at low voltage during the 5th control period. Moreover, the Commission has already given direction to DVC to build up their LT infrastructure to give electric supply to all consumers under their area of supply in West Bengal. The Commission thus considers to specify the tariff schedule for low and medium voltage consumers.
- 7.4 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 of the Tariff Regulations. Other associated conditions of the tariff as per tariff order for the year 2016 – 2017 shall continue to prevail.
- 7.5 All the rates and conditions of tariff mentioned above are effective from 1st April 2017 and will continue till further order of the Commission.



Tariff Order of DVC for the year 2017 – 2018

- 7.6 Any adjustments in energy bills for the period from 01.04.2017 to till date shall be made by DVC in eight (08) equal monthly instalments in the bills for the month of June 2022 and onwards.
- 7.7 In addition to the tariff determined under this tariff order, DVC will be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. Thus, DVC shall compute the energy charge rate for their own generating stations as per formula given in CERC Tariff Regulations for any change in fuel price after the date of effect of this order and shall adjust the same in the adjustment to be made as per paragraph 7.6. The generation cost for own generating stations and power purchase cost are subject to adjustment in accordance with the Tariff Regulations on the basis of tariff order passed / to be passed by the CERC for the respective generating units for the period 2014 – 2019.
- 7.8 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.
- 7.9 This is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for DVC. If at all any such subsidy under the provisions of the Act is intimated to DVC and to the Commission by the Government of West Bengal with clear indication of the consumer or class of consumers to be subsidized and the amount of the subsidy proposed to be given is paid in advance, the tariff of such consumer and / or the class of consumers shall be deemed to have been reduced accordingly as has been indicated by the State Government. However, such direction of the State Government shall not be operative till the payment is made by the State Government in accordance with the provisions of the Act and the Regulations made thereunder, and the tariff as fixed by the Commission shall remain applicable. In accordance with the Tariff Regulations, the State Government is required to communicate the decision to DVC and the Commission within 15 days from the date of receipt of the tariff order, whether it shall give any subsidy to any group of consumers etc.
- 7.10 This order passed by the Commission shall be subject to any order which may be passed



Tariff Order of DVC for the year 2017 – 2018

by the Hon'ble High Court at Calcutta in Case No: RVW No 126 of 2021 and CAN No 1 of 2017.

- 7.11 DVC shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulation 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 the aforesaid regulation within four working days from the date of receipt of the approval of the Commission.

LOW AND MEDIUM VOLTAGE CONSUMERS



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II						
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon		
1.	Lifeline (Domestic)	D (LL)	Normal	All Units	250	5	Not Applicable					Not Applicable						
2	Domestic (Rural) or Domestic (Urban)	D(L)	Normal	First 34 Units	335	15	D(Lpp)	Prepaid	All Units	520	15	Not Applicable						
				Next 26 Units	380													
				Next 40 Units	495													
				Next 100 Units	535													
				Next 100 Units	555													
				Above 300 Units	585													
3.	Commercial (Rural) or Commercial (Urban) below 30 KVA	C(L)(ia)	Normal	First 60 Units	455	30	C(Lt)(ia)	Normal TOD	06.00 hrs to 17.00 hrs	All units	535	30	C(Ltp)(ia)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	525	30
				Next 40 Units	520				17.00 hrs to 23.00 hrs.	All units	589				17.00 hrs to 23.00 hrs.	All units	579	
				Next 50 Units	545				23.00 hrs to 06.00 hrs	All units	449				23.00 hrs to 06.00 hrs	All units	441	
				Next 150 Units	565													
				Above 300 Units	595													
4.	Irrigation	Rate C(at)	Normal TOD	06.00 hrs to 17.00 hrs	All units	255	30	Rate C(atpp)	Pre-Paid TOD	06.00 hrs to 17.00 hrs	All units	250	30	Not Applicable				
				17.00 hrs to 23.00 hrs.	All units	485				17.00 hrs to 23.00 hrs.	All units	725						
				23.00 hrs to 06.00 hrs	All units	153				23.00 hrs to 06.00 hrs	All units	150						

LOW AND MEDIUM VOLTAGE CONSUMERS

5.	Commercial Plantation	Rate A(Cm-Ptpp)	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	525	50	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs.	All units	774			
				23.00 hrs to 06.00 hrs	All units	315			
6.	Short Term Irrigation Supply	Rate C(stppt)	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	490	30	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs.	All units	946			
				23.00 hrs to 06.00 hrs	All units	321			
7.	Short Term supply for Commercial Plantation	Rate A (Cm-STptpp)	Pre-paid TOD	06.00 hrs to 17.00 hrs	All units	535	50	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs.	All units	1032			
				23.00 hrs to 06.00 hrs	All units	347			
8.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	545	50	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs.	All units	599			
				23.00 hrs to 06.00 hrs	All units	507			

LOW AND MEDIUM VOLTAGE CONSUMERS

9.	Government School, Government aided School or Government Sponsored School	Rate GS(L)	Normal	On all Units	485	25	Rate GS(L)T	Normal - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All units	475	25	Not Applicable					
								17.00 hrs to 20.00 hrs.	All units	523								
								23.00 hrs to 06.00 hrs	All units	461								
10.	Public utility/ Specified Institution/ Public Bodies Municipal or Non-Municipal	Rate PU(LT)	Normal	On all Units	520	30	Rate PUpp (LT)	Prepaid	On all Units		510	30	Rate PUppt (LT)	Prepaid TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All units	500	30
														17.00 hrs to 20.00 hrs.	All units	550		
														23.00 hrs to 06.00 hrs	All units	465		
11.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate C(L)(ii)	Normal	All Units	505	30	Rate Cppt (L) (ii)	Prepaid - TOD	06.00 hrs - 17.00 hrs	All Units	495	30	Not Applicable					
								17.00 hrs to 23.00 hrs	All Units	544								
								23.00 hrs to 06.00 hrs	All Units	460								
12.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate C(L)(iii)	Normal	All Units	515	30	Rate Cppt (L) (iii)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	505	30	Not Applicable					
								17.00 hrs to 23.00 hrs	All Units	556								
								23.00 hrs to 06.00 hrs	All Units	470								

LOW AND MEDIUM VOLTAGE CONSUMERS

13.	Public Water Works & Sewerage System	Rate B (II)	Normal	On all Units	505	50	Rate B (II)ppt	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	All Units	495	50	Not Applicable	
								17.00 hrs to 20.00 hrs.	All Units	692				
								23.00 hrs to 06.00 hrs	All Units	325				
14.	Industry	Rate I(L)	Normal	All Units	515	50	Rate It(L)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	505	50	Not Applicable	
								17.00 hrs to 23.00 hrs	All Units	707				
								23.00 hrs to 06.00 hrs	All Units	333				
15.	Street Lighting	Rate D(1)	Normal	On all Units	494	50	Not Applicable					Not Applicable		
16.	Street Lighting with LED	Rate D(6)	Normal	On all Units	455	50	Not Applicable					Not Applicable		
17.	Private Educational Institutions and Hospitals	Rate S (L)	Normal	On all Units	524	50	Rate St (L)	Normal TOD	06.00 hrs to 17.00 hrs	All Units	514	50	Not Applicable	
								17.00 hrs to 23.00 hrs	All Units	565				
								23.00 hrs to 06.00 hrs	All Units	478				
18.	Emergency Supply	Rate D (2)	Prepaid-TOD	06.00 hrs to 17.00 hrs	On all Units	575	50	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs	On all Units	805								
				23.00 hrs to 06.00 hrs	On all Units	380								

LOW AND MEDIUM VOLTAGE CONSUMERS

19.	Construction Power Supply	Rate D (3)	Prepaid-TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	524	50	Not Applicable					Not Applicable
				17.00 hrs to 20.00 hrs.	On all Units	733							
				23.00 hrs to 06.00 hrs	On all Units	346							
20.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate D(4)	Normal	All units	514	30	Rate D(4)t	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	504	30	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	554		
									23.00 hrs to 06.00 hrs	All Units	469		
21.	Common Services of Industrial Estate	Rate D(5)	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	514	50	Not Applicable					Not Applicable
				17.00 hrs to 20.00 hrs.	On all Units	720							
				23.00 hrs to 06.00 hrs	On all Units	341							

Note :- * Fixed Charge will be applicable for the Consumer having Contract Demand below 50 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 50 KVA and above.

HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Type of Consumer		Applicable Tariff Scheme							Optional Tariff Scheme									
SI No		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)		
													P/kWh		P/kWh			
					Summer	Monsoon	Winter								Summer		Monsoon	Winter
1.	Public Utility	Rate PU (H)	Normal	All Units	474	471	468	384	Rate PU (Ht)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	464	462	460	384		
											17.00 hrs-20.00 hrs	All Units	551	548	546			
											23.00 hrs-06.00 hrs	All Units	390	388	386			
2.	Industries (11 KV)	Rate I-1 (H)	Normal	All Units	480	478	476	384	Rate I (Ht)	TOD	06.00 hrs-17.00 hrs	All Units	470	468	466	384		
											17.00 hrs-23.00 hrs	All Units	564	562	559			
											23.00 hrs-06.00 hrs	All Units	400	398	396			
3.	Industries (33 KV)	Rate I-2 (H)	Normal	All Units	468	466	464	384	Rate I-2 (Ht)	TOD	06.00 hrs-17.00 hrs	All Units	459	457	455	384.		
											17.00 hrs-23.00 hrs	All Units	550	548	545			
											23.00 hrs-06.00 hrs	All Units	391	388	388			
4.	Industries (132 KV)	Rate I-3 (H)	Normal	All Units	454	452	450	384	Rate I-3 (Ht)	TOD	06.00 hrs-17.00 hrs	All Units	444	442	440	384.		
											17.00 hrs-23.00 hrs	All Units	533	530	528			
											23.00 hrs-06.00 hrs	All Units	377	376	374			

HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Type of Consumer		Applicable Tariff Scheme							Optional Tariff Scheme								
SI No		Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
5.	Industries (220 KV and above)	Rate I-4 (H)	Normal	All Units		439	437	435	384	Rate I-4 (Ht)	TOD	06.00 hrs-17.00 hrs	All Units	429	427	425	384.
												17.00 hrs-23.00 hrs	All Units	515	512	510	
												23.00 hrs-06.00 hrs	All Units	365	363	361	
6.	Community Irrigation/ Irrigation	Rate AI (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	479	475	471	60	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	957	949	941									
				23.00 hrs-06.00 hrs	All Units	288	286	283									
7.	Commercial Plantation	Rate S (cp)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	494	491	489	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	691	687	684									
				23.00 hrs-06.00 hrs	All Units	326	324	323									
8.	Short Term Irrigation Supply	Rate S (stis)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	494	489	484	60	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	664	654	644									
				23.00 hrs-06.00 hrs	All Units	297	294	291									
9.	Short Term Supply for Commercial Plantation	Rate S(stcp)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	504	502	500	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	705	703	700									
				23.00 hrs-06.00 hrs	All Units	303	301	300									

HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No		Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
SI No		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)
					P/kWh								P/kWh			
					Summer	Monsoon	Winter						Summer	Monsoon	Winter	
10.	Commercial	Rate C (H)	Normal	All Units	489	486	483	384	Rate C (Ht)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	479	474	469	384
											17.00 hrs-23.00 hrs	All Units	575	569	563	
											23.00 hrs-06.00 hrs	All Units	407	403	399	
11.	Domestic	Rate D (H)	Normal	All Units	514	511	508	60	Rate D (Ht)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	504	498	492	60
											17.00 hrs-23.00 hrs	All Units	554	548	541	
											23.00 hrs-06.00 hrs	All Units	469	463	458	
12.	Public Water Works & Sewerage	Rate PWW (H)	Normal	All Units	469	465	461	384	Rate PWW(Ht)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	459	454	449	384
											17.00 hrs-20.00 hrs	All Units	643	636	629	
											23.00 hrs-06.00 hrs	All Units	303	299	296	
13.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S (c)	Normal	All Units	514	504	494	60	Not Applicable							
14.	Cold storage or Dairy with Chilling Plant	Rate S (pi)	Normal	All Units	479	474	469	384	Rate S (pit)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	469	463	457	384
											17.00 hrs-23.00 hrs	All Units	563	556	548	
											23.00 hrs-06.00 hrs	All Units	399	394	388	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Type of Consumer		Applicable Tariff Scheme							Optional Tariff Scheme								
SI No		Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)
						P/kWh											
						Summer	Monsoon	Winter									
15.	Emergency Supply	Rate E (em)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	573	571	569	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	802	799	797									
				23.00 hrs-06.00 hrs	All Units	379	378	376									
16.	Construction Power Supply	Rate E (con)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	521	519	517	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	729	726	724									
				23.00 hrs-06.00 hrs	All Units	481	479	478									
17.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate S (co)	Normal	All Units	509	505	501	60	Rate S (cot)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	499	494	489	60	
											17.00 hrs-23.00 hrs	All Units	549	543	538		
											23.00 hrs-06.00 hrs	All Units	510	505	500		

HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Type of Consumer		Applicable Tariff Scheme							Optional Tariff Scheme									
SI No		Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month	Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month	
P/kWh						P/kWh												
Summer	Monsoon					Winter	Summer	Monsoon						Winter				
18.	Common Services of Industrial Estate	Rate – E (ict)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	462	459	456	384	Not Applicable								
				17.00 hrs-20.00 hrs	All Units	554	643	638										
				23.00 hrs-06.00 hrs	All Units	393	303	301										
19.	Traction	Rate T	Normal	All Units		455	453	450	384	Not Applicable								
20.	Short-term Supply	Rate S (ST)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	563	561	559	384	Not Applicable								
				17.00 hrs-23.00 hrs	All Units	685	682	679										
				23.00 hrs-06.00 hrs	All Units	342	340	338										
21.	Private Educational Institutions	Rate E (ei)	Normal	All Units		479	476	473	384	Rate E(ei)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	469	463	457	384	
											17.00 hrs-23.00 hrs	All Units	515	509	502			
											23.00 hrs-06.00 hrs	All Units	480	474	467			



CHAPTER – 8

DIRECTIONS

- 8.1 The Commission has given some directions in different paragraphs in Chapter-5 and 6 of this order while determining the variable cost and fixed cost of DVC. DVC shall comply with those directions.
- 8.2 The Commission had given certain directions to DVC in the tariff order issued on 03.03.2017 for the year 2016 – 2017. The Commission also gave directions from time to time for compliance with by DVC. Some of the directions are of continuous nature and DVC has to continue with compliance of these directions.
- 8.3 All the directions called for in this chapter are in addition to what are statutorily required to be submitted, either in terms of the Act, any of the Regulations made thereunder, or both, for the purpose of submission in the Annual Performance Review of 2017 – 2018.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

DATED: 05.05.2022

Sd/-
SECRETARY