



ORDER

OF

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEARS 2023 – 2024 AND 2024 – 25

IN

CASE NO: TP – 102 / 22 – 23

**REGARD TO THE TARIFF APPLICATION OF CESC LIMITED FOR
THE YEARS 2023 – 2024, 2024 – 2025 AND 2025 – 2026 UNDER**

SECTION 64(3)(a)

**READ WITH SECTION 62(1) AND SECTION 62(3)(a) OF THE
ELECTRICITY ACT, 2003**

PRESENT:

**DR MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 03.09.2024



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 the 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 CESC Limited, a Company under the Companies Act, 1956, is a distribution licensee in the State of West Bengal for supply of electricity in Kolkata and some areas in the districts of Howrah, Hooghly, North 24 Parganas and South 24 Parganas of the State. It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the Act.
- 1.3 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 three ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time.
- 1.4 CESC Limited, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the years 2023-2024, 2024-2025 and 2025 – 2026 under the eighth control period and submitted the same to the Commission. This tariff application was admitted by the Commission and was numbered as TP-102/22-23.
- 1.5 CESC Limited was thereafter directed by the Commission vide its letter no. WBERC/TP-102/22-23/4050 dated 4th July, 2023 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



simultaneously on 10th July, 2023 in 'Bartaman' (Bengali), 'Aajkaal' (Bengali), 'Bartaman Patrika' (Hindi) and 'The Telegraph' (English). The gist along with the tariff petition was also posted in the website of CESC Limited. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of CESC Limited for the 8th control period and requested for submission of suggestions, objections and comments, if any, to the Commission within 21 days from the date of publication of the gist. Accordingly, the last date of submission of suggestion, objections and comments was 30.07.2023. Opportunities were also afforded to all to inspect the tariff application following the procedure laid down in West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended.

- 1.6 The suggestions, objections and comments on the aforementioned application of CESC Limited for determination of tariff for the eighth control period was received from Reliance Jio Infocomm Ltd., Bharti Airtel Ltd. and Summit Digital Infrastructure Ltd. within the specified time limit and the same have been recorded in a summarized form in Chapter 3 of the instant order.
- 1.7 The Commission now proceeds to determine the tariff in accordance with the Electricity Act, 2003 and the Tariff Regulations framed thereunder and for this purpose, to arrive at the estimated expenditure / cost under different heads for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026, the Commission has estimated the expenditure for 2022 – 2023.
- 1.8 The estimation made for 2022-2023 by the Commission in this order shall not be construed by CESC Limited as admission of at least such estimated amount in APR for 2022-2023. On the other hand, if in APR any deduction is made then as a conclusion from such decision one shall not expect that the impact of such deduction is to be continued in eighth control period as this will tantamount to imposing a penalty of infinite nature or double penalty for the same inefficiency.



CHAPTER - 2 THE CASE OF CESC LIMITED

- 2.1 CESC Limited (in short 'applicant') has submitted the application for determination of Annual Revenue Requirements (ARR) and tariffs for the eighth control period, covering the years 2023-2024, 2024-2025 and 2025 – 2026 in accordance with the Tariff Regulations as amended. The applicant has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 CESC Limited has prayed for an average tariff of 1085.57 paise per unit, 1082.70 paise per unit and 1073.61 paise per unit for the years 2023-2024, 2024-2025 and 2025 – 2026 respectively which is higher than the average tariff of 730.61 paise per unit allowed by the Commission for the base year 2022-23. The applicant claimed that the average cost has been derived based on projected sales to own consumers of 10502 MU for 2023 – 2024, 10843 MU in 2024 – 2025 and 11197 MU for 2025 – 2026 respectively. The applicant has claimed that there have been sharp increases in prices of both primary and secondary fuel and that the Company, notwithstanding such steep rise in fuel costs coupled with inflationary pressure, is able to contain its prayer to a reasonable level due to several efficiency measures undertaken by it in line with the Commission's directions.
- 2.3 In the tariff application several charts have been furnished by CESC Limited showing demand growth, plant availability and generation.
- 2.4 CESC Limited has submitted that it is alive to its environmental and safety responsibilities at the same time they are simultaneously augmenting network at all levels of distribution system for ensuring security of supply.
- 2.5 It has been submitted that in achieving a robust, reliable network in Kolkata, with rising fuel cost affecting the cost of power procurement from all long term sources, increase in input costs, inflationary pressure and to ensure energy security, reliability and to sustain at present level of operational performance, it is imperative to enhance tariff adequately.



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- 2.6 CESC Limited also submits that they have continued providing 24x7 power supply to all its consumers. Added to such onerous obligations, the distribution licensees are required to combat the social menace of power theft and in doing so CESC Limited has to run its theft control operation in a hostile environment, often involving physical violence. CESC Limited suggests that the same should be achieved by ensuring revenue sufficiency to meet its costs and by allowing it a return commensurate with the risks it takes.
- 2.7 CESC Limited has sought to illustrate through charts that even in the face of a high inflationary trend over last several years, its average tariff has not been increased significantly during that period.
- 2.8 CESC Limited has submitted that they are witnessing significant growth in peak demand over the last few years. In order to maintain high demand, CESC Limited has been making substantial investments towards regular maintenance of network infrastructure. In this connection, a chart showing the growth in demand including projected demand for the eighth control period has been submitted along with the petition.
- 2.9 CESC Limited has submitted that both quantum and coverage of demand charge / fixed charge may be looked into for appropriate recovery of fixed cost incurred by the company. They have also submitted that power factor rebate/ surcharge may be introduced for LT industrial consumers having connected load of 30 kVA and above.
- 2.10 CESC Limited has submitted their performance on the basis of achieved PAF and claimed that they have succeeded in maintaining the PAF of its generating stations at the highest levels and PLF to the extent found cost effective in the consumers' interest. The Company has submitted annual report on standards of performance relating to consumer services to the Commission in terms of applicable regulations.
- 2.11 CESC Limited has submitted that while the company has handled the inflationary pressure well in the past through sustained performance improvement, the same impacted the Company adversely.
- 2.12 CESC Limited has informed that a new scheme named "Hasir Alo", announced by Government of West Bengal (GoWB) in March 2020, has been implemented in terms of the



order of the Hon'ble Commission dated 21 March 2020 in Case No. A-6/14/G.0. Under the scheme, full subsidy (including meter rent) is to be provided to the "Lifeline Domestic" consumers with connected load upto 0.3 kW having quarterly consumption of 75 Units or monthly consumption of 25 Units. The scheme is effective from 1 April 2020 on prevailing tariff till further order of the GoWB. The resultant shortfall of the licensee shall be compensated upfront by the GoWB in terms of Section 65 of the Electricity Act, 2003.

- 2.13 It has been claimed that performance for the generating stations regarding Plant Availability Factor (PAF) merits incentivisation as granted to other generating companies. It has also been claimed that generation has been planned assuming capacity utilization governed by – a) availability of generating plant, b) adequacy of demand and pattern of load, particularly diurnal and seasonal variations of a city system like Kolkata, c) availability of required quality of fuel and constraints of fuel transportation, d) constraints of ash removal, e) economic dispatch schedule considering peaking load / radial load / agreement issues, f) price discovery in short-term market, g) energy security plan, etc. and requirement of planned maintenance. CESC Limited submits that its dispatch schedule maximized its own generation to the extent feasible and cost effective. The generation of New Cossipore generating station, as submitted by CESC Limited, has been ceased to be effective from 2014 in accordance with the direction of CEA and phasing out of Titagarh generating station is presently under consideration as per the communication of CEA dated 6th May, 2014. The company tied up with Haldia Energy Limited (HEL) for long term power purchase agreement to the extent of 600 MW of gross capacity to ensure uninterrupted power supply to the consumers. CESC Limited has also stated to reduce consumption of coal at high price by substituting generation with purchased power, particularly during lean period to the extent cost becomes attractive. CESC Limited has also endeavored to procure power from other renewable and cogeneration sources through diligent efforts.
- 2.14 The tariff applicant has, in conclusion, prayed for (a) confirmation of the Aggregate Revenue Requirement for the years 2023-24, 2024-25 and 2025-26 as contained in the Annex 1 and granting commensurate tariff in accordance with the Tariff Regulations (b) allowing additional amounts in the Aggregate Revenue Requirement for any increase in power purchase cost from HEL beyond what has been considered in the petition; (c) allowing appropriate adjustments towards fuel and power purchase cost adjustment and



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annual performance review of earlier year(s); (d) allowing additional amounts towards development fund as deemed appropriate by the Commission; (e) Granting commensurate wheeling charge on the basis of approved revenue requirement for distribution in accordance with the Regulations; (f) confirming the capital expenditure proposed as contained in the Annexure – I read with the perspective plan; (g) Allowing tariff impact for Flue Gas Desulfurization (FGD) installation in Budge Budge generating, in line with petition before the Commission, if found appropriate (h) early disposal of the petition (i) inclusion of the amount yet to be recovered through past / future orders issued by the Commission in determination of the tariff and (j) passing of such further order or orders as the Commission may deem fit and proper.



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CHAPTER – 3 OBJECTIONS, COMMENTS, ETC.

- 3.1 Suggestions, objections and comments on the tariff application of CESC Limited for the 8th control period covering the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 received within 30.07.2023 i.e., the due date, from the interested parties are mentioned in paragraph 1.6 of Chapter-1. The main points of the suggestions, objections and comments etc. are summarized in the following paragraphs in this chapter. The Commission's views on the relevant objections, comments etc. are also recorded in this Chapter.
- 3.2 Some telecom industries have proposed introduction of Industrial tariff rate in place of existing Commercial rate to facilitate affordability of telecom services including the roll out of 5G services.
- 3.3 The Commission, determines the tariff for different categories of consumers viz. Domestic, Commercial, Industrial etc. as per the WBERC (Terms and Conditions of Tariff) Regulations, 2011, as amended. Applicability of tariff categories for each activity are already specified in the Tariff Regulations.



CHAPTER - 4 SALES, ENERGY BALANCE & VARIABLE COST

4.1 CESC Limited is a distribution licensee having two (2) generating stations of its own, now in operation. A substantial part of its energy requirement is met out of its own generation and the balance is met by purchase from other agencies. The proper assessment of the sales during the year for which the tariff is to be determined on prospective basis is of prime importance. The Commission is, therefore, taking up first the examination of sales projection of CESC Limited.

4.2 Sales Projection

4.2.1 The sales projection of CESC has been discussed in their ARR application. The estimation of energy demand has been based on the following principles: (i) the estimation of all stable categories of sales has been based on long term trends applying Compound Annual Growth Rate (CAGR) method to project sale of energy for the eighth control period, keeping Covid-19 impacted years i.e. 2020-21 and 2021-22 out of ambit of CAGR consideration (ii) consumer classes / categories introduced through earlier Tariff Orders, estimation has been made on the basis of available consumption trend. The applicant has submitted the break-up of category-wise actual consumptions from 1995 – 96 to 2022 – 23 and the projections for 2023 – 24, 2024 – 25 and 2025 – 26. It has also shown sales of its power to WBSEDCL in a very limited way. CESC Limited also consumes power in his own premises. Accordingly, projected figures of supply are as follows:

Table 4.2.1: Projected Sale of CESC Limited

(MU)

Sl. No.	Category of Supply	Projection		
		23-24	24-25	25-26
1	Sale to Consumers	10502	10843	11197
2	Sale to WBSEDCL	13	13	13
3	Consumption in own Premises	40	40	40
4	Total (1 + 2 + 3)	10555	10896	11250



4.2.2 The Commission has noted from the Charts that the movement of sales of different category of consumers the dent due to Covid-19 lockdown impact has improved after the start of unlock. The Commission has further noted that Sale to consumers for the year 2022 – 23 as available in the Annual Report of CESC Limited is 10322 MU.

4.2.3 The Sales estimation to consumers of 2023 – 2024, 2024 – 2025 and 2025 – 2026 are admitted as projected. Thus, the sales projection and admission for the eighth control period are as follows:

Table 4.2.3: Admitted Sale of CESC Limited

(MU)

Sl. No	Category of Supply	Projected			Admitted		
		23-24	24-25	25-26	23-24	24-25	25-26
1	Sale to Consumers	10502	10843	11197	10502	10843	11197
2	Sale to WBSEDCL	13	13	13	13	13	13
3	Consumption in own Premises	40	40	40	40	40	40
4	Total (1 + 2 + 3)	10555	10896	11250	10555	10896	11250

4.3 Sources of Energy:

4.3.1 The Commission is now to view the sources of energy requirements of CESC Limited to meet its supply obligations to its consumers and to effect the projected quantum of export, if any. As mentioned earlier, a substantial part of its total energy requirement is met out of ex-bus generations from its own power stations. The quantum of ex-bus generation that will be available to CESC Limited, will depend on capacity utilization of the plants and the rates of auxiliary energy consumption therein. Balance energy required is proposed to be purchased mainly from Haldia Energy Limited (in short 'HEL') through long term arrangement and rest from long term and short term, from, inter alia, independent generators as well as the Traders, government portal and the Power Exchanges, termed as 'supplemental' but any purchase from renewable and co-generation sources is not separately projected for all the years of eighth control period. The source wise energy projection and admission is discussed in subsequent paragraphs.

4.4 Sent Out from Own Generating Station:



4.4.1 CESC Limited has projected own generation from Budge Budge with Plant Load Factor (PLF) at 81.9%, 82.3% and 82.4% for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively whereas for Southern, the projected PLF are 28.7%, 28.8% and 28.8% for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively. CESC Limited has stated that downward impact on the PLF of the embedded stations is to accommodate infirm renewable energy purchased from outside and to ensure merit order protocol in the overall interest of the consumers, considering landed cost of power procured from other sources, and marginal cost of power generation of Budge Budge Generating Station using e-auction / imported coal. Southern generally does not operate when prices in power exchanges are more favourable in the best interest of end consumers, submitted by CESC Limited.

4.4.2 For energy availability from own sources, the Commission has not accepted the projection of CESC Limited regarding Southern generating station. The Commission considers the generation at Southern generating station at a normative PLF of 80% during all the years of the control period instead of 28.7%, 28.8% and 28.8% projected by CESC Limited for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively. The Commission has considered the projected generation (MU) from Budge Budge generating station during the years of the control period. The Commission has allowed auxiliary energy consumptions at the rates as per norms as specified in the Tariff Regulations. Accordingly, admitted generation, auxiliary energy consumptions and net sent out energy from each generating station of CESC Limited are given below:

Table 4.4.2: Own Generation of CESC Limited in MU

Power Station	As proposed			As Admitted		
	Generation	Aux	Net	Generation	Aux	Net
2023 – 24						
Budge Budge (750 MW)	5396	486	4910	5396	486	4910
Southern (135 MW)	341	31	310	949	85	864
Total	5737	517	5220	6345	571	5774
2024 – 25						
Budge Budge (750 MW)	5407	487	4920	5407	487	4920
Southern (135 MW)	341	31	310	946	85	861
Total	5748	518	5230	6353	572	5781
2025 – 26						



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Power Station	As proposed			As Admitted		
	Generation	Aux	Net	Generation	Aux	Net
Budge Budge (750 MW)	5413	487	4926	5413	487	4926
Southern (135 MW)	341	31	310	946	85	861
Total	5754	518	5236	6359	572	5787

4.5 Distribution Loss:

4.5.1 CESC Limited has claimed loss for electricity transported using CESC's EHV system for Budge Budge, Haldia and two import points located outside CESC's area as well as loss for balance electricity at all levels at normative level. CESC Limited has clarified that it has an embedded network of extra high voltage (EHV) system comprising 132 kV and 220 kV lines in its distribution network, located partly outside the licensed area, therefore, power evacuation loss through EHV line for Budge Budge, HEL delivery point (Subhasgram) and supplemental import points beyond the area of supply have been considered in terms of Regulation 19 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2022. The overall EHV power evacuation loss claimed by CESC Limited in Form 1.7 is as follows:

Table 4.5.1: EHV power evacuation loss claimed by CESC Limited

Particulars	23 – 24	24 – 25	25 – 26
Power evacuation loss through EHV line for Budge Budge	133	133	133
Evacuation loss from HEL delivery point (Subhasgram)	104	103	104
Evacuation of supplemental import line loss	37	38	39
TOTAL	273	274	276

4.5.2 The EHV evacuation system of Budge Budge is part of the distribution system and the normative loss of distribution system of CESC Limited is considered including the EHV evacuation system of Budge Budge. Therefore, the Commission does not admit any additional loss for evacuation system of Budge Budge.

4.5.3 The Commission has noted that 'loss due to transportation of power using CESC's EHV system through transmission system located beyond the area of CESC (Belur through WBSETCL Liluah and Rishra through WBSETCL Rishra)' is claimed as follows:

Table 4.5.3: Loss claimed for import beyond CESC area



Particulars	Derivation	(MU)		
		23 – 24	24 – 25	25 – 26
Energy received at Belur	A	552	566	583
Energy received at Rishra	B	780	800	824
Total energy received at Belur and Rishra	C=A+B	1332	1366	1407
Normative STU Loss (%)	D	2.70%	2.70%	2.70%
Loss for purchase with delivery point located outside CESC area	$E=C/(1-D)-C$	37	38	39

The Commission has considered source wise applicable transmission loss in landed cost of such power in subsequent paragraph.

- 4.5.4 The Commission has noted that CESC Limited has claimed 2.7% loss over projected ex bus energy purchased from 2 x 300 MW generating station of HEL. The Commission observes that for purchase of net generation of 540 MW from HEL, loss for 400kv Dedicated Transmission Lines of HEL upto Subhasgram 400kv Sub station is admissible @0.25%. In addition, the normative Transmission Loss for WBSETCL @2.7% is admissible for the 150 MW generation of HEL which is delivered from Subhasgram 400kv sub station to CESC's system through the network of WBSETCL. The transmission loss claimed by CESC Limited for balance generation of HEL transmitted from Subhasgram 400kv Substation through CESC's system is not considered to be admissible separately which is included in the normative distribution loss of CESC's system. Thus, the admitted evacuation loss for purchase from HEL comes as follows:

Table 4.5.4: Admitted loss for purchase from HEL

Particulars	23 – 24	24 – 25	25 – 26
HEL Net Generation through dedicated Tr. line (MW) [A]	540	540	540
HEL Generation through STU (MW) [B]	150	150	150
Dedicated transmission system Loss (%) [C]	0.25%	0.25%	0.25%
Normative STU Loss (%) [D]	2.70%	2.70%	2.70%
Weighted Average loss % for HEL [$E=(A \times C+B \times D)/(A)$]	1.00%	1.00%	1.00%
Ex Bus energy purchase from HEL(MU) [F]	3841	3841	3841
Loss for purchase from HEL(MU) [$G=F/(1-E)-F$]	38	38	38



4.5.5 Besides the above loss, the Commission has allowed distribution loss as per norms specified in the Tariff Regulations against sale of energy to consumers and WBSEDCL in radial mode and also for consumptions in its own premises as discussed in para 4.2. Accordingly, the distribution loss for 2023 – 24, 2024 – 25 and 2025 – 26 as admitted by the Commission is shown in the Energy Balance table.

4.6 Energy Balance:

4.6.1 On the basis of the analyses done in the foregoing paragraphs, the Commission admits the following Energy Balance for CESC Limited for the years 2023 – 24, 2024 – 25 and 2025 – 26:

Table 4.6.1: ENERGY BALANCING FOR CESC LIMITED

Sl. No	Particulars	UNIT	23-24	24-25	25-26
A	Sale to Consumers	MU	10502	10843	11197
B	Sale to WBSEDCL	MU	13	13	13
C	Units Wheeled at delivery point	MU	6	7	8
D	Additional Units allowed for wheeling	MU	0	0	0
E	Units utilised in own premises including construction power	MU	40	40	40
F	Overall Utilization (A:E)	MU	10561	10903	11258
G	Normative Distribution loss (%)	%	9.00	8.50	8.00
H	Normative Distribution loss	MU	1044	1013	979
I	Energy Requirement (F+H)	MU	11605	11916	12237
J	Energy received for wheeling	MU	7	8	9
K	Ex-bus Own Generation [Table 4.4.2]	MU	5774	5781	5787
L	Requirement beyond own generation (I - J - K)	MU	5824	6127	6441
M	Loss for purchase from HEL	MU	38	38	38
N	Loss for purchase delivered outside CESC area	MU	0	0	0
O	Admissible Purchase (L+M+N)	MU	5862	6165	6479



The Commission has not allowed any Additional Units allowed for wheeling as claimed by CESC Limited since the normative distribution loss is considered for wheeled energy in computation of energy requirement in Table above. However, Energy received for wheeling is considered as projected by CESC Limited.

4.7 Purchase of Power:

- 4.7.1 CESC Limited has not separately projected purchase of power from renewable energy sources (RE) for the control period in Form 1.6(A). The licensee has stated that future power procurement decisions would be marked with several impediments, case specific decisions on supplemental imports for the ensuing years will be taken based on demand contraction, relative economics/marginal merit order principle, Renewable Purchase Obligation (RPO) compliance, network constraints, maintaining load generation balance and meeting exigencies etc. and Actual figures shall be furnished with respective APR petitions in terms of relevant regulations.
- 4.7.2 The Commission, in Case No. PPA – 124/22-23, has approved the Power Sale Agreement (PSA) executed on 11.01.2023 by and between Solar Energy Corporation of India Limited (SECI) and CESC Limited for purchase of Wind-Solar Hybrid power of 100 MW by CESC Limited from SECI. As per the PSA, CESC will get minimum 242.35 MU quantum of energy annually from 2025 – 26 from the Wind-Solar Hybrid Project. Therefore, the Commission has considered 242.35 MU Wind-Solar Hybrid from SECI for the year 2025 – 26.
- 4.7.3 The Commission, in Case No. PPA – 125/23-24, has approved the Power Purchase Agreement (PPA) executed on 28.06.2023 by and between AMP Energy Green Seventeen Private Limited (“AMP”) and CESC Limited for procurement of Wind- Solar Hybrid power of 150 MW by CESC Limited from AMP. As per the PPA, CESC Limited will get minimum 448.2 MU quantum of energy annually from 2025 – 26 from the Wind-Solar Hybrid Project. Therefore, the Commission has considered 448.2 MU Wind-Solar Hybrid from AMP for the year 2025 – 26.
- 4.7.4 The quantum of energy purchase in MU from Renewable sources as per prevailing RPO is determined at 1969 MU, 2022 MU and 2077 MU for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively. The quantum of energy purchase in MU from Renewable sources



other than the above two sources through PPA (SECI and AMP) are determined as per RPO obligation as shown in Table 4.7.8 below.

- 4.7.5 The quantum of purchase from HEL is projected by CESC Limited at 3841 MU, 3821 MU and 3841 MU for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively. In absence of any clarification by CESC Limited for lower purchase in 2024 – 25, the quantum of purchase from HEL is admitted by the Commission at 3841.00 MU for all the years of the control period.
- 4.7.6 The balance requirement is admitted from supplementary sources as shown in table in subsequent paragraphs.
- 4.7.7 While the energy balance is drawn, it is considered that CESC Limited will adopt economic despatching schedule / merit order despatch in terms of the Tariff Regulations and other relevant Regulations. Surplus energy is required to be appropriately sold out / banking / swap to the persons other than consumers and licensee in order to bring down the consumer’s tariff. The Commission will review the matter while truing up during the APR of concerned years.
- 4.7.8 The purchase of energy from different sources, as projected by CESC Limited and as admitted by the Commission based on the availability from own generation are given below:

(MU)

Particulars	Proposed			Admitted		
	23-24	24-25	25-26	23-24	24-25	25-26
Haldia Energy Limited	3841	3821	3841	3841	3841	3841
Wind Solar Hybrid (SECI)				0	0	242
Wind Solar Hybrid (AMP)				0	0	448
Other RE Sources				1969	2022	1387
Other sources	2812	3130	3429	52	302	561
Total	6653	6951	7270	5862	6165	6479

4.8 Fuel Cost:



- 4.8.1 An examination of the projected fuel cost claimed by CESC Limited for the ensuing years 2023 – 2024, 2024 – 2025 and 2025 – 2026 of the eighth control period under different heads for its power station has been taken up in this paragraph.
- 4.8.2 Fuel cost for different power stations of CESC Limited presently in operation as per its projection comes as under:

Power Station	2023– 24	2024 – 25	2025 – 26
Budge Budge	194120	195154	195490
Southern	12544	12689	12722

The actual, estimated and projected ex-bus fuel cost/unit for different power stations of CESC Limited presently in operation as per its submission come as under:

Power Station	20 – 21	21 – 22	22 – 23	23– 24	24 – 25	25 – 26
Budge Budge	2.40	2.49	3.33	3.95	3.97	3.97
Southern	3.39	3.32	3.85	4.05	4.09	4.10

- 4.8.3 In the tariff application for the eighth control period, CESC Limited has proposed fuel cost on the basis of norms of plant load factor, auxiliary energy consumption rate, oil consumption rate, station heat rate and transit and handling losses of coal as specified in Schedule 9A of the Tariff Regulations, and other statutory documents. This is noted that while proposing fuel cost for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 under the eighth control period, CESC Limited has envisaged price increase in average price of coal from 2022 – 23 but average price of oil is kept same at the level of 2022 – 23 in projections for 2023 – 2024, 2024 – 2025 and 2025 – 2026.
- 4.8.4 The Commission has adopted the procedure for calculation of the fuel cost in accordance with normative parameters applicable to CESC Limited as specified in the Tariff Regulations and allowed fuel cost to CESC Limited as mentioned in subsequent paragraphs.



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- 4.8.5 While determining the average price of coal and average price of oil for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 of the eighth control period, CESC Limited has projected cost of coal based on the rates as prevailing on 31 May 2023. Current rate Schedule of Coal India Limited (CIL), applicable notifications for cess, duties, freight and other associated charges etc, are submitted by CESC Limited along with sample invoices for reference. As per Fuel Supply Agreement with subsidiaries of CIL, assurance of supply quantity attracts higher charges, impact of which will be submitted during the Annual Performance Review petition of the relevant years, stated by CESC Limited. In addition to the linkage coal, the petitioner has projected imported coal, captive coal, auction coal and biomass pellet.
- 4.8.6 The Commission has noted that Coal India Limited (CIL) and Bharat Coking Coal Limited (BCCL) have revised prices of non coking coal and washery grades of coal vide notification dated 30.05.2023 (effective from 31.05.2023) and Notification dated 24.04.2020 (effective from 25.04.2020) respectively CIL notified prices are increased with respect to grade wise coal prices in CIL notifications which were considered by the Commission in previous MYT Order dated 01.08.2022 and consequently applicable charges, levies, duties and cess etc. Therefore, the commission has considered grade wise notified coal price of CIL dated 30.05.2023 as well as BCCL Notifications dated 20.10.2020 in the tariff order of the eighth control period.
- 4.8.7 It is submitted by CESC Limited that, due to production issues in captive mine and insufficient linkage, CESC Limited is dependent on e-auction coal to meet their requirements, owing to shortfall on the account of existing linkages. This is stated by CESC Limited that scarcity of coal for non-power sector, like iron and steel, aluminium etc. and merging all types of coal auctions since March 2022 by Cabinet Committee on Economic Affairs have resulted in shooting up of prices in recently held e-auctions.
- 4.8.8 For coal procured through e-auction, CESC Limited has considered increase of 54.76% to 425% over notified base price for different grades from different subsidiaries of CIL. In the tariff determination stage, the Commission considers no premium over notified price of CIL for coal procured through e-auction. The Commission will review the price paid above notified price for auction coal in APR stage.



- 4.8.9 Base price of Rs 9626 per MT, as submitted by CESC for biomass pellet is admitted considering the invoices submitted with the APR petition of CESC Limited for the year 2022 – 23.
- 4.8.10 However, any variation in fuel price in subsequent period will be adjusted through Monthly Variable Cost Adjustment (MVCA) as per provision made in the Tariff Regulations.
- 4.8.11 The Commission finds that the components of cost of coal other than Basic notified price like – Sizing charges, Average Incidental Charges, Royalty, National Mineral Exploration Trust (NMET), District Mineral Foundation (DMF), Rural Employment Cess (RE Cess), Primary Education Cess (PE Cess), Evacuation Facility Charge, Washery Recovery Charge, PWD Road Cess, AMBH / VUP / MADA, GST, GST compensation Cess were added with notified Basic Charges prevalent during that period for determination of cost of coal. These components are also projected in present petition with supporting Notifications in Vol-12 and admitted as applicable based on notifications and invoices submitted with the instant MYT petition.
- 4.8.12 CESC Limited has stated that for Run-of-mine (ROM) captive coal of Sarisatolli Coal Mine, amount shown in Form D (Rs 2512.00 /MT) includes reserve price and additional premium but guided by the Statutory documents and applicable order, Rs. 1200 per tonne basic price plus Rs. 370 per tonne Additional Premium has been netted off as captive disallowance. Such overall adjustment is shown by CESC Limited as Rs 724.86 /MT, Rs 723.70 /MT and Rs 723.08 /MT in the petition for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively. The grade of captive coal from Sarisatolli is mentioned as G12. CESC Limited has submitted letter dated 28.05.2021, from Office of the Coal Controller, Kolkata, Ministry of Coal, approving the coal grade at G-12 for Sarisatolli Coal Mine of CESC Limited from 2021 – 22. CESC Limited shall submit updated communication from the Office of the Coal Controller, Ministry of Coal, on the coal grade of Sarisatolli Coal Mine of CESC Limited in FPPCA petition for concerned year.
- 4.8.13 The Commission, observes that as per guidelines given in the order issued by Ministry of Coal, Government of India vide No 13016/9/2014-CA-III dated 26.12.2014 and the information given vide their letter No 54022/01/2014-CA-III dated 27.06.2016, the fixed



reserve price of Rs 100 per ton shall be the only input cost of coal from auctioned captive mines of CESC Limited and shall be considered as passed through in computation of energy charge. Thus, the non-eligible components of price of coal i.e Basic Price, here Rs. 1200 /MT, and Additional Premium of Rs 370 /MT are not to be considered in source wise coal cost which is also proposed by CESC in their petition. All the statutory royalties and cess are governed as per extant rules i.e at the CIL notified price. Washery charge is also admitted to be passed through since this is as per requirement of the West Bengal Pollution Control Board (WBPCB).

4.8.14 The Commission thus considers Rs 100 per ton as input price of coal from captive mines for computation of energy charge. The Commission also admits the submitted price in Rs/MT for other statutory levies/cess payable as well as coal evacuation facility charge, and washery charges of captive coal at this stage subject to truing up during FPPCA as per provision of the Tariff Regulations. Sizing/crushing charge and Surface Transport Charge projected under Average Incidental Charges for captive coal are not allowed since these are costs towards Mine Developer and Operator (MDO).

4.8.15 For GST on captive coal, CESC Limited submits that though GST is not applicable on captive coal but GST is applied on support services to mining and on Additional Premium, Fixed Rate, Royalty, etc. on Reserve Charge basis, accordingly, Rs 349 /MT is claimed for GST on captive coal. However, the Commission in the tariff determination stage, continues the order of the Commission dated 22.09.2023 in Case No. FPPCA-95/19-20 and APR-80/19-20 for trueing up for the year 2018 – 19, where GST at 18% on the fixed rate of Rs. 100 per Tonne is allowed for coal procured from a coal block allocated to Budge Budge Generating Station against reverse auction while adjusting the cost of captive coal. However, CESC Limited is directed to submit all relevant documents with FPPCA petition in support of their claim for GST on captive coal and the Commission will review the applicability of GST on captive coal in APR stage. In view of the above, price of captive coal for CESC is worked out as shown in the Table below:

Table 4.8.15: Admitted price of captive ROM coal for CESC

(Rs/MT)



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and 2024 – 2025**



Sl. No.	Particulars	Derivation	Claim	Admitted
A	Basic		100.00	100.00
B	Sizing Charge		80.00	0.00
C	Royalty	Rs 2.5/MT for G12 for WB	3.00	2.50
D	Charges to DMF	10% of Royalty	0.30	0.25
E	Charges to NMET	2% of Royalty	0.10	0.05
F	RE Cess	20% of CIL Notified price*	179.00	179.20
G	PE Cess	5% of CIL Notified price*	45.00	44.80
H	AMBH/PWD/Road Cess		2.00	2.00
I	Av Incidental Charge		135.00	0.00
J	Evacuation Charge		50.00	50.00
K	GST		349.00	18.00
L	TOTAL**		943.00	397.00

Note:

*CIL Notified price of G12 coal is Rs 896/MT

**All figures under each row have been rounded to two decimal places. The figure in total column in each head is also rounded to the decimal place. As such the sum of individual items may not be equal to the arithmetic total of the column.

4.8.16 Cost of Captive washed coal has been considered by CESC Limited at cost of captive indigenous coal grossed up with washery yield of 80.804% (on the basis of actual for 2021-22), Washing charges for captive washed coal estimated at Rs. 250/ tonne as included under Average incidental Charges which also includes Transportation of coal from mine to washery and from washery to railway siding. Rs 3439 /MT is projected by CESC Limited in Form D(a) to (e) for coal from this source.

4.8.17 Regarding adjustment from the revenue earned from sale of washery rejects, CESC Limited has stated that since consumers are no longer bearing cost of mining for the captive mine, washery reject sale proceed adjustment is not required in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021 and Washery Reject Policy of Ministry of Coal dated 27.05.2021.

4.8.18 In terms of regulation 5.8.6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023, effective on and from 01.04.2023, the Commission follows the principles and methodology specified by CERC in



its regulations for the input price of coal from integrated mines. In terms of regulation 36 P(2) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021, the adjustment on account of non-tariff income such as income from sale of washery rejects etc. shall not be applicable in case of the integrated mine(s) allocated through auction route under Coal Mines (Special Provisions) Act, 2015. Therefore, the Commission does not adjust the value from sale of washery rejects in the instant MYT order.

4.8.19 In view of the above, price of captive washed coal for CESC is worked out at Rs 728.00 /MT with 80.804% yield as shown in the Table below for all the years of eighth control period.

Table 4.8.19: Admitted price of captive washed coal for CESC

(Rs/MT)

Sl. No.	Particulars	Derivation	Admitted ROM ^s	Admitted Washed
A	Basic	ROM ÷ 80.804%	100.00	123.76
B	Sizing Charge	ROM ÷ 80.804%	0.00	0.00
C	Royalty		2.50	2.50
D	Charges to DMF		0.25	0.25
E	Charges to NMET		0.05	0.05
F	RE Cess	ROM ÷ 80.804%	179.20	221.77
G	PE Cess	ROM ÷ 80.804%	44.80	55.44
H	AMBH/PWD/Road Cess		2.00	2.00
I	Av Incidental Charge*		0.00	250.00
J	Evacuation Charge		50.00	50.00
K	GST	ROM ÷ 80.804%	18.00	22.28
L	TOTAL**		397.00	728.00

Note:

* Average Incidental Charge of Washed coal includes Washing Charge of Rs 250 per MT.

** All figures under each row have been rounded to two decimal places. The figure in total column in each head is also rounded to the decimal place. As such the sum of individual items may not be equal to the arithmetic total of the column.

^s: Table 4.8.15



CESC Limited shall submit actual yields with supporting documents during FPPCA petitions for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026. CESC Limited shall also submit break up of costs under the head 'other incidental charges' in the FPPCA petition for the respective years.

- 4.8.20 CESC Limited has stated that circular by Ministry of Railways notified on 9 January 2018, new freight rates introduced without any seasonal distinction, effectively increased the freight which has been further revised on 31 October 2018 resulting in substantial overall increase in landed cost of coal due to these changes. Terminal Charge at Rs. 20 per tonne introduced vide Ministry of Railways Notification dated 27 December 2018, levied on traffic handled by the Railways has consequently increased the overall freight charges, submitted by the petitioner. The relevant notifications and invoices are submitted by CESC limited with the petition.
- 4.8.21 CESC has further submitted that actual railway freight on Rs. / Te basis is normally higher than the rates provided in the railway freight table due to overloading / underloading charges on which the procurer has no control. Base Freight Rate, Overloading Charge, Underloading Charge (borne by the seller), Siding Charge, Terminal Charge and GST are included by CESC Limited under Rail Freight Charges.
- 4.8.22 The weighted average rail freight projected by CESC Limited in Statement 2 of Volume-2 of the petition for Budge Budge generating station is Rs 850 per MT, Rs 852 per MT and Rs 852 per MT for the years 2023 – 24, 2024 – 25, 2025 – 26 respectively in the control period. The Commission has noted that the source wise rail freight varies from Rs 559 per MT for imported coal to Rs 1350 per MT for coal procured from Central Coalfields Limited (CCL), however, no rail freight is projected for biomass pellet. For Southern generating station, rail freight is projected at Rs 747 per MT for all the years of the control period for linkage coal procured from Eastern Coalfield Limited (ECL).

Considering the source wise projected rail freight and admitted grade mix, the weighted average rail freight is coming at Rs 771 per MT, Rs 753 per MT and Rs 754 per MT for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively whereas the weighted average rail freight claimed in APR petition for the year 2022 – 23 at Rs 833 per MT. Therefore, the



Commission has admitted the weighted average rail freight as Rs 771 per MT, Rs 753 per MT and Rs 754 per MT for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively.

4.8.23 As per petitioner, due to the problem of “first-mile-connectivity”, despatch of coal through Road / RCR (Road-cum-Rail) has increasingly been resorted to by the CIL subsidiaries. It is also submitted that cost of road transport is generally discovered through transparent competitive bidding, with publication of advertisements in newspapers, as directed by the Commission. CESC Limited has projected road transport cost at Rs 155 per MT for 12 km, Rs 520 per MT for 14 km and Rs 890 per MT for 70 km for auction coal procured through RCR mode from Eastern Coalfields Limited (ECL), Central Coalfields Limited (CCL) and Mahanadi Coalfields Limited (MCL) respectively for Budge Budge for all the years of the control period. CESC Limited has also submitted source wise weighted average distance from coal mines to siding for coal procured in RCR mode.

4.8.24 The Commission has noted that the Surface Transport Charges (STC) of ECL, CCL and MCL for 10 – 20 km distance are Rs 113 per MT and Rs 151.60 per MT and Rs 155 per MT respectively. Therefore, the Commission, in the tariff determination stage, admits Rs 113 per MT for ECL, Rs 152 per MT for CCL and Rs 543 per MT for MCL {70 km x (Rs 155/20 km)} for road transport cost for coal procured in RCR mode.

4.8.25 This is stated by CESC Limited that ‘Handling, sampling and such other similar charges’ are projected in terms of Regulation 1.2.1 (Ivi) regarding fuel cost with clarification and sample bills. The break up of costs projected under this head is as follows:

Table 4.8.25: Projected Handling, sampling and such other similar charges
(Rs/MT)

Particulars	Budge Budge	Southern
Handling and coal co ordination	183	115
Demurrage	3	3
Siding charge	20	
Transfer Charge from railway siding to station siding	1	
Kolkata Port Trust Charge		82
Terminal charge and RITES		117
Railway Track Maintenance Charge		52
TOTAL	207	369



Source wise projected Handling and coal Co-ordination charge for Budge Budge varies from Rs 44 per MT for captive coal to Rs 765 per MT for ECL e-auction coal in RCR mode whereas rest charges are projected as common. It is submitted that handling agents, normally identified through competitive bidding, provide host of services, which, inter-alia, includes co-ordination with supplier (ECL, BCCL, CCL or MCL as applicable) for ensuring smooth and continuous flow of rakes from sidings as per advice of the Company, supervision of loading, ensuring proper quality of coal, arrangement of sufficient tippers / trucks and manpower for supervision to ensure regular and smooth dispatches of coal supplies from colliery, release of delivery order, rake allotment, rake offering, indent placement, rake loading etc.

4.8.26 As per regulation 5.8.2 of the Tariff Regulations, no demurrage charges of railway rakes shall be allowed except such demurrage charges not attributable to generating company and sufficient measures to avoid the occurrence of any demurrage was taken by the company. The Commission does not allow any demurrage charges at tariff determination stage and such charges will be considered in FPPCA petition of respective years as per regulation.

4.8.27 From the instant MYT petition and APR petition for the year 2022 – 23, the average 'Handling, Sampling and such other similar charges', net of demurrage charge, for the years 2018 – 19 to 2022 – 23 is determined in below tables:

Table 4.8.27-1: Admitted Handling, Sampling and such other similar charges for Budge Budge

(Rs/MT)

Source	22-23	21-22	20-21	19-20	18-19	Average
FSA	186*	82	110	102	55	87
Captive	72*	41	40	42	55	45
e-Auction	180*	166*	89	105	72	89
Import	22					22

*Figure is not considered for arriving at average since the respective figures widely vary w.r.t previous years' figures.

Table 4.8.27-2: Admitted Handling, Sampling and such other similar charges for Southern

(Rs/MT)



Source	22 - 23	21 - 22	20 - 21	19 - 20	18 - 19	Average
FSA	314	296	337	155	168	254

The Commission admits the Handling, sampling and such other similar charges for eighth control period at the average rates as determined above in tariff determination stage.

- 4.8.28 The projected vis-à-vis admitted rate of the components of cost of coal - amount charge by the coal company, Handling & Sampling etc and transportation cost are shown in Annexure-4A.
- 4.8.29 The mixing of primary fuel from different sources in percentage and quantity in MT are provided by CESC Limited in Statement 1 and Form D respectively of Volume 2 of the petition. The projected mix of primary fuel from different grades of ECL for Southern is admitted considering the mix of base year, however, the source is differently admitted as discussed in subsequent paragraph. For Budge Budge, the quantity in MT mixing of primary fuel from different sources in percentage is dealt with in subsequent paragraphs.
- 4.8.30 The mix of biomass pellet for Budge Budge is projected by CESC Limited at 0.505%, 0.504% and 0.504% for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively. It is submitted by CESC Limited that in terms of the Policy dated 8 October 2021 of Ministry of Power, utilisation of biomass pellet will be done in Budge Budge Unit 3, subject to the constraints of availability of biomass pellets and technical constraints of burning pellets in boiler, however, in Unit 1 and Unit 2 of Budge Budge would require torrefied pellets and availability of such pellets is an issue and therefore, no biomass pellet cofiring is envisaged by CESC Limited in Unit 1 and 2 of Budge Budge. The mix of biomass pellet for all the three units of Budge Budge is admitted at 5% for the year 2023 – 24 and 7% for the years 2024 – 25 and 2025 – 26 following the revised Policy dated 8 October 2021 of Ministry of Power. For Sothern generating station, CESC Limited has not projected any biomass pellet co-firing. The Commission has noted that as per paragraph 3(vi) of the Policy, the policy for co-firing of biomass would be in force for 25 years or till the useful life of the thermal power plant whichever is earlier. Therefore, the Commission has not considered any biomass pellet firing for Sothern generating station since the station has already crossed its useful life of 25 years as on 01.04.2023.



4.8.31 The Commission has noted that Budge Budge will get 4.26 million MT coal from ECL and 4.58 million MT coal from BCCL as per respective FSA. The Commission has accordingly considered quantity in MT of linkage coal from ECL and BCCL instead of quantity in MT projected by CESC Limited from such sources.

For Southern, 2.5 lakh MT coal is admitted from FSA with ECL and rest requirement from auction.

4.8.32 CESC Limited in Form D, has projected 16.5 Lakh MT of ROM coal (part being washed) for production per annum to supply around 15 Lakh MT of coal (ROM and Washed) for generation at Unit I&II of Budge Budge Generating Station. The Commission has noted that as per the Mining Plan for the Sarisatolli Coal Mine approved by Ministry of Coal, the production from the integrated coal mine of CESC Limited is estimated at 3.5 million MT per annum. It is submitted by CESC Limited in the instant MYT petition that the Company is unable to produce more than about 1.8 million ton / year from the captive mine since the captive mining operation is affected due to fire in coal mine, presence of road inside the mining area etc. CESC Limited has submitted the Minutes of Meeting on 12.12.2022 chaired by Secretary, Coal, along with respective Office Memorandum dated 26.12.2022 where this is recorded that CESC Limited is hopeful to produce 1.8 million ton coal from Sarisatolli. CESC Limited has also submitted the communication of Central Mine Planning & Design Institute Limited (CMPDIL), in response to the letter dated 26.12.2022 of Ministry of Coal, affirming that fire is affecting production capacity of mine. The Commission has considered production about 1.8 million MT / year from the captive mine instead of 1.65 million MT / year projected by CESC Limited in Form D. The supply of coal (ROM and Washed) for generation at Unit I&II of Budge Budge Generating Station comes around 1.64 million MT considering 80.804% yield after washing.

4.8.33 The Commission has observed that CESC Limited has already entered into an agreement with CIL dated 30.06.2022 for purchase of import coal. Thus, during the tariff determination stage, the Commission considers the projected quantum of coal requirement in MT for the years 2023 – 24, 2024 – 25 and 2025 – 26 to be met from the imported coal. The Commission has considered the balance requirement of coal in MT for Budge Budge from the cheapest sources in terms of Rs /1000 kcal out of the sources other than FSA, and captive coal.



Price of Imported coal is projected at Rs 15463 per MT (including Base price of Rs 14292 per MT, GST Compensation Cess of Rs 400 per MT and GST of Rs 771 per MT) as per the agreement dated 30.06.2022 between CIL and CESC Limited submitted in Vol-13 of the MYT petition. CESC Limited has proposed GCV of imported coal as 5000 kCal/kg. The Commission noted that CESC Limited has projected the price of imported coal considering the rate for computation of advance payment in terms of their agreement with CIL. From the agreement it transpires that, the actual payable rate varies with quality and the price indices and in terms of clause 13.4 of the agreement CIL has to notify such base rate for payments (Cost & Freight) from time to time. As CESC Limited has not submitted any document regarding the latest notified price of imported coal by CIL as per clause 13.4 of the agreement, the Commission decides to apply the escalation rate of imported coal as notified by CERC vide its notification No. Eco-1/2023-CERC dated 05.04.2023, i.e. (-) 34.19%, over and above the standard advance payment rate mentioned in agreement. Thus, the admissible price of imported coal comes to Rs. 10176 per MT $\{=15463 \times (1 - 34.19\%)\}$.

- 4.8.34 CESC is directed to procure coal from the cheapest source for balance requirement of coal after FSA and captive coal. CESC Limited shall submit justification with supporting documents during FPPCA petitions of respective year that coal other than FSA and captive is procured from the cheapest source for balance requirement.
- 4.8.35 CESC Limited has projected oil price at Rs 87048 per KL and Rs 95040 per KL for Budge Budge and Southern respectively for all the years of the control period. It is stated that prevailing oil price on the basis of actual rate of procurement has been projected and sample invoices are submitted with the petition. The Commission has admitted the projected cost based on sample invoices submitted with the petition.
- 4.8.36 Hence, based on the decisions taken in above paragraphs, the average oil price and the average primary fuel price considered for the power stations of CESC Limited for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 are summarized below:

Table 4.8.36: Admitted average price of primary fuel and oil

Power Station	Average primary fuel Price in Rs./MT			Average Oil Price in Rs./KL for the		
	23-24	24-25	25-26	23-24	24-25	25-26
Budge Budge	3450	3582	3583	87048	87048	87048
Southern	5796	5796	5796	95040	95040	95040



Detailed computation of coal price for years 2023 – 2024, 2024 – 2025 and 2025 – 2026 has been given in the enclosed table at Annexure 4A to this chapter for the respective generating station.

- 4.8.37 Heat value of oil as 9528 Kcal/lit and 9470 Kcal/lit for Budge Budge and Southern generating stations respectively have been proposed by CESC Limited along with actual calorific value certificate of independent third party agency during the base year. The Commission admits the Heat value of oil at 10660 Kcal/lit and 10658 Kcal/lit for Budge Budge and Southern generating stations respectively as per the certificate of independent third party agency instead of projected by CESC Limited. CESC Limited shall submit the basis of choosing the independent third party agency for testing heat value of oil in APR petitions of respective year.
- 4.8.38 CESC Limited has stated that the heat value (GCV) of coal has been considered by the Company for fuel cost computation as specified in Regulation 6.12.1 read with Para 8.1 (ii) of Schedule 1 and Regulation 1.2.1(Ixa) of the Tariff Regulations. The licensee has stated that 'GCV as received' has been derived applying Moisture correction in terms of regulation 1.2.1(Ixa) of the Tariff Regulations in accordance with Clause 6.2 of Indian Standard (IS) 1350, (Part-II) -1970 apart from testing collection, preparation and testing procedure in accordance with IS 436 (Part – I/Section 1) – 1964 and the Commission has considered both these standard procedures for "as received" basis of GCV. The petitioner has submitted third party test results based on which projection is made along with computation of GCV considering moisture correction.
- 4.8.39 This is noted that the difference between projected "GCV as billed" and projected "GCV as received" are huge and much lower than the minimum notified value of respective coal grade. The petitioner has stated that coal bills are required to be raised by coal suppliers on the basis of pre-declared grade of the mine and representative (but not selective) sampling but in absence of adequate independent review by authorities on coal grade declaration for mines by CIL, there might be significant difference between "as billed" and "as received" heat values. The Commission finds it prudent to limit the 'as received GCV' value at average of the maximum and minimum notified GCV for the respective



grade. The weighted average 'as received GCV' of coal so determined is reduced by 120 kCal/Kg to arrive at GCV for computation of energy charge.

4.8.40 The Commission determined average heat value of coal, based on allocation of different grades of coal admitted in preceding paragraphs 4.8.29 to 4.8.33, Tariff Regulation 1.2.1(lxa), 5.8.4(1), and above paragraph. Heat Values of primary fuel admitted by the Commission are summarized below with detail calculation in Annexure-4B:

kCal/Kg

Power Station	Table 4.8.40: Heat value of primary fuel in Kcal/Kg					
	As proposed			As admitted		
	23-24	24-25	25-26	23-24	24-25	25-26
Budge Budge	3750	3744	3745	4280.30	4261.40	4261.30
Southern	4845	4845	4845	6059.00	6059.00	6059.00

4.8.41 On the basis of above average price of coal and average price of oil and as per above heat value of fuel and normative parameters as specified in Schedule 9A of the Tariff Regulations, the allowable fuel costs are shown by detailed computations in the table at Annexure - 4C enclosed to this chapter.

4.8.42 The summarized statement of admitted fuel cost for the power stations of CESC Limited for the eighth control period is given hereunder:

Power Stations	Table 4.8.42(a): Total fuel cost (Rs. in Lakh)					
	Proposed by CESC			Admitted by the Commission		
	23-24	24-25	25-26	23-24	24-25	25-26
Budge Budge	194120	195154	195490	112708	117714	117879
Southern	12544	12689	12722	28215	28125	28125
Total	206664	207843	208212	140923	145839	146004



Power Stations	Table 4.8.42 (b): Ex bus fuel cost (Rs./kwh)					
	Proposed by CESC			Admitted by the Commission		
	23-24	24-25	25-26	23-24	24-25	25-26
Budge Budge	3.95	3.97	3.97	2.30	2.39	2.39
Southern	4.05	4.09	4.10	3.27	3.27	3.27
Wt. Average	3.96	3.97	3.98	2.44	2.52	2.52

4.9 Cost of Power Purchase:

4.9.1 CESC Limited has projected the cost of power purchase excluding power system charges, intrastate Transmission charges and interstate Transmission charges for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 under the eighth control period as follows:

Table 4.9.1-1: Projected power purchase cost

Sl. No.	Sources	2023 – 24		2024 – 25		2025 – 26	
		MU	Rs lakh	MU	Rs lakh	MU	Rs lakh
1	HEL	3841	197630	3821	199233	3841	199874
2	Supplemental	2812	212236	3130	230310	3429	246943
3	Total	6653	409866	6951	429543	7270	446817

CESC Limited has projected fixed charges, energy charges and other charges including MFCA as detailed below:

Table 4.9.1-2: Projected fixed charges, energy charges and other charges of power purchase cost

(Rs lakh)

Sl. No.	Source	2023 – 24			2024 – 25			2025 – 26		
		Fixed charges	Energy charges	MVCA, Other charges	Fixed charges	Energy charges	MVCA, Other charges	Fixed charges	Energy charges	MVCA, Other charges
1	HEL	65862	97190	34578	65862	96687	36684	65862	97180	36832
2	Supplemental	0	212758	-522	0	230833	-523	0	247466	-523
	Total	65862	309948	34056	65862	327520	36161	65862	344646	36309



4.9.2 While projecting the cost of power purchase for the years under eighth control period, this is found that CESC Limited has considered following rate of energy charge and fixed charges per unit for purchase of power from different sources during the years 2023 – 2024, 2024 – 2025 and 2025 – 2026.

Table 4.9.2: Projected rate of fixed charges, energy charges and other charges of power purchase cost

(Rs/unit)

Sl. No	Source	23 – 24			24 – 25			25 – 26		
		Fixed charges	Energy charges	MVCA, Other charges	Fixed charges	Energy charges	MVCA, Other charges	Fixed charges	Energy charges	MVCA, Other charges
1	HEL	1.71	2.53	0.90	1.72	2.53	0.96	1.71	2.53	0.96
2	Supplemental	0.00	7.57	-0.02	0.00	7.37	-0.02	0.00	7.22	-0.02

4.9.3 CESC Limited has also projected transmission charges, SLDC charges, other charges with adjustment of incentive / rebate for timely payment, where applicable.

4.9.4 CESC Limited has submitted that the power purchase cost from HEL has been furnished in accordance with prevailing rates charged by HEL in consonance with applicable orders / Regulations, STU Loss assumption for the ensuing years is on the basis presently adopted by SLDC and in terms of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023. FCA for 2023-24 at 24 Paise / kWh, 59 Paise/kWh as applicable and 75 Paise/kWh for the remaining months of the financial year is considered by CESC Limited. Also, MFCA of 75 Parse/kWh is projected for 2024 25 and 2025-26.

4.9.5 The Commission considers the fixed charge and energy charge as per Tariff Order of HEL generating station for the respective years of the eighth control period of CESC Limited without considering the MFCA as projected for HEL power. MFCA claimed / to be claimed by HEL shall be taken care of by CESC Limited in their MVCA computation. The Commission has also considered the transmission charge for 400kV dedicated



transmission system of HEL within the power purchase cost from HEL instead of treating it under intrastate transmission charge.

- 4.9.6 The Commission in the Order dated 03.10.2023 in Case No: B — 117 / 1, has directed Haldia Energy Limited to refund the amount of Rs. 1047.50 Lakh to its sole beneficiary (namely CESC Limited) in 2 (two) equal consecutive monthly instalments along with its monthly bills commencing from the month succeeding to the date of issuance of the said order.
- 4.9.7 Further, the Commission in the Order dated 14.03.2024 in Case No: B — 117 / 1, has directed Haldia Energy Limited to refund the amount of Rs. 19967.17 Lakh to its sole beneficiary (namely CESC Limited) in 12 (twelve) equal consecutive monthly instalments of Rs. 1663.93 Lakh along with its monthly bills commencing from the month succeeding to the month of issuance of the said order.
- 4.9.8 Therefore, the Commission adjusts the refundable amount of Rs 1048 lakh with the ARR for the year 2023 – 24 of eighth control period and Rs 19967 lakh with the ARR for the year 2024 – 25.
- 4.9.9 Thus, the Admitted Power Purchase Cost from HEL comes as follows:

Sl. No.	Particulars	23 – 24	24 – 25	25 – 26
1	Energy Purchase (MU)	3841	3841	3841
2	Energy Charge Rate (p/kwh) HEL Tariff Order for 8th Control Period	280.70	286.50	286.50
3	Energy Charge (Rs lakh) [1 x 2]	107817	110045	110045
4	Fixed Charge of HEL Generating station (Rs Lakh)	68853	68222	67454
5	Fixed Charge of HEL dedicated Transmission System (Rs lakh)	8632	8426	8222
6	Adjustment of HEL as per Order dated 03.10.2023 in Case No: B — 117 / 1 (Rs lakh)	-1048		
7	Adjustment of HEL as per Order dated 14.03.2024 in Case No: B — 117 / 1 (Rs lakh)		-19967	0
8	Total (Rs lakh)	184254	166726	185721



4.9.10 CESC Limited has projected the cost of purchase of supplementary power with energy charges @ 755 paise / kWh, 735 p/kwh and @ 720 paise / kWh for the year of 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively under eighth control period. The licensee has stated that power purchase cost has been furnished in accordance with prevailing rates charged by the sellers, taking due cognisance of the rate emanating from the Power Purchase Agreement (PPA) with Solar Energy Corporation of India (SECI) adopted by the Commission in the order dated 15.05.2023 for purchase of 100 MW hybrid power under Section 63 of the Electricity Act, 2003, and associated costs computed, in accordance with the method and principle adopted by the Commission in relevant Regulations. CESC Limited has stated that necessary Purchase Agreements (PPA) are submitted with the petition dated 27.01.2023.

4.9.11 The Commission admits energy charge of RE power other than from PPA @ 505.73 paise / kWh for all the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 as per the weighted average Market Clearing Price (MCP) at Green Day Ahead Market (G-DAM) of Indian Energy Exchange (IEX) for the year 2023 – 24. Transaction Fee @2 paise / kWh as per CERC Order dated 5th April 2023 is additionally considered by the Commission.

The Commission admits energy charge of supplemental power purchase excluding RE sources @ 515.72 paise / kWh and trading margin to power exchange @2 paise / kWh for all the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 as per the weighted average Market Clearing Price (MCP) at Day Ahead Market (DAM) of Indian Energy Exchange (IEX) for the year 2023 – 24. Transaction Fee @2 paise / kWh as per CERC Order dated 5th April 2023 is additionally considered by the Commission.

4.9.12 The Commission in the order dated 15.05.2023, in Case No. PPA-124/22-23, has approved the Power Sale Agreement dated 11.01.2023 executed by and between SECI and CESC for purchase of 100 MW Wind-Solar Hybrid power by CESC through SECI for a period of 25 (twenty-five) years at a fixed tariff of Rs. 2.53 per kWh plus a trading margin of Rs. 0.07 per kWh payable to SECI and the tariff has been adopted by the Central Electricity Regulatory Commission vide Order dated 13 September 2023 in Petition No. 213/AT/2023.



The Commission has considered the tariff and trading margin (Rs 2.53/kwh + Rs 0.07 /kwh) for purchase of 100 MW Wind-Solar Hybrid power by CESC through SECI.

4.9.13 The Commission in Case No. PPA – 125/23-24, has approved the Power Purchase Agreement dated 28.06.2023 executed by and between AMP Energy Green Seventeen Private Limited and CESC for purchase of 150 MW Wind-Solar Hybrid power by CESC from AMP Energy Green Seventeen Private Limited for a period of 25 (twenty-five) years at a tariff of at Rs. 2.92 per kWh. The Commission has considered the tariff for purchase of 150 MW Wind-Solar Hybrid power by CESC from AMP Energy Green Seventeen Private Limited.

CESC Limited has considered CTU loss of 4.21% as per POSOCO notification dated 30.12.2022 for the period 02.01.2023 to 08.01.2023. However, the Commission has considered CTU loss at 3.94% as on 01.04.2023 as per POSOCO notification dated 24.03.2023 for the period 27.03.2023 to 02.04.2023.

Thus, per unit cost at CESC end from above four sources (IEX G-DAM, IEX DAM, SECI Hybrid and AMP Hybrid) considering normative STU Loss of 2.7% is admitted by the Commission as follows:

Table 4.9.13: Admitted rate of energy purchased other than HEL

(p/kwh)

Source	Energy Rate	Transaction Fee / Trading Margin	CTU Loss	STU Loss	Total
A	B	C	D	E	F=(B+C)/(1-D)/(1-E)
Other RE Sources (IEX GDAM)	505.73	2	3.94%	2.70%	543.23
Power Exchange (IEX DAM)	515.72	2	3.94%	2.70%	553.91
SECI	253.00	7	3.94%	2.70%	278.17
AMP	292.00	0	3.94%	2.70%	312.41

4.9.14 The power purchase costs of CESC Limited for the quantum of power admitted under paragraph 4.7.8 of this order for the year 2023 – 2024, 2024 – 2025 and 2025 – 2026 have been worked out as under. This power purchase cost is subject to truing up during Fuel and



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Power Purchase Cost Adjustment in terms of the Tariff Regulations on the basis of actual audited figures for the respective years.

Table 4.9.14-1: Power Purchase Cost as admitted by the Commission for 2023 – 2024						
Source	Energy (MU)	Capacity charge (Rs/Lakh)	Energy charge (P/Unit)	Energy charge (Rs/Lakh)	FCA/ Others (Rs/Lakh)	Total Cost (Rs/Lakh)
Haldia Energy Limited	3841	68853	280.70	107817	7584*	184254
Wind Solar Hybrid (SECI)	0		278.17	0		0
Wind Solar Hybrid (AMP)	0		312.41	0		0
Other RE Sources	1969		543.23	106962		106962
Other sources	52	0	553.91	2880		2880
Total	5862	68853		217659	7584	294096

Note: (*) Summation of Sl. No 5 to 7 of Table 4.9.9

Table 4.9.14-2: Power Purchase Cost as admitted by the Commission for 2024 – 2025						
Source	Energy (MU)	Capacity charge (Rs/Lakh)	Energy charge (P/Unit)	Energy charge (Rs/Lakh)	FCA/ Others (Rs/Lakh)	Total Cost (Rs/Lakh)
Haldia Energy Limited	3841	68222	286.50	110045	-11541*	166726
Wind Solar Hybrid (SECI)	0		278.17	0		0
Wind Solar Hybrid (AMP)	0		312.41	0		0
Other RE Sources	2022		543.23	109841		109841
Other sources	302	0	553.91	16728		16728
Total	6165	68222		236614	-11541	293295

Note: (*) Summation of Sl. No 5 to 7 of Table 4.9.9

Table 4.9.14-3: Power Purchase Cost as admitted by the Commission for 2025 – 2026						
Source	Energy (MU)	Capacity charge (Rs/Lakh)	Energy charge (P/Unit)	Energy charge (Rs/Lakh)	FCA/ Others (Rs/Lakh)	Total Cost (Rs/Lakh)
Haldia Energy Limited	3841	67454	286.50	110045	8222*	185721
Wind Solar Hybrid (SECI)	242		278.17	6732	169	6901
Wind Solar Hybrid (AMP)	448		312.41	13996		13996
Other RE Sources	1387		543.23	75346		75346
Other sources	561	0	553.91	31074		31074



Source	Energy (MU)	Capacity charge (Rs/Lakh)	Energy charge (P/Unit)	Energy charge (Rs/Lakh)	FCA/ Others (Rs/Lakh)	Total Cost (Rs/Lakh)
Total	6479	67454		237193	8391	313038

Note: (*) Summation of Sl. No 5 to 7 of Table 4.9.9

4.9.15 The difference between the power purchase cost allowed in this order and the actual power purchase cost paid / to be paid by CESC Limited for 2023 – 2024, 2024 – 2025 and 2025 – 2026 and additional charges, if any, shall be recovered through Monthly Variable Cost Adjustment (MVCA) which shall be reconciled in the relevant FPPCA and APR for the concerned year.

Transmission charges and Power System charges

4.9.16 Transmission charge (CTU and STU) and power system charge are also projected by the licensee.

4.9.17 CESC Limited bears STU charges and SLDC charges for drawing power from HEL and other sources. As the Tariff Order of WBSETCL for the eighth control period which has already been issued, the Commission finds it prudent to determine the SLDC charges and STU charges as claimed by CESC Limited for HEL, on the basis of mentioned tariff order of WBSETCL. SLDC charges @0.5 p/kwh on Ex-bus energy at HEL end considering transmission loss and STU Charges for evacuation of HEL power as per WBSETCL Tariff Order, is admitted as follows:

Table 4.9.17: Admitted SLDC and STU Charges for evacuation of HEL power

Sl. No.	Particulars	23 – 24	24 – 25	25 – 26
A	Transmission Charge as per MYT-8 of WBSETCL Order (Rs/ MW/Month)	206087.50	205049.82	208587.82
B	Transmission Charge as per MYT-8 of WBSETCL Order (Rs. lakh/ MW/Year) [A x 12 /10 ⁵]	24.73	24.61	25.03
C	Allocated Capacity to CESC (MW) [as per above MYT-8 Order]	150	150	150
D	STU Charge for CESC (lakh) [B x C]	3710.00	3691.00	3755.00



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Sl. No.	Particulars	23 – 24	24 – 25	25 – 26
E	SLDC Charge (p/kwh) [para 6.9 of WBSETCL Tariff Order]	0.5	0.5	0.5
F	Scheduled Energy Purchase (MU) from HEL	3841.00	3841.00	3841.00
G	SLDC Charge (lakh) [E x F/10]	192.00	192.00	192.00

- 4.9.18 CESC Limited shall come up with the STU charges paid / to be paid by them on actual basis as per respective tariff orders and associated STU losses in their FPPCA and APR application for 2023 – 2024, 2024 – 2025 and 2025 – 2026.
- 4.9.19 For purchase from other sources including RE sources, the projected Inter-state transmission charges, Intra-state transmission charges and Power System charges are prorated as applicable considering the admitted energy drawl from the source.
- 4.9.20 Thus, the projected and admitted Inter-state transmission charges, Intra-state transmission charges and Power System charges come as below:

Table 4.9.20: CTU, STU, POWER SYSTEM CHARGE (Rs lakh)

Particulars	Projected			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
HEL						
Transmission Charge						
Inter-state transmission charges						
Intra-state transmission charges	3133	3133	3133	3710	3691	3755
Power System charges	193	192	192	192	192	192
Sources other than HEL						
Transmission Charge						
Inter-state transmission charges	10397	11200	11922	192	1081	1950
Intra-state transmission charges	7298	8813	10284	5245	6544	7912
Power System charges	774	820	861	556	609	662
TOTAL						
Transmission Charge						
Inter-state transmission charges	10397	11200	11922	192	1081	1950
Intra-state transmission charges	10431	11946	13417	8955	10235	11667
Power System charges	967	1012	1053	748	801	854



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**MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024
and 2024 – 2025**



Note: Inter-state transmission charges is considered for only conventional power purchase from IEX.



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2023 – 2024 (Rs/MT)

Source	Grade	Mix	Projected					Admitted				
			Amount charged by coal company	Handling, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied
ECL(FSA)	G3	0.082%	5105	139	753		5997	5106	87	753	0	5946
ECL(FSA)	G4	5.325%	4895	139	746		5780	4896	87	746	0	5729
ECL(FSA)	G5	2.622%	4526	139	767		5432	4527	87	767	0	5381
ECL(FSA)	G6	0.164%	3922	139	747		4808	3923	87	747	0	4757
ECL(FSA)	G7	2.185%	3371	139	748		4258	3372	87	748	0	4207
ECL(FSA)	G8	3.277%	2713	139	745		3597	2714	87	745	0	3546
BCCL(FSA)	WIV	5.285%	4027	140	878		5045	4028	87	878	0	4993
BCCL(FSA)	WV	9.396%	3812	140	878		4830	3812	87	878	0	4777
Captive ROM	G12	31.614%	2512	67	750		3329	397	45	750	0	1192
Captive Wahed	Washed	21.076%	3439	67	750		4256	728	45	750	0	1523
CCL(Auction) RCR	G11	9.044%	5775	71	1350	520	7716	1769	89	1350	152	3360
Import	Import	4.930%	15463	609	559		16631	10176	22	559	0	10757
Biomass Pellet	Biomass	5.000%	10108				10108	10107		0	0	10107
Wt Average												3417



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE – 4A
ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2024 – 2025 (Rs/MT)

Source	Grade	Mix	Projected				Admitted					
			Amount charged by coal company	Handlin, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied
ECL(FSA)	G3	0.081%	5105	139	753		5997	5106	87	753	0	5946
ECL(FSA)	G4	5.291%	4895	139	746		5780	4896	87	746	0	5729
ECL(FSA)	G5	2.605%	4526	139	767		5432	4527	87	767	0	5381
ECL(FSA)	G6	0.163%	3922	139	747		4808	3923	87	747	0	4757
ECL(FSA)	G7	2.171%	3371	139	748		4258	3372	87	748	0	4207
ECL(FSA)	G8	3.256%	2713	139	745		3597	2714	87	745	0	3546
BCCL(FSA)	WIV	5.289%	4027	140	878		5045	4028	87	878	0	4993
BCCL(FSA)	WV	9.297%	3812	140	878		4830	3812	87	878	0	4777
Captive ROM	G12	31.410%	2512	67	750		3329	397	45	750	0	1192
Captive Wahed	Washed	20.940%	3439	67	750		4256	728	45	750	0	1523
CCL(Auction) RCR	G11	7.592%	5775	71	1350	520	7716	1769	89	1350	152	3360
Import	Import	4.909%	15463	609	559		16631	10176	22	559	0	10757
Biomass Pellet	Biomass	6.996%	10108				10108	10107	0	0	0	10107
Wt Average												3554



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2025 – 2026 (Rs/MT)

Source	Grade	Mix	Projected					Admitted				
			Amount charged by coal company	Handling, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost (Rail)	Transportation cost (Road)	Total cost of coal supplied
ECL(FSA)	G3	0.081%	5105	139	753		5997	5106	87	753	0	5946
ECL(FSA)	G4	5.285%	4895	139	746		5780	4896	87	746	0	5729
ECL(FSA)	G5	2.602%	4526	139	767		5432	4527	87	767	0	5381
ECL(FSA)	G6	0.163%	3922	139	747		4808	3923	87	747	0	4757
ECL(FSA)	G7	2.168%	3371	139	748		4258	3372	87	748	0	4207
ECL(FSA)	G8	3.252%	2713	139	745		3597	2714	87	745	0	3546
BCCL(FSA)	WIV	5.283%	4027	140	878		5045	4028	87	878	0	4993
BCCL(FSA)	WV	9.286%	3812	140	878		4830	3812	87	878	0	4777
Captive ROM	G12	31.375%	2512	67	750		3329	397	45	750	0	1192
Captive Wahed	Washed	20.917%	3439	67	750		4256	728	45	750	0	1523
CCL(Auction) RCR	G11	7.685%	5775	71	1350	520	7716	1769	89	1350	152	3360
Import	Import	4.903%	15463	609	559		16631	10176	22	559	0	10757
Biomass Pellet	Biomass	7.000%	10108				10108	10107	0	0	0	10107
Wt Average												3555



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF SOUTHERN FOR 23 – 24, 24 – 25 AND 25 – 26 (RS/MT)

Source	Grade	Mix	PROJECTED (23-24)				ADMITTED			
			Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Total	Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Total
2023-24			Rs. /MT	Rs. /MT	Rs. /MT	Rs. /MT	Rs. /MT	Rs. /MT	Rs. /MT	Rs. /MT
ECL(FSA)	G3	6.00%	5102	369	742	6213	5103	254	742	6099
ECL(FSA)	G4	19.05%	4892	369	747	6008	4893	254	747	5894
ECL(Auction)	G4	44.95%	4892	369	747	6008	4893	254	747	5894
ECL(FSA)	G5	30.00%	4523	369	747	5639	4524	254	747	5525
TOTAL						5910				5796
2024-25										
ECL(FSA)	G3	6.00%	5102	369	742	6213	5103	254	742	6099
ECL(FSA)	G4	19.23%	4892	369	747	6008	4893	254	747	5894
ECL(Auction)	G4	44.77%	4892	369	747	6008	4893	254	747	5894
ECL(FSA)	G5	30.00%	4523	369	747	5639	4524	254	747	5525
TOTAL						5910				5796
2025-26										
ECL(FSA)	G3	6.00%	5102	369	742	6213	5103	254	742	6099
ECL(FSA)	G4	19.23%	4892	369	747	6008	4893	254	747	5894
ECL(Auction)	G4	44.77%	4892	369	747	6008	4893	254	747	5894
ECL(FSA)	G5	30.00%	4523	369	747	5639	4524	254	747	5525
TOTAL						5910				5796



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2023 – 2024 (kcal/kg)

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received after Moisture correction before netting off 120 kcal/kg	Minimum GCV of the Grade	Maximum GCV of the Grade	Average GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
A	B	C	D	E	F=E+120*	G	H	I	J (Max of F,I)	K=CxJ	L=K-120
ECL(FSA)	G3	0.082%	6401	5283	5403	6401	6700	6551	6551	5.37	
ECL(FSA)	G4	5.325%	6101	4846	4966	6101	6400	6251	6251	332.87	
ECL(FSA)	G5	2.622%	5801	4627	4747	5801	6100	5951	5951	156.04	
ECL(FSA)	G6	0.164%	5501	4621	4741	5501	5800	5651	5651	9.27	
ECL(FSA)	G7	2.185%	5201	4316	4436	5201	5500	5351	5351	116.92	
ECL(FSA)	G8	3.277%	4901	4033	4153	4901	5200	5051	5051	165.52	
BCCL(FSA)	WIV	5.285%	5201	4360	4480	5201	5201	5201	5201	274.87	
BCCL(FSA)	WV	9.396%	4901	4085	4205	4901	4901	4901	4901	460.50	
Captive ROM	G12	31.614%	3701	3351	3471	3701	4000	3851	3851	1217.46	
Captive Wahed	Washed	21.076%	3810	3473	3593	4001	4300	4151	4151	874.86	
CCL(Auction) RCR	G11	9.044%	4001	3062	3182	4001	4300	4151	4151	375.42	
Import	Import	4.930%	5000	5000	5000				5000	246.50	
Biomass Pellet	Biomass	5.000%	3294	3294	3294				3294	164.70	
TOTAL		100.00%								4400.30	4280.30

(*) For Biomass Pellet, Projected GCV net of 120 kcal/kg is same as GCV as billed and admitted



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2024 – 2025 (kCal/Kg)

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received after Moisture correction before netting off 120 kcal/kg	Minimum GCV of the Grade	Maximum GCV of the Grade	Average GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
A	B	C	D	E	F=E+120*	G	H	I	J (Max of F,I)	K=CxJ	L=K-120
ECL(FSA)	G3	0.081%	6401	5283	5403	6401	6700	6551	6551	5.30	
ECL(FSA)	G4	5.291%	6101	4846	4966	6101	6400	6251	6251	330.70	
ECL(FSA)	G5	2.605%	5801	4627	4747	5801	6100	5951	5951	155.00	
ECL(FSA)	G6	0.163%	5501	4621	4741	5501	5800	5651	5651	9.20	
ECL(FSA)	G7	2.171%	5201	4316	4436	5201	5500	5351	5351	116.20	
ECL(FSA)	G8	3.256%	4901	4033	4153	4901	5200	5051	5051	164.50	
BCCL(FSA)	WIV	5.289%	5201	4360	4480	5201	5201	5201	5201	275.10	
BCCL(FSA)	WV	9.297%	4901	4085	4205	4901	4901	4901	4901	455.60	
Captive ROM	G12	31.410%	3701	3351	3471	3701	4000	3851	3851	1209.60	
Captive Wahed	Washed	20.940%	3810	3473	3593	4001	4300	4151	4151	869.20	
CCL(Auction) RCR	G11	7.592%	4001	3062	3182	4001	4300	4151	4151	315.10	
Import	Import	4.909%	5000	5000	5000	0			5000	245.50	
Biomass Pellet	Biomass	6.996%	3294	3294	3294				3294	230.40	
TOTAL		100.00%								4381.40	4261.40



सत्यमेव जयते



MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2025 – 2026 (kCal/Kg)

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received after Moisture correction before netting off 120 kcal/kg	Minimum GCV of the Grade	Maximum GCV of the Grade	Average GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
A	B	C	D	E	F=E+120	G	H	I	J (Max of F,I)	K=CxJ	L=K-120
ECL(FSA)	G3	0.081%	6401	5283	5403	6401	6700	6551	6551	5.30	
ECL(FSA)	G4	5.285%	6101	4846	4966	6101	6400	6251	6251	330.40	
ECL(FSA)	G5	2.602%	5801	4627	4747	5801	6100	5951	5951	154.80	
ECL(FSA)	G6	0.163%	5501	4621	4741	5501	5800	5651	5651	9.20	
ECL(FSA)	G7	2.168%	5201	4316	4436	5201	5500	5351	5351	116.00	
ECL(FSA)	G8	3.252%	4901	4033	4153	4901	5200	5051	5051	164.30	
BCCL(FSA)	WIV	5.283%	5201	4360	4480	5201	5201	5201	5201	274.80	
BCCL(FSA)	WV	9.286%	4901	4085	4205	4901	4901	4901	4901	455.10	
Captive ROM	G12	31.375%	3701	3351	3471	3701	4000	3851	3851	1208.30	
Captive Wahed	Washed	20.917%	3810	3473	3593	4001	4300	4151	4151	868.30	
CCL(Auction) RCR	G11	7.685%	4001	3062	3182	4001	4300	4151	4151	319.00	
Import	Import	4.903%	5000	5000	5000	0			5000	245.20	
Biomass Pellet	Biomass	7.000%	3294	3294	3294				3294	230.60	
TOTAL		100.00%								4381.30	4261.30



सत्यमेव जयते



MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR SOUTHERN GENERATING STATION FOR THE YEARS 23-24, 24-25 AND 25-26 (kCal/Kg)

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Maximum GCV of the Grade	Average GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
A	B	C	D	E	F=E+120	G	H	I	J (Max of F,I)	K=CxJ	L=K-120
2023-24											
ECL(FSA)	G3	6.00%	6401	5254	5374	6401	6700	6551	6551	393.06	
ECL(FSA)	G4	19.05%	6101	4914	5034	6101	6400	6251	6251	1190.82	
ECL(Auction)	G4	44.95%	6101	4914	5034	6101	6400	6251	6251	2809.82	
ECL(FSA)	G5	30.00%	5801	4616	4736	5801	6100	5951	5951	1785.30	
TOTAL		100.00%								6179.00	6059.00
2024-25											
ECL(FSA)	G3	6.00%	6401	5254	5374	6401	6700	6551	6551	393.06	
ECL(FSA)	G4	19.23%	6101	4914	5034	6101	6400	6251	6251	1202.07	
ECL(Auction)	G4	44.77%	6101	4914	5034	6101	6400	6251	6251	2798.57	
ECL(FSA)	G5	30.00%	5801	4616	4736	5801	6100	5951	5951	1785.30	
TOTAL		100.00%								6179.00	6059.00
2025-26											
ECL(FSA)	G3	6.00%	6101	5254	5374	6401	6700	6551	6551	393.06	



MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Maximum GCV of the Grade	Average GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
A	B	C	D	E	F=E+120	G	H	I	J (Max of F,I)	K=CxJ	L=K-120
ECL(FSA)	G4	19.23%	5801	4914	5034	6101	6400	6251	6251	1202.07	
ECL(Auction)	G4	44.77%	5801	4914	5034	6101	6400	6251	6251	2798.57	
ECL(FSA)	G5	30.00%	4901	4616	4736	5801	6100	5951	5951	1785.30	
TOTAL		100.00%								6179.00	6059.00



**ANNEXURE – 4C
FUEL COST DETERMINATION OF BUDGE BUDGE GENERATING STATION**

Sl. No.	ITEM	Unit	Projected			Admitted		
			2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Gross generation for sale to own consumers and licensee	MU	5396	5407	5413	5396	5407	5413
	Aux rate	%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
2	Auxiliary Consumption	MU	486	487	487	486	487	487
3	Ex-bus generation (3=1-2)	MU	4911	4921	4926	4910	4920	4926
4	Heat rate	KCAL/KWHR	2470	2470	2470	2470	2470	2470
5	Total Heat (5=1×4)	M. KCAL	133290061	13355720	13370850	13328120	13355290	13370110
6	GCV of OIL	Kcal/lit	9528	9528	9528	10660	10660	10660
7	Specific Oil Consumption	MI/kwh	1.30	1.30	1.30	1.30	1.30	1.30
8	Oil Consumption (8=1×7)	KL	7015	7029	7037	7015	7029	7037
9	Average Price of Oil	Rs/KL	87048	87048	87048	87048	87048	87048
10	Cost of oil (10=8×9 +100000)	Rs(lakh)	6107	6119	6126	6106	6119	6126
11	Heat generated from oil (11=6 × 8+1000)	M Kcal	66842	66975	67051	74780	74929	75014
12	Heat from coal (12=5-11)	M Kcal	13262219	13288744	13303799	13253340	13280361	13295096
13	Heat value of coal	Kcal/Kg	3750	3744	3745	4280.30	4261.40	4261.30
14	Coal required (14=12×1000÷13)	MT	3536592	3549344	3552416	3096358	3116431	3119962
15	Coal required with Transit loss@0.75%	MT	3563317	3576165	3579261	3119756	3139981	3143539
16	Weighted Average Price of coal	Rs/MT	5276	5286	5291	3417	3554	3555
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	188013	189035	189364	106602	111595	111753
18	Total Cost of Fuel (18=10+17)	Rs. (lakh)	194120	195154	195490	112708	117714	117879
19	Fuel Cost/unit	Rs/kwh	3.60	3.61	3.61	2.09	2.18	2.18
20	Ex-bus energy charge (18/ 3)	Rs/kwh	3.95	3.97	3.97	2.30	2.39	2.39



ANNEXURE – 4C
FUEL COST DETERMINATION OF SOUTHERN GENERATING STATION

SI No.	ITEM	Unit	PROPOSED			ADMITTED		
			2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Gross generation for sale to own consumers and licensee	MU	341	341	341	949	946	946
	Aux rate	%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
2	Auxiliary Consumption	MU	31	31	31	85	85	85
3	Ex-bus generation (3=1-2)	MU	310	310	310	864	861	861
4	Heat rate	KCAL/KWHR	2900	2900	2900	2900	2900	2900
5	Total Heat (5=1×4)	M. KCAL	987476	987476	987476	2752100	2743400	2743400
6	GCV of OIL	Kcal/lit	9470	9470	9470	10658	10658	10658
7	Specific Oil Consumption	ML/kwh	2	2	2	2.10	2.10	2.10
8	Oil Consumption (8=1×7)	KL	715	715	715	1993	1987	1987
9	Average Price of Oil	Rs/KL	95040	95040	95040	95040	95040	95040
10	Cost of oil (10=8×9 +100000)	Rs(lakh)	680	680	680	1894	1888	1888
11	Heat generated from oil (11=6 × 8÷1000)	M Kcal	6772	6772	6772	21241	21177	21177
12	Heat from coal (12=5-11)	M Kcal	980704	980704	980704	2730859	2722223	2722223
13	Heat value of coal	Kcal/Kg	4845	4845	4845	6059	6059	6059
14	Coal required (14=12×1000÷13)	MT	202416	202416	202416	450711	449286	449286
15	Coal required with Transit loss@0.75%	MT	203945	203945	203945	454117	452681	452681
16	Weighted Average Price of coal	Rs/MT	5817	5889	5905	5796	5796	5796
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	11864	12010	12043	26321	26237	26237
18	Total Cost of Fuel (18=10+17)	Rs. (lakh)	12544	12689	12722	28215	28125	28125
19	Fuel Cost/unit	Rs/kwh	3.68	3.72	3.73	2.97	2.97	2.97
20	Ex-bus Energy Charge (18/3)	Rs/kwh	4.05	4.09	4.10	3.27	3.27	3.27



CHAPTER - 5 FIXED CHARGES

5.1 The analysis of the fixed charges projected by CESC Limited for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 under eighth control period under the Multi Year Tariff approach under different heads of accounts has been taken up in this chapter.

5.2 Employee Cost:

5.2.1 The expenditures projected by CESC Limited for different ensuing years towards employee cost are as under:

Table 5.2.1: Projected Employee cost (Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Generation	21464	23134	25086
2	Distribution & Sales	97414	103543	108693
3	Total [(3) = (1) + (2)]	118878	126677	133779
A	Salaries and Wages for own employees	101555	107751	112882
B	Salaries and wages to contractual manpower in regular establishment	17323	18926	20897
C	Total [(C) = (A) + (B)]	118878	126677	133779

5.2.2 The above projected expenditures chargeable to different cost centres are net of capitalization. The total number of own employees are projected 6191, 5735 and 5568 for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively.

5.2.3 It has been stated that for the Budge Budge and Southern generating stations, the number of existing workforces (both own employees and contracted employees) have been restricted to the normative ceiling as per the man/MW norm stipulated in the Tariff Regulations, while projecting employee cost for the concerned years as follows:

Table 5.2.3: Projected own and Contractual employee number



Generating Station	Own Employee Number			Contractual employee number (Normative Less Own Employee)		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Budge Budge	548	515	497	637	670	688
Southern	217	187	164	256	286	309
Normative manpower of Budge Budge: 1185 (1.58 x 750 MW), Southern: 473 (3.50 x 270 MW)						

- 5.2.4 For Titagarh Generating Station, as stated, most of the employees have been redeployed in other areas in a gainful manner but bare minimum own employees are kept for safety and security together with overall maintenance of the plant site. As per the letter of CESC dated 22.12.2023, the number of own employees at Titagarh generating station is three (3).
- 5.2.5 CESC Limited has not mentioned the number of own employees at distribution and sale, however, from the above paragraphs, such numbers are derived as below:

Table 5.2.5: Projected break up of own employee number

Sl. No.	Description	2023-24	2024-25	2025-26
A	Total own employee	6191	5735	5568
B	Budge Budge	548	515	497
C	Titagarh	3	3	3
D	Southern	217	187	164
E	Distribution (A-B-C-D)	5423	5030	4904

This has been stated by the petitioner that the Company does not pay any production or performance incentive linked with the operational performance of any generating station / distribution / selling activity and certain portion of remuneration agreed through wage settlement arrangement, is paid to ensure individual attendance, adherence to job norms etc. is embedded in employee cost.

- 5.2.6 The applicant has asked for an average annual rise of 3% for 2023-24 over the latest estimated figure of 2022-23 and in the region of 5% to 6% for the years 2024-25 and 2025-26 respectively, to cover higher/ enhanced activity level and the inflationary pressure.
- 5.2.7 The Commission has carefully examined the projected amount of expenses and it has been observed that though the petitioner has assumed 3%, 6% and 5% increase over total



employee cost of preceding years, it has actually increased by 7.71 %, 14.54 % and 7.90 % over previous years for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively on per capita employee cost since the employee numbers have been projected with steep decline. As employee cost is sensitive to Consumer Price Index (CPI), the CPI based inflation rate is considered by the Commission for employee cost estimation in eighth control period. The rate of inflation as per Consumer Price Index for industrial workers (CPI-IW Index) for the year 2022 – 2023 in Annual Report of Reserve Bank of India (RBI) is 6.10%. Thus, the Commission considers annual increase in per capita employee cost for cost centres for the own employee in regular establishment @ 6.10% for all the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 as projected by CESC Limited.

5.2.8 The employee expense claimed in the APR petition for the year 2022 – 2023 is Rs 98683 lakh. With 6469 numbers of own employee in 2022 – 2023, as mentioned in Form 1.17(h) to Annexure – 1 of the instant tariff petition as well as in APR petition for 2022 – 23, the per capita employee cost of 2022 – 2023 becomes Rs 15.25 lakh. The per capita employee cost of 2023 – 2024, 2024 – 2025 and 2025 – 2026 has been determined by applying 6.10% inflation over preceding years. Total employee cost of respective years is estimated by multiplying projected own employee numbers as follows:

Table 5.2.8: Total own employee cost estimated by the Commission

Sl. No	Particulars	Amount (Rs Lakh)
1	Own employee expense in Rs Lakh as claimed in APR for 22-23	98683
2	Number of permanent employees as on 31.03.23	6469
3	Per capita actual employee cost in FY23 (1 / 2)	15.25
4	Per capita employee cost in 23-24 with 6.10% escalation on above (3)	16.18
5	Per capita employee cost in 24-25 with 6.10% escalation on above (4)	17.17
6	Per capita employee cost in 25-26 with 6.10% escalation on above (5)	18.22

5.2.9 The total own employee cost as estimated above is apportioned to different cost centres based on the projected own employee number of CESC Limited and admitted per capita own employee cost per annum as follows:



Table 5.2.9(a): Function wise break up of own employee cost projected by CESC Limited and estimated by the Commission

(Rs lakh)

Sl. No.	Cost Centre	Projected			Estimated by WBERC		
		23-24	24-25	25-26	23-24	24-25	25-26
1	Budge Budge	10002	10909	11823	8867	8843	9055
2	Titagarh	79	91	103	49	52	55
3	Southern	3729	3723	3601	3511	3211	2988
	Sub-total	13810	14723	15527	12427	12106	12098
4	Distribution	87745	93028	97355	87744	86365	89351
	Total	101555	107751	112882	100171	98471	101449

The admitted figure is minimum of estimated by WBERC and claimed by CESC which comes to as under:

Table 5.2.9(b): Admitted own employee cost

(Rs lakhs)

Sl. No.	Cost Centre	Admitted		
		2023-24	2024-25	2025-26
1	Budge Budge	8867	8843	9055
2	Titagarh	49	52	55
3	Southern	3511	3211	2988
	Sub-total	12427	12106	12098
4	Distribution	87744	86365	89351
	Total	100171	98471	101449

5.2.10 CESC in the present MYT petition has claimed contractual employee cost for distribution function which was included under O&M Cost in previous MYT petitions. As per the instant petition of CESC Limited, cost of contractors' manpower engaged to provide only job specific revenue related services as per rate schedule is claimed whereas contractual manpower cost relating to Capex jobs are included in overall capital expenditure for the year. An estimated number of 2500 manpower are engaged to carry out such job and impact of rise in cost owing to inflationary pressure, significant rise in the prescribed Minimum Wages in the State and prospective revision of the Contractors' manpower wages are projected by CESC Limited for 2023-24 to 2025-26.

5.2.11 Cost of contracted manpower of distribution function in regular establishment has been



claimed in form 1.15 at Rs 9669 lakh, Rs 10515 lakh and Rs. 11338 lakh for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively but CESC Limited has not shown number and cost of contracted manpower of distribution function in regular establishment in form 17(h) as per regulation 5.9.3 and 5.9.6. Further, such cost has been claimed and allowed as part of the Repair & Maintenance (R&M) cost of distribution function in previous MYT and APR orders and norms for Repair & Maintenance Expenses of CESC has been allowed in the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023. Therefore, admitting cost of contracted manpower of distribution function separately in the present MYT order will result into double allowance. Thus, the Commission finds it prudent not to pass through any amount under cost of contracted manpower of distribution function in tariff determination stage.

However, CESC Limited shall submit actual contractual manpower engaged after 31.03.2023 in regular establishment of distribution function and corresponding expenditures under employee cost for contracted manpower in APR petitions for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 with auditor’s certificate and required data in Form 1.17(h), as per regulation 5.9.3 and 5.9.6. The Commission will review such expenditure in respective APR petitions based on prudence.

5.2.12 Regarding expenditure claimed by CESC Limited for contracted manpower in regular establishment in generating station, CESC Limited has stated that employee cost for contractual manpower at generating function, has been derived considering the allowable number of employees as per norm.

5.2.13 From the APR petition of CESC Limited for the year 2022 – 23, this is found that the contracted manpower cost at Budge Budge and Southern generating stations were Rs 7.27 lakh/Man and Rs 4.03 lakhs/Man respectively. The per capita contractual employee cost of 2023 – 2024, 2024 – 2025 and 2025 – 2026 has been determined by applying inflation over 2022 – 2023, similar to own employee cost as below:

Table 5.2.13(a): Estimated per capita contractual employee cost

Generating Stations	Per capita contractual employee cost (Rs Lakhs/Man)			
	2022 - 23	2023-24	2024-25	2025-26



[1]	[2]	[3] = [2] x 1.061	[4] = [3] x 1.061	[5] = [4] x 1.061
Budge Budge	7.27	7.71	8.18	8.68
Southern	4.03	4.28	4.54	4.82

The number of contracted man power in regular establishment of generating stations of CESC Limited is estimated by deducting number of projected own employee from normative as follows:

Table 5.2.13(b): Estimated number of contracted man power

Generating Station	Normative Manpower	Number of own Employee			Normative Less Own Employee		
		23 – 24	24 – 25	25 – 26	23 – 24	24 – 25	25 – 26
Budge Budge	1185	548	515	497	637	670	688
Southern	473	217	187	164	256	286	309

5.2.14 The Commission estimates cost of contracted manpower in regular establishment in generating station for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 by multiplying the per capita estimated annual cost of contracted manpower with such numbers of contracted manpower as derived in preceding two tables.

Table 5.2.14: Estimated Employee cost for contracted man power in regular establishment

(Rs lakh)

Sl. No.	Generating Station	As estimated by the Commission		
		23 – 24	24 – 25	25 – 26
1	Budge Budge	4911	5481	5972
2	Titagarh	0	0	0
3	Southern	1096	1298	1489
	Total	6007	6779	7461

5.2.15 The Commission admits lower of the projection and above estimation for the cost of contracted manpower in regular establishment in generating station for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 as below:



(Rs lakh)

Sl. No.	Generating Station	As Proposed by CESC			As admitted by the Commission		
		23 – 24	24 – 25	25 – 26	23 – 24	24 – 25	25 – 26
1	Budge Budge	6289	7082	7983	4911	5481	5972
2	Titagarh	0	0	0	0	0	0
3	Southern	1365	1329	1576	1096	1298	1489
	Total	7654	8411	9559	6007	6779	7461

CESC Limited shall submit actual manpower and expenditures under employee cost for contracted manpower in regular establishment at generating stations in APR petitions for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 with auditor's certificate and required data in Form 1.17(h), as per regulation 5.9.3 and 5.9.6 failing which the Commission will not consider any such expenditure in respective APR petitions.

5.2.16 Thus, the employee cost including contractual employee cost at regular establishment is admitted as under:

Table 5.2.16: Employee cost including contractual employee cost

(Rs lakh)

Description	Projected			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Budge Budge						
Own Employee cost	10002	10909	11823	8867	8843	9055
Contracted Employee cost	6289	7082	7983	4911	5481	5972
Sub Total	16291	17991	19806	13778	14324	15027
Titagarh						
Own Employee cost	79	91	103	49	52	55
Contracted Employee cost	0	0	0	0	0	0
Sub Total	79	91	103	49	52	55
Southern						
Own Employee cost	3729	3723	3601	3511	3211	2988
Contracted Employee cost	1365	1329	1576	1096	1298	1489
Sub Total	5094	5052	5177	4607	4509	4477
Distribution						
Own Employee cost	87745	93028	97355	87744	86365	89351
Contracted Employee cost	9669	10515	11338	0	0	0
Sub Total	97414	103543	108693	87744	86365	89351
Overall CESC						



Description	Projected			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Own Employee cost	101555	107751	112882	100171	98471	101449
Contracted Employee cost	17323	18926	20897	6007	6779	7461
Total	118878	126677	133779	106178	105250	108910

5.2.17 It is, however, pertinent to mention that, in terms of the Tariff Regulations, the employee cost is an uncontrollable factor. Any reasonable variation of actual chargeable amount of expenses under this head of fixed charges is subject to adjustment through the APR based on the audited accounts.

5.2.18 CESC limited is directed to provide total number of employees in their pay roll as well as number of contracted man power in regular establishment and respective employee cost for generation function in APR petitions.

5.3 Operation and Maintenance (O&M) Expenses for Coal Fired Thermal Generating Station under Operation:

5.3.1 O&M Expense for 2023-24 to 2025-26 for Budge Budge and Southern have been projected by CESC Limited as per applicable norms in terms of Tariff Regulations. However, it is submitted that the incidence of expenditure in many instances, are not within the control of the Company since rise in O&M expenses, especially Repairs & Maintenance, linked to Minimum Wages Notification as well as wage negotiation with the Contractors, the Company may be constrained to pray for certain dispensations from the Commission in this regard during the APR stage, with due justification and necessary details (including that as may be required for Titagarh Generating Station, if circumstances so warrant).

CESC Limited has stated that O & M Expenses for Titagarh has been kept at the level of 2021-22 without any inflationary effect, required for minimum maintenance of the Plant which will be suitably adjusted at the time of APR submission, however, the Commission may kindly note that certain expenses like Security. Audit Fees, Rates & Taxes and Insurance are necessary for safety and security of the station.

5.3.2 In terms of Regulation 2.8.6.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023, the operating norms of



different operational parameters pertaining to the years 2023 – 24 to 2025 – 26, on the basis of which the annual revenue requirement of any generating station or licensee will be determined, have been laid down in Schedule-9A of the Tariff Regulations. O&M expenses for generating station shall be computed based on the installed capacity considering the norms specified in Schedule-9A of the Tariff Regulations.

5.3.3 For Titagarh generating station, the Commission does not consider any operation and maintenance expense as the power plant is inoperative since 2017 – 18 and stated to be remained inoperative during the control period. The normative O&M expense amount for generating stations of CESC for 2023 – 2024, 2024 – 2025 and 2025 – 2026 comes as follows:

Table 5.3.3: Normative O&M Expenses

(Rs lakh)

Sl. No	Generating Station	Installed Capacity (MW)	Norms of O&M Expenses (Rs lakh/ MW)			Normative O&M Expenses (Rs lakh)		
			23-24	24-25	25-26	23-24	24-25	25-26
[1]	[2]	[3]	[4]	[5]	[6]	[7]=[3x4]	[8]=[3x5]	[9]=[3x6]
1	Budge Budge	750	19.40	20.14	20.90	14550	15105	15675
2	Southern	135	23.87	24.77	25.71	3222	3344	3471
3	Total					17772	18449	19146

5.3.4 As decided above, recovery of O&M expenses for Titagarh is not admissible for the eighth control period and accordingly, the projected and admitted figures for O&M for generation function is as follows:

Table 5.3.4: O & M expenses for generation

(Rs lakhs)

Sl. No.	Generating Station	As Proposed by CESC			As admitted by the Commission		
		23-24	24-25	25-26	23-24	24-25	25-26
1	Budge Budge	14550	15106	15675	14550	15105	15675
2	Titagarh	228	228	228	0	0	0
3	Southern	3223	3345	3472	3222	3344	3471
4	Total	18001	18679	19375	17772	18449	19146



5.4 Water Charges for thermal generating stations

5.4.1 CESC Limited has stated that water charges will be claimed separately based on actual experience in subsequent APR petitions as a part of statutory charges.

5.4.2 The Commission does not consider any water charges for thermal generating stations of CESC Limited in this MYT order as proposed by them. The claim will be viewed in APR as per provisions in the Tariff Regulations.

5.5 Repair & Maintenance ('R&M') Expenses for distribution

5.5.1 CESC Limited has stated that Repair & Maintenance has been included in the tariff petition on a normative basis in terms of the extant Regulations as a percentage of Gross Fixed Assets (GFA) relating to Distribution and Sales. The cost as claimed by CESC Limited is shown below:

Table 5.5.1: R&M Claimed by CESC Limited

(Rs lakh)

Description	Derivation	Distribution			Sale		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
GFA opening	A	1148600	1205832	1272812	58699	61087	63611
Add: GFA Added during the year	B	58532	68279	78251	3388	3524	3766
Less: retired during the year	C	1300	1300	1300	1000	1000	1000
GFA Closing	D=A+B-C	1205832	1272811	1349763	61087	63611	66377
Net Asset Addition	E=B-C	57232	66979	76951	2388	2524	2766
GFA considered for R&M	F=A+B/2-C	1176566	1238672	1310638	59393	61849	64494
Norms	G	2.20%	2.28%	2.37%	2.20%	2.28%	2.37%
Normative R&M	H=F*G	25884	28242	31062	1307	1410	1529

5.5.2 The Gross Fixed Assets (GFA) as on 31.03.2023, the additions and retirements as admitted by the Commission for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 in paragraph 5.8.8 of this order for distribution assets has been considered by the Commission and



accordingly, the admissible R & M expenses for Distribution is computed as below following the normative principle:

Table 5.5.2: R&M expenses admitted by the Commission

(Rs lakh)

Description	Derivation	Claim			Admitted		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
GFA opening	A	1207299	1266919	1336423	1188232	1209613	1238452
Add: GFA Added during the year	B	61920	71803	82017	23681	31139	34602
Less: retired during the year	C	2300	2300	2300	2300	2300	2300
GFA Closing	D=A+B-C	1266919	1336422	1416140	1209613	1238452	1270754
Net Asset Addition	E	59620	69503	79717	21381	28839	32302
GFA considered for R&M	F=A+E/2	1235959	1300521	1375132	1198923	1224033	1254603
Norms	G	2.20%	2.28%	2.37%	2.20%	2.28%	2.37%
Normative R&M	H=F*G	27191	29652	32591	26376	27908	29734

5.6 Administrative & General Expenses for distribution

5.6.1 The Commission in terms of Regulation 5.7.4.1(ii) of the Tariff Regulations proceeds to determine the admissible Administrative & General (A & G) Expenses for distribution for the years 2023 – 24, 2024 – 25 and 2025 – 26 considering the admitted amount of such expenses as per the APR Order for the years 2017 – 18 to 2018 – 19 and the admitted amount in the Tariff Orders for the years 2019 – 20 to 2021 – 22. The hybrid inflation (“HI”) index considered for each of the last five years preceding to the base year for normalizing the figures to the base year are as below:

Table 5.6.1: Hybrid inflation index (%)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
WPI	2.96	4.26	1.67	1.31	12.97
CPI-IW	3.10	5.40	7.50	5.00	5.10
HI (60% WPI and 40% CPI-IW)	3.02	4.72	4.00	2.79	9.82
Note: WPI is Wholesale Price Index (average % change) and CPI-IW is CPI-Industrial Workers (average % change)					



5.6.2 The Commission decides to apply the same inflation rate of 3.79% as considered for finalizing the norms for the 8th control period in the Tariff Regulations for giving the further escalation from the normalized base year figure to arrive at the admissible A&G expenses for each of the ensuing years as detailed in Annexure 5A of this order. Accordingly, the admissible A&G expense for the years 2023 – 24, 2024 – 25 and 2025 – 26 comes as summarized below:

Table 5.6.2: Administrative & General (A & G) Expenses for distribution

(Rs lakh)

Projected by CESC			Admitted by the Commission		
2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
30820	33849	37177	27784	28837	29930

5.7 Statutory Charges

5.7.1 CESC Limited has stated that in view of the Tariff Regulation dated 13.03.2023 [West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023], Statutory Charges, earlier under A&G expenses, for the years 2023 – 24, 2024 – 25 and 2025 – 26 has been claimed as follows:

Table 5.7.1: Statutory charges projected by CESC Limited

(Rs lakh)

Particulars	2023-24	2024-25	2025-26
Licensee Fees	83.00	86.00	88.00
Application/petition filing fees before the Commission			
Electricity Duty			
Water Cess			
Municipal Tax	892.00	900.00	909.00
Others (Kolkata Port Trust Licensee Fee for Southern Land)	950.00	1029.00	1058.00
Others (Land Revenue, Professional Tax)	161.00	163.00	165.00
TOTAL	2086.00	2178.00	2220.00

5.7.2 In terms of regulation 5.7.1 of Tariff Regulations, all statutory fees including licence and filing fees payable in terms of the Act shall be allowed separately during Annual Performance Review. Therefore, no statutory charges is admitted in tariff determination



stage.

5.8 Depreciation:

5.8.1 CESC Limited has claimed depreciation based on their computations in Form B to Annexure 1 of Tariff Regulations to the following extent:

Table 5.8.1: Projected depreciation

Sl. No	Particulars	Rs in lakh		
		2023 – 24	2024 – 25	2025 – 26
1	Generation Assets	10408	10426	10362
2	Distribution Assets	62380	64154	66335
	Sub-total	72788	74580	76697
5	Less: Depreciation on assets created by utilizing proceeds from sale of old assets	439	439	439
	Total	72349	74141	76258

5.8.2 This is submitted by CESC Limited that estimation / projection for depreciation computation for the MYT period of 2023-24 to 2025 - 26 have been made as per the Notification No.76/WBERC dated 13.03.2023 [West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023] after allocation of Advance against depreciation in terms of the said notification.

5.8.3 CESC Limited has stated that depreciable asset base as at 31.3.2023 has been arrived at duly considering accumulated depreciation and AAD as per Audited Accounts of 31.3.2022 and the estimate for the year 2022-23; Depreciation has been computed in terms of the Tariff Regulations considering the rates in terms of the Fourth Amendment Regulations and following the principles enshrined therein; No Depreciation has been claimed on assets reaching 90% and for assets reaching 70% has been depreciated over the balance life till it reaches 90%; Other Assets has been depreciated considering the applicable Depreciation rates for assets depreciated has been considered in terms of the Fourth Amendment Regulations.

5.8.4 On original cost of Fixed Asset, CESC Limited has submitted the following:

- (a) Original cost of fixed assets represents those relating to assets in use at the respective year-ends and accordingly, do not include details in respect of Capital



Works in Progress.

- (b) Original cost of meters and other apparatus at consumers' premises have not been clubbed with the above category of Distribution Assets but separately disclosed as Metering Assets.
- (c) Certain assets, mainly office buildings, vehicles, furniture, computer installations etc. which are used across the Company for various activities, have been shown under a separate heading as Other Assets.
- (d) Although certain assets of the Company were revalued by approved valuer from time to time, the effect of such revaluation has not been considered for the purpose of tariff determination on a consistent basis. Accordingly, the original cost of fixed assets are based on historical cost and do not include the effect of revaluation.
- (e) A sum of Rs 13595 lakhs incurred towards cost of mining rights acquired during FY 2015-16 and its related assets and any subsequent expenditure relating to these, have not been included in original cost of fixed assets.

5.8.5 The original cost of fixed assets, considering asset addition, asset retirement and net asset addition, projected by CESC Limited is as follows:

Table 5.8.5: Projected original cost of Fixed Assets

(Rs lakh)

Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Budge Budge	379166	382145	385706	388600
Titagarh	31121	31121	31121	31121
Southern	28327	28639	28809	28799
Sub Total	438614	441905	445636	448520
Distribution	1118373	1170605	1234085	1308036
Metering	58699	61087	63611	66377
Others	30227	35227	38727	41727
Less: Consumer Contribution	0	11066	11066	11066
Total	1645913	1697758	1770993	1853594

5.8.6 The Commission vide Regulation: 5.6.2 of the Tariff Regulations, specifies that the depreciation permitted to be recovered on the value of fixed assets used in the business of



a Generating Company and / or Licensee. Further vide Regulation: 5.6.2 (ii) of the Tariff Regulations, the Commission specifies the rates [in Annexure – A(I)] and modalities of computing depreciation in case of the existing assets as on the cut-off date of 31st March 2022. Further, Regulation: 5.6.2 (vii) of the Tariff Regulations, specifies that depreciation shall be recomputed at the time of Annual Performance Review based on the Audited Annual Accounts and documentary evidence of the assets capitalized by the petitioner, subject to prudent analysis by the Commission.

5.8.7 The Commission proceeds to determine the admissible depreciation considering Admissible Gross Fixed Asset (GFA) during 8th control period applying necessary prudence based on the following methodology:

5.8.8 **GFA for Depreciation**

The Commission considers GFA for Depreciation excluding land and assets on consumer contribution. While deriving GFA, the Commission has gone on to track GFA from 2006 – 07 upto 2019 – 20 based on respective APR petitions as submitted/admitted. CESC has already submitted APR petitions upto 2022 – 23 based on audited actuals. Accordingly, for the 7th Control period, the Commission has considered the actual audited figures for GFA as submitted through respective APR petitions for the 7th control period for the purpose of MYT 8th control period only. However, truing up exercise will be based on respective GFAs as admitted by the Commission during 7th control and 8th control period. The positions of year wise opening GFA and closing GFA as mentioned above are furnished below. Opening balance figures for 2006-07 has been shown at gross (inclusive of Land & Consumer contribution) as available in Commission records:

Table 5.8.8(a): Opening GFA of Generation (Rs lakh)

Year	Budge Budge	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Depreciable Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2006-07					258271		258271
2007-08	215582	20498	19520	4939	260539	627	259912
2008-09	216864	21159	21105	4992	264120	627	263493
2009-10	217753	21499	21769	4992	266013	627	265386



Year	Budge Budge	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Depreciable Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2010-11	324864	22371	23194	4985	375414	627	374787
2011-12	328670	23305	24517	4985	381477	647	380830
2012-13	330910	24272	25387	4983	385552	647	384905
2013-14	333596	25408	26642	4982	390628	647	389981
2014-15	334855	26262	28162	4982	394261	647	393614
2015-16	337953	27071	29746	4982	399752	680	399072
2016-17	352123	27471	31873	0	411467	680	410787
2017-18	362809	27713	31278	0	421800	797	421003
2018-19	366621	27997	31278	0	425896	813	425083
2019-20	369148	28147	31278	0	428573	795	427778
2020-21	369929	28215	31278	0	429422	795	428627
2021-22	372128	28230	31132	0	431490	795	430695
2022-23	373943	28337	31121	0	433401	795	432606

Table 5.8.8(b): Closing GFA of Generation (Rs lakh)

Year	Budge Budge	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Depreciable Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2006-07	215582	20498	19520	4939	260539	627	259912
2007-08	216864	21159	21105	4992	264120	627	263493
2008-09	217753	21499	21769	4992	266013	627	265386
2009-10	324864	22371	23194	4985	375414	627	374787
2010-11	328670	23305	24517	4985	381477	647	380830
2011-12	330910	24272	25387	4983	385552	647	384905
2012-13	333596	25408	26642	4982	390628	647	389981
2013-14	334855	26262	28162	4982	394261	647	393614
2014-15	337953	27071	29746	4982	399752	680	399072
2015-16	352123	27471	31873		411467	680	410787
2016-17	362809	27713	31278		421800	797	421003
2017-18	366621	27997	31278		425896	813	425083
2018-19	369148	28147	31278		428573	795	427778
2019-20	369929	28215	31278		429422	795	428627
2020-21	372128	28230	31132		431490	795	430695



Year	Budge Budge	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Depreciable Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2021-22	373943	28337	31121		433401	795	432606
2022-23	382141	28315	31121		441577	795	440782

Table 5.8.8(c): Opening GFA of Distribution function (Rs lakh)

Year	Distribution	Metering	Others	Total	Less Freehold Land	Less Consumer contribution	Net Depreciable Distribution Assets
1	2	3	4	5=(2+3+4)	6	7	8=(5-6-7)
2006-07	196040	19827	19671	235538			235538
2007-08	211404	21651	22121	255176	2869	34082	218225
2008-09	230901	23455	26579	280935	3566	40082	237287
2009-10	274671	25976	32118	332765	3594	46978	282193
2010-11	353495	28524	36184	418203	4717	52550	360936
2011-12	403271	31910	37993	473174	4726	57638	410810
2012-13	456957	34439	39786	531182	4831	64639	461712
2013-14	528125	36467	42703	607295	5131	71024	531140
2014-15	606251	38039	45258	689548	4826	81662	603060
2015-16	685774	40611	60161	786546	4826	92369	689351
2016-17	778159	43492	23832	845483	5213	104474	735796
2017-18	830167	46528	19343	896038	3526	117495	775017
2018-19	889275	49025	20201	958501	3692	129110	825699
2019-20	947445	52025	22358	1021828	3692	140255	877881
2020-21	993405	53729	23566	1070700	3708	150284	916708
2021-22	1030138	54993	24634	1109765	3708	160814	945243
2022-23	1073286	56119	25627	1155032	3154	171880	979998

Table 5.8.8(d): Closing GFA of Distribution function (Rs lakh)

Year	Distribution	Metering	Others	Total	Less Freehold Land	Less Consumer contribution	Net Depreciable Distribution Assets
1	2	3	4	5=(2+3+4)	6	7	8=(5-6-7)
2006-07	211404	21651	22121	255176	2869	34082	218225



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

Year	Distribution	Metering	Others	Total	Less Freehold Land	Less Consumer contribution	Net Depreciable Distribution Assets
1	2	3	4	5=(2+4)	6	7	8=(5-6-7)
2007-08	230901	23455	26579	280935	3566	40082	237287
2008-09	274671	25976	32118	332765	3594	46978	282193
2009-10	353495	28524	36184	418203	4717	52550	360936
2010-11	403271	31910	37993	473174	4726	57638	410810
2011-12	456957	34439	39786	531182	4831	64639	461712
2012-13	528125	36467	42703	607295	5131	71024	531140
2013-14	606251	38039	45258	689548	4826	81662	603060
2014-15	685774	40611	60161	786546	4826	92369	689351
2015-16	778159	43492	23832	845483	5213	104474	735796
2016-17	830167	46528	19343	896038	3526	117495	775017
2017-18	889275	49025	20201	958501	3692	129110	825699
2018-19	947445	52025	22358	1021828	3692	140255	877881
2019-20	993405	53729	23566	1070700	3708	150284	916708
2020-21	1030138	54993	24634	1109765	3708	160814	945243
2021-22	1073286	56119	25627	1155032	3154	171880	979998
2022-23	1099816	57902	30514	1188232	3154	186064	999014

Table 5.8.8(e): Opening GFA of Generation and Distribution function (Rs lakh)

Year	Total GFA including Consumer Contribution	Less: Total Land (Gen + Distribution)	Consumer Contribution	Total Net Depreciable GFA
1	2	3	4	5=(2-3-4)
2006-07	493809			493809
2007-08	515715	3496	34082	478137
2008-09	545055	4193	40082	500780
2009-10	598778	4221	46978	547579
2010-11	793617	5344	52550	735723
2011-12	854651	5373	57638	791640
2012-13	916734	5478	64639	846617
2013-14	997923	5778	71024	921121
2014-15	1083809	5473	81662	996674
2015-16	1186298	5506	92369	1088423
2016-17	1256950	5893	104474	1146583
2017-18	1317838	4323	117495	1196020
2018-19	1384397	4505	129110	1250782



Year	Total GFA including Consumer Contribution	Less: Total Land (Gen + Distribution)	Consumer Contribution	Total Net Depreciable GFA
1	2	3	4	5=(2-3-4)
2019-20	1450401	4487	140255	1305659
2020-21	1500122	4503	150284	1345335
2021-22	1541255	4503	160814	1375938
2022-23	1588433	3949	171880	1412604

Table 5.8.8(f): Closing GFA of Generation and Distribution function (Rs lakh)

Year	Total GFA including Consumer Contribution	Less: Total Land (Gen + Distribution)	Consumer Contribution	Total Net Depreciable GFA
1	2	3	4	5=(2-3-4)
2006-07	515715	3496	34082	478137
2007-08	545055	4193	40082	500780
2008-09	598778	4221	46978	547579
2009-10	793617	5344	52550	735723
2010-11	854651	5373	57638	791640
2011-12	916734	5478	64639	846617
2012-13	997923	5778	71024	921121
2013-14	1083809	5473	81662	996674
2014-15	1186298	5506	92369	1088423
2015-16	1256950	5893	104474	1146583
2016-17	1317838	4323	117495	1196020
2017-18	1384397	4505	129110	1250782
2018-19	1450401	4487	140255	1305659
2019-20	1500122	4503	150284	1345335
2020-21	1541255	4503	160814	1375938
2021-22	1588433	3949	171880	1412604
2022-23	1629809	3949	186064	1439796

Asset Addition in 8th control period

5.8.9 The asset movements covering asset addition, asset retirement and net asset addition projected by CESC Limited are as follows:

Table 5.8.9 (a): Projected Asset movements (Rs lakh)



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MYT 8th Control Period and Tariff Order of CESC Limited for the years 2023 – 2024 and 2024 – 2025

Sl. No.	Particulars	2022-23	2023-24	2024-25	2025-26
		Estimated	Projected	Projected	Projected
1	Opening Balance	1588434	1645914	1708825	1782059
2	Addition to Fixed Asset	59890	65321	75644	85011
3	(1+2)	1648324	1711235	1784469	1867070
4	Retirement of Asset	2410	2410	2410	2410
5	Closing Balance	1645914	1708825	1782059	1864660

Table 5.8.9 (b): Projected Asset Addition (Rs lakh)

Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Budge Budge	5323	3079	3661	2994
Titagarh				
Southern		322	180	
Sub Total	5323	3401	3841	2994
Distribution	46287	53432	64679	75151
Metering	3580	3388	3524	3766
Others	4700	5100	3600	3100
Total less Consumer Contribution	59890	65321	75644	85011

Table 5.8.9(c): Projected Asset Retirement (Rs lakh)

Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Budge Budge	100	100	100	100
Titagarh				
Southern	10	10	10	10
Sub Total	110	110	110	110
Distribution	1200	1200	1200	1200
Metering	1000	1000	1000	1000
Others	100	100	100	100
Total	2410	2410	2410	2410

Table 5.8.9(d): Projected Net Asset Addition (Rs lakh)

Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Budge Budge	5223	2979	3561	2894
Titagarh			0	0
Southern	-10	312	170	-10
Sub Total	5213	3291	3731	2884
Distribution	45087	52232	63479	73951



Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Metering	2580	2388	2524	2766
Others	4600	5000	3500	3000
Total	57480	62911	73234	82601

5.8.10 CESC Limited has submitted breakup of its capitalization (CAPEX) plan during the years 2023-24, 2024- 25 and 2025-26 against which they have proposed their asset addition during the respective years. The following is stated by the licensee on capital expenditure:

- (a) Capital expenditure projected for 2023-24, 2024-25 and 2025-26 has been planned to be funded in Debt-Equity Ratio of 70:30. "Others" represent capital expenditure incurred mainly on necessary hardware / software / peripherals, Centralised SCADA, RTU, vehicles, furniture, air conditioning of various office premises, office equipment, communication equipment etc.
- (b) Petitioner will submit separate petitions before the Commission for approval of the capital expenditures for the FGD system and NOx abatement system at Budge Budge which are not included in the projection of routine capital expenditure projected in the instant MYT petition.
- (c) Capital expenditure for distribution network is planned in view of persistent growth in the system demand, to bring in renewable / cogeneration power from outside the State, uninterrupted quality power to the consumers with due safety measures.
- (d) Large scale roll-out of smart metering has not been considered here and the Company has submitted a Petition in this respect before the Commission.
- (e) Special projects in Distribution are proposed by CESC Limited for setting up of additional import points including establishment / augmentation of EHV Stations and commensurate network. Under the head of Special projects, several projects for augmentation of EHV network of distribution system have been taken up. Each project is considered separately and executed in a standalone mode.
- (f) The Company is presently not undertaking any scheme necessitating separate Investment Plan approval in terms of the Tariff Regulations.



5.8.11 While analysing the CAPEX proposal, it is observed that the plan includes proposals for asset replacement, procurement of spares and even some repair & maintenance nature of jobs. The Commission is of view that Capital replacement shall be considered only after giving due adjustment to the replaced asset value, which has not been provided by CESC Limited. Further, purchase of spares and repair & maintenance jobs shall not be considered as Capital asset addition for tariff determination purpose. Accordingly, the Commission does not consider such type of asset addition proposal in the tariff determination stage and directs CESC Limited to submit details of asset addition along with date of put in use of such asset as well as the adjustments in case of replaced asset during APR stage.

5.8.12 As regards generation function, almost all the items represent either of the events of replacements/refurbishments/repairs. Items of refurbishments are often part of overhauling exercise which can not be capitalised. Further adequate and reasonable justifications for the asset addition have not been furnished. CESC shall come up with detailed justification of asset addition with existing gap in technical parameters and the specific projected improvement in such parameters while submitting respective APR petitions during truing up exercise. Accordingly, Commission does not consider any asset addition under Generation function. As regards Distribution function, CESC has proposed expenditures covering replacements, new works, new supplies. The Commission has not considered items involving replacements for reasons already stated above. Commission has considered items involving only new works/supplies and land for Distribution schemes. While considering asset addition amount out of Capex proposed, the Commission has applied the ratio of conversion from Capex to asset addition as per claim figures of CESC. However, the asset retirement has been considered as proposed by the petitioner. For projects other than small schemes covered under regulation 2.8.4.1 of the Tariff Regulations, CESC Limited shall follow the due investment approval procedure specified in the Tariff Regulations. CESC shall comply with Regulation 2.8.4.1.iii while taking up small schemes.

5.8.13 The position of Asset addition is furnished below:

Table 5.8.13(a): Gross Asset Addition (Rs lakh)



Sl. No.	ITEM	Claim			Admitted		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
A	Capex Outlay						
1	Generation	3061	3379	3194	0	0	0
2	Distribution	70985	73682	77597	26967	31913	32803
3	Total	74046	77061	80791	26967	31913	32803
B	Asset Addition						
1	Generation	3401	3841	2994	0	0	0
2	Distribution	65321	75644	85011	23681	31139	34602
3	Total	68722	79485	88005	23681	31139	34602

Table 5.8.13(b): Asset Retirement (Rs lakh)

Sl. No.	ITEM	Claim			Admitted		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Generation	110	110	110	110	110	110
2	Distribution	2300	2300	2300	2300	2300	2300
3	Total	2410	2410	2410	2410	2410	2410

5.8.14 Assets on Consumer contribution has been considered as per audited actuals of 2022-23 as submitted by CESC in APR 2022-23 which is continued for all the years of 8th control period:

Table 5.8.14: Assets on Consumer Contribution (Rs lakh)					
Claim			Admitted		
2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
11066	11066	11066	14200	14200	14200

5.8.15 The Asset addition as admitted by the Commission includes a sum of Rs 653 lakhs towards freehold land in Distribution Schemes for 2023-24.

5.8.16 The Commission observes that CESC has not furnished any details of year wise cumulative depreciation for arriving at the amount of Assets Fully Depreciated while considering Depreciation category wise Assets for 70% block and 70% to 90% block. The Commission



has already traced the year wise GFA position earlier above. As observed, the opening GFA as on 1.4.2006 as per CESC petition for APR 2006-07 duly admitted by the Commission comes to Rs 493809 lakhs as against the opening GFA of Rs 826100 lakhs as per annual accounts for 2006 – 07 submitted with APR 2006 – 07 petition of CESC. The opening cumulative depreciation as reported in such annual accounts for 2006-07 comes to Rs 282665 lakhs. Prorating such figure based on GFA as per Accounts and GFA as per APR petition 2006-07 duly admitted by Commission in case no APR-1/07-08 vide order dt 26.9.2008 the admissible opening cumulative depreciation comes to Rs 168966 lakhs. The year wise cumulative depreciation as admitted by the Commission thereafter has been worked out in respective APRs upto 2019-20. As regards 7th control period Commission considers depreciation figures at audited actuals as reported in APR petitions of 7th Control period. However, truing up exercise will be based on respective GFAs and corresponding depreciation as admitted by the Commission during 7th control and 8th control period. The cumulative depreciation thus arrived at is furnished below:

Table 5.8.16: Cumulative Depreciation in Rs lakh

Year	Annual Depreciation	Cumulative Depreciation
1	2	3
Opening as on 01.04.2006		168966
Addition		
2006-07	15794	184760
2007-08	16845	201605
2008-09	17490	219095
2009-10	20564	239659
2010-11	25987	265646
2011-12	28198	293844
2012-13	29871	323715
2013-14	33109	356824
2014-15	33557	390381
2015-16	36170	426551
2016-17	39438	465989
2017-18	41446	507435
2018-19	41233	548668
2019-20	41288	589956
2020-21	42931	632887
2021-22	43853	676740



Year	Annual Depreciation	Cumulative Depreciation
1	2	3
2022-23	44112	720852

5.8.17 The Commission observes that opening GFA as on 1.4.2006 as per CESC APR Petition duly admitted by the Commission comes to Rs 493809 lakhs. After excluding land of Rs 3496 lakhs and consumer contribution of Rs 34082 lakhs, the depreciable GFA comes to Rs 456231 lakhs. 90% of the same comes to Rs 410608 lakhs. Considering a straight line depreciation of Rs 15794 lakhs for all the years since 2006-07, the depreciable opening GFA as on 1.4.2006 is fully depreciated in 2021-22 as furnished in the following table:

Table 5.8.17(a): Opening Depreciable GFA – Year of Full depreciation

Sl. No.	Item	Amount (Rs lakh)
1	GFA as on 1.4.2006	493809
2	Less: Land	3496
3	Less: Assets on Consumer Contribution	34082
4	Depreciable GFA [1 – 2 – 3]	456231
5	90% of Depreciable GFA [(4)x90%]	410608

Table 5.8.17(b): Cumulative Depreciation

Year	Annual Depreciation	Cumulative Depreciation
1	2	3
Opening as on 1.4.2006		168966
2006-07	15794	184760
2007-08	15794	200554
2008-09	15794	216348
2009-10	15794	232142
2010-11	15794	247936
2011-12	15794	263730
2012-13	15794	279524
2013-14	15794	295318
2014-15	15794	311112
2015-16	15794	326906
2016-17	15794	342700
2017-18	15794	358494



Year	Annual Depreciation	Cumulative Depreciation
1	2	3
2018-19	15794	374288
2019-20	15794	390082
2020-21	15794	405876
2021-22	15794	421670
2022-23	15794	437464

5.8.18 Considering average depreciation rate of 3.19 % as worked out from year wise admitted depreciation on depreciable GFA, it is evident that assets added after 2006-07 will continue to be depreciated under the block of 70% during 8th control period.

Depreciation for 8th control period

5.8.19 Based on the discussions elaborated above the admissible depreciation is worked out as below:

Table 5.8.19: Depreciable GFA

(Rs lakh)

Sr. No.	Particulars	Base Year	Ensuing Year					
		Audited	Projected					
		Old	Old	New	Old	New	Old	New
		22-23	23-24		24-25		25-26	
1	GFA at Opening (Depreciable)	1412604	983565	0	981155	8828	978745	25767
2	Plus: GFA of Current Addition	43241		23681		31139		34602
3	Less: GFA of Current Retirement	1865	2410		2410		2410	
4	Less: GFA of Current Fully Depreciated	456231						
5	Less: GFA of Current Government Grant							
6	Less: GFA of Current Consumer Contribution	14184		14200		14200		14200
7	Less: GFA of Current Freehold Land Addition	0		653		0		0
8	GFA at Closing (Depreciable)	983565	981155	8828	978745	25767	976335	46169
9	A: Under 70% - 90% Block of Old GFA							



Sr. No.	Particulars	Base Year	Ensuing Year					
		Audited	Projected					
		Old	Old	New	Old	New	Old	New
		22-23	23-24		24-25		25-26	
10	B: Depreciation of A		(Opening GFA of Rs 456231 lakhs fully Depreciated during 2021-22). No Depreciable GFA falls under 70% to 90% block					
11	Aggregate Rate of Depreciation for Old GFA		0		0		0	
12	C: Under 70% Block of Old GFA	983565	982360		979950		977540	
13	E: New GFA on Average			4414		17298		35968

5.8.20 The admissible GFA as worked out above are segregated according to depreciation rates based on the proportionate segregation as claimed in Form B by CESC. Admissible rate wise Depreciable GFA duly segregated and Depreciation admitted thereupon is furnished below:

Table 5.8.20 (a): Applicable Depreciation Rate wise GFA as projected in Form B

(Rs lakh)

Sl. No.	Year	Assets to be depreciated classified into different rates						Total
		3.34%	5.28%	6.33%	12.85%	18.00%	Other rates	
1	2023-24	74447	1127365	20181		21773	7938	1251704
2	2024-25	77379	1171910	16688		20549	5393	1291919
3	2025-26	79593	1191140	9992		20718	4460	1305903

Table 5.8.20(b): Admissible Rate wise Depreciable GFA Allocated in the ratio as projected in Form B

(Rs lakh)

Sl. No	Description	Assets to be depreciated classified into different rates						Total
		3.34%	5.28%	6.33%	12.85%	18.00%	Other rates	
1	2023-24							
a	Depreciable GFA							



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Sl. No	Description	Assets to be depreciated classified into different rates						Total
		3.34%	5.28%	6.33%	12.85%	18.00%	Other rates	
i	Old	58427	884776	15838	0	17088	6231	982360
ii	New	263	3976	71	0	77	27	4414
iii	Total	58690	888752	15909	0	17165	6258	986774
b	Depreciation							
i	Old	1951	46716	1003	0	3076	329	53075
ii	New	9	210	4	0	14	1	238
iii	Total	1960	46926	1007	0	3090	330	53313
2	2024-25							
a	Depreciable GFA							
i	Old	58694	888920	12658	0	15587	4091	979950
ii	New	1036	15691	223	0	275	72	17297
iii	Total	59730	904611	12881	0	15862	4163	997247
b	Depreciation							
i	Old	1951	46716	1003	0	3076	329	53075
ii	New	35	828	14	0	50	4	931
iii	Total	1986	47544	1017	0	3126	333	54006
3	2025-26							
a	Depreciable GFA							
i	Old	59579	891633	7480	0	15509	3339	977540
ii	New	2192	32807	275	0	571	122	35967
iii	Total	61771	924440	7755	0	16080	3461	1013507
b	Depreciation							
i	Old	1951	46716	1003	0	3076	329	53075
ii	New	73	1732	17	0	103	6	1931
iii	Total	2024	48448	1020	0	3179	335	55006

5.8.21 The chargeable depreciation with admitted asset addition involving considerable amounts have been derived based on projections and assessment which is arrived at on estimated basis. The amount of chargeable depreciation, in such a case, may vary on account of the variations in the amounts of year wise planned capitalization as well as in the dates of



putting the assets into commercial operations. The Commission, therefore, stipulates that the amounts of depreciation found chargeable as per the audited books of accounts will be considered for carrying out necessary adjustment in Annual Performance Review for the concerned year in due course after prudence check by the Commission. The Commission does not consider any asset created out of sale proceeds separately at the tariff stage for depreciation. CESC shall come up with actual assets created, if any, out of sale proceeds at the APR stage for respective years.

5.8.22 CESC shall submit all details of function wise, station wise, Distribution sub-group wise (Distribution, Metering, Others) GFA indicating land and consumer contribution separately with addition and retirement of assets along with station wise and distribution sub-groupwise actual depreciation and cumulative depreciation since 1.4.2006 to 31.3.2023 duly reconciling with respective annual accounts in the first stage while submitting APR for 2023-24 in November 2024 and to furnish such details including cumulative data in every APR thereafter.

Table 5.8.22: Function wise allocation of Depreciation

(Rs in lakh)

Description	Generation			Distribution			Total Average GFA
	Opening Net Admissible GFA	Closing Net Admissible GFA	Average Net Admissible GFA	Opening Net Admissible GFA	Closing Net Admissible GFA	Average Net Admissible GFA	
GFA							
2023-24	440782	440672	440727	542783	549311	546047	986774
2024-25	440672	440562	440617	549311	563950	556631	997248
2025-26	440562	440452	440507	563950	582052	573001	1013508
Depreciation			Depreciation on Avg Gen GFA			Depreciation on Avg Distribution GFA	Depreciation on Avg Total GFA
2023-24			23811			29502	53313
2024-25			23862			30144	54006
2025-26			23908			31098	55006

5.8.23 The claimed and admissible depreciation for the 8th control period is furnished below:

Table 5.8.23: Admissible Depreciation of CESC



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(Rs lakh)

Claim			Admissible		
2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
72349	74141	76258	53313	54006	55006

5.8.24 Admissible depreciation for Generation function is allocated to different generating stations of CESC Limited based on Average GFA of respective stations, however, no depreciation is admitted for Titagarh which is inoperative since 2017 – 18 as shown in below table:

Table 5.8.24(a): Generating Station wise allocation of Depreciation

(Rs lakh)

Generating Stations	Claim			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Budge Budge	9192	9263	9270	20606	20650	20689
Titagarh	742	710	662	0	0	0
Southern	474	453	430	1527	1530	1533

Table 5.8.24(b): Sub-groupwise allocation of Depreciation- Distribution

(Rs lakh)

Distribution heads	Claim			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Distribution				25847	27532	28848
Metering				1181	1094	1079
Other Assets				2474	1518	1171
Total	61941	63715	65896	29502	30144	31098

5.9 Return on Equity (ROE):

5.9.1 CESC Limited has claimed return on equity at Rs. 77591 lakh, Rs 81743 lakh and Rs 85056 lakh for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively and relevant information is provided by CESC Limited in specified forms.

5.9.2 The Commission vide Regulation: 5.6.1.1 and 5.6.1.2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023, specifies that the rate of return for a generating company or distribution licensee shall be 14% for assets commissioned on and from 1.4.2024 and it shall continue to be 15.50% for assets commissioned prior to 1.4.2024.



5.9.3 The Commission proceeds to determine the admissible return on equity considering admissible equity base and admissible GFA during 8th control period applying necessary prudence based on the following methodology:

GFA for Equity Base

5.9.4 The Commission has earlier considered GFA excluding freehold land and assets on consumer contribution while considering GFA for admitting depreciation. Now while computing Return on equity, freehold land will be added with this base to determine the admissible equity base subsequently. The GFA for computing admissible equity base as on 1.4.2023 will be as that of 31.3.2023 i.e. for the year 2022-23. CESC has already submitted APR petitions upto 2022-23 based on audited actuals. Accordingly, for the 7th Control period, Commission has considered the actual audited figures for GFA as submitted through respective APR petitions for the 7th control period for the purpose of MYT 8th control period only. However, truing up exercise will be done based on respective GFAs as admitted by the Commission during 7th control and 8th control period. The closing GFA including land but excluding assets on consumer contribution for all the years are as follows:

Table 5.9.4(a): Closing GFA for ROE of Generation function

(Rs lakh)

Year	Budge Budge	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2006-07	215582	20498	19520	4939	260539		260539
2007-08	216864	21159	21105	4992	264120		264120
2008-09	217753	21499	21769	4992	266013		266013
2009-10	324864	22371	23194	4985	375414		375414
2010-11	328670	23305	24517	4985	381477		381477
2011-12	330910	24272	25387	4983	385552		385552
2012-13	333596	25408	26642	4982	390628		390628
2013-14	334855	26262	28162	4982	394261		394261
2014-15	337953	27071	29746	4982	399752		399752
2015-16	352123	27471	31873		411467		411467
2016-17	362809	27713	31278		421800		421800
2017-18	366621	27997	31278		425896		425896
2018-19	369148	28147	31278		428573		428573



Year	Budge Budget	Southern	Titagarh	New Cossipore	Total Generating Assets	Less Freehold Land	Net Generating Assets
1	2	3	4	5	6=(2+3+4+5)	7	8=(6-7)
2019-20	369929	28215	31278		429422		429422
2020-21	372128	28230	31132		431490		431490
2021-22	373943	28337	31121		433401		433401
2022-23	382141	28315	31121		441577		441577

Table 5.9.4(b): Closing GFA for ROE-Distribution

(Rs lakh)

Year	Distribution	Metering	Others	Total Distribution Assets	Less Freehold Land	Less Consumer Contribution	Net Distribution Assets
1	2	3	4	5=(2+3+4)	6	7	8=(5-6-7)
2006-07	211404	21651	22121	255176		34082	221094
2007-08	230901	23455	26579	280935		40082	240853
2008-09	274671	25976	32118	332765		46978	285787
2009-10	353495	28524	36184	418203		52550	365653
2010-11	403271	31910	37993	473174		57638	415536
2011-12	456957	34439	39786	531182		64639	466543
2012-13	528125	36467	42703	607295		71024	536271
2013-14	606251	38039	45258	689548		81662	607886
2014-15	685774	40611	60161	786546		92369	694177
2015-16	778159	43492	23832	845483		104474	741009
2016-17	830167	46528	19343	896038		117495	778543
2017-18	889275	49025	20201	958501		129110	829391
2018-19	947445	52025	22358	1021828		140255	881573
2019-20	993405	53729	23566	1070700		150284	920416
2020-21	1030138	54993	24634	1109765		160814	948951
2021-22	1073286	56119	25627	1155032		171880	983152
2022-23	1099816	57902	30514	1188232		186064	1002168

Table 5.9.4(c): Total Closing GFA for ROE (Generation + Distribution)

(Rs lakh)



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Year	Total GFA Including Consumer Contribution	Less Total Land (Gen+Distrib)	Consumer Contribution	Total GFA Excluding Consumer Contribution
1	2	3	4	5=(2-3-4)
2006-07	515715	0	34082	481633
2007-08	545055	0	40082	504973
2008-09	598778	0	46978	551800
2009-10	793617	0	52550	741067
2010-11	854651	0	57638	797013
2011-12	916734	0	64639	852095
2012-13	997923	0	71024	926899
2013-14	1083809	0	81662	1002147
2014-15	1186298	0	92369	1093929
2015-16	1256950	0	104474	1152476
2016-17	1317838	0	117495	1200343
2017-18	1384397	0	129110	1255287
2018-19	1450401	0	140255	1310146
2019-20	1500122	0	150284	1349838
2020-21	1541255	0	160814	1380441
2021-22	1588433	0	171880	1416553
2022-23	1629809	0	186064	1443745

Equity Base

5.9.5 Opening admissible equity base as on 1.4.2023 is worked out by considering closing actual equity as on 31.3.2023 as per audited annual accounts of 2022-23 and restricting such equity limited to 30% of admissible closing GFA as on 31.3.2023 as shown in the above tables for 2022-23 at 5.9.4(a) and 5.9.4 (b) for generation and distribution respectively. Thereafter average admissible equity base is worked out after deriving closing equity base considering admissible equity additions during the year. Thereafter return on equity is worked out at prescribed rates as per the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023. Such admissible equity base along with returns are worked out below:

Table 5.9.5(a): ROE of Generation function

(Rs lakh)

Sl. No.	Particulars	2023 – 24	2024 -25	2025 – 26
1	Actual Equity Base at Opening	129970	130957	132076



Sl. No.	Particulars	2023 – 24	2024 -25	2025 – 26
2	Admissible Equity Base at Opening	129970	129937	129904
3	Actual Addition to Equity Base (Statement of changes in Equity)	987	1119	865
4	Actual Equity Base at Closing	130957	132076	132941
5	Current Addition to GFA			
6	Current Retirement	110	110	110
7	Net Current Addition to GFA	-110	-110	-110
8	Normative Addition to Equity Base (30% of Net Addition to GFA)	-33	-33	-33
9	Minimum of Actual & Normative Addition to Equity Base	-33	-33	-33
10	Admissible Equity Base at Closing	129937	129904	129871
11	Average Admissible Equity Base	129954	129921	129888
12	Average Admissible Equity Base for Assets Prior to 1.4.2024	129954	129921	129888
13	Average Admissible Equity Base for Assets on or after 1.4.2024	0	0	0
14	Rate in %@ROE for Assets prior to 1.4.2024	15.50%	15.50%	15.50%
15	Rate in %@ROE for Assets on or after 1.4.2024		14.00%	14.00%
16	Admissible Return on Equity on Average Admissible Equity Base on Assets prior to 1.4.2024	20143	20138	20133
17	Admissible Return on Equity on Average Admissible Equity Base on Assets on or after 1.4.2024	0	0	0
18	Total Admissible Return on Equity on Average Admissible Equity Base	20143	20138	20133

Table 5.9.5(b): Admissible Equity Base of Generation function

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Opening Admissible Equity Base for Assets Prior to 1.4.2024	129970	129937	129904



2	Closing Admissible Equity Base for Assets Prior to 1.4.2024	129937	129904	129871
3	Average Admissible Equity Base for Assets Prior to 1.4.2024	129954	129921	129888
4	Opening Admissible Equity Base for Assets after 1.4.2024	0	0	0
5	Closing Admissible Equity Base for Assets after 1.4.2024	0	0	0
6	Average Admissible Equity Base for Assets after 1.4.2024	0	0	0

Table 5.9.5(c): ROE of Distribution function

(Rs lakh)

Sl. No.	Particulars	2023 – 24	2024 -25	2025 – 26
1	Actual Equity Base at Opening	335795	350361	367892
2	Admissible Equity Base at Opening	300650	302804	307196
3	Actual Addition to Equity Base (Statement of changes in Equity)	14566	17531	20595
4	Actual Equity Base at Closing	350361	367892	388487
5	Current Addition to GFA	23681	31139	34602
6	Current Retirement	2300	2300	2300
7	Current Addition: Consumer Contribution	14200	14200	14200
8	Net Current Addition to GFA	7181	14639	18102
9	Normative Addition to Equity Base (30% of Net Addition to GFA)	2154	4392	5431
10	Minimum of Actual & Normative Addition to Equity Base	2154	4392	5431
11	Admissible Equity Base at Closing	302804	307196	312627
12	Average Admissible Equity Base	301727	305000	309912
13	Average Admissible Equity Base for Assets Prior to 1.4.2024	301727	302804	302804
14	Average Admissible Equity Base for Assets after 1.4.2024	0	2196	7108
15	Rate in %@ROE for Assets prior to 1.4.2024	16.50%	16.50%	16.50%
16	Rate in %@ROE for Assets after to 1.4.2024		15.50%	15.50%



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Sl. No.	Particulars	2023 – 24	2024 -25	2025 – 26
17	Admissible Return on Equity on Average Admissible Equity Base on Assets prior to 1.4.2024	49785	49963	49963
18	Admissible Return on Equity on Average Admissible Equity Base on Assets after 1.4.2024	0	340	1102
19	Total Admissible Return on Equity on Average Admissible Equity Base	49785	50303	51065

Table 5.9.5(d): Admissible Equity Base of Distribution function

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Opening Admissible Equity Base for Assets Prior to 1.4.2024	300650	302804	302804
2	Closing Admissible Equity Base for Assets Prior to 1.4.2024	302804	302804	302804
3	Average Admissible Equity Base for Assets Prior to 1.4.2024	301727	302804	302804
4	Opening Admissible Equity Base for Assets after 1.4.2024	0	0	4392
5	Closing Admissible Equity Base for Assets after 1.4.2024	0	4392	9823
6	Average Admissible Equity Base for Assets after 1.4.2024	0	2196	7108

Table 5.9.5(e): Total ROE of Generation and Distribution

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Actual Equity Base at Opening	465765	481318	499968
2	Admissible Equity Base at Opening	430620	432741	437100
3	Actual Addition to Equity Base (Statement of changes in Equity)	15553	18650	21460
4	Actual Equity Base at Closing	481318	499968	521428
5	Current Addition to GFA	23681	31139	34602
6	Current Retirement	2410	2410	2410



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Sl. No.	Particulars	2023-24	2024-25	2025-26
7	Current Addition: Consumer Contribution	14200	14200	14200
8	Net Current Addition to GFA	7071	14529	17992
9	Normative Addition to Equity Base (30% of Net Addition to GFA)	2121	4359	5398
10	Minimum of Actual & Normative Addition to Equity Base	2121	4359	5398
11	Admissible Equity Base at Closing	432741	437100	442498
12	Average Admissible Equity Base	431681	434921	439800
13	Average Admissible Equity Base for Assets Prior to 1.4.2024	431681	432725	432692
14	Average Admissible Equity Base for Assets after 1.4.2024	0	2196	7108
15	Rate in %@ROE for Assets prior to 1.4.2024	15.50% / 16.50%	15.50% / 16.50%	15.50% / 16.50%
16	Rate in %@ROE for Assets after to 1.4.2024		14.00% / 15.50%	14.00% / 15.50%
17	Admissible Return on Equity on Average Admissible Equity Base on Assets prior to 1.4.2024	69928	70101	70096
18	Admissible Return on Equity on Average Admissible Equity Base on Assets after 1.4.2024	0	340	1102
19	Total Admissible Return on Equity on Average Admissible Equity Base	69928	70441	71198

Table 5.9.5(f): Admissible Equity Base of Generation and Distribution function

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Opening Admissible Equity Base for Assets Prior to 1.4.2024	430620	432741	432708
2	Closing Admissible Equity Base for Assets Prior to 1.4.2024	432741	432708	432675
3	Average Admissible Equity Base for Assets Prior to 1.4.2024	431681	432725	432692
4	Opening Admissible Equity Base for Assets after 1.4.2024	0	0	4392



Sl. No.	Particulars	2023-24	2024-25	2025-26
5	Closing Admissible Equity Base for Assets after 1.4.2024	0	4392	9823
6	Average Admissible Equity Base for Assets after 1.4.2024	0	2196	7108

5.9.6 The return on equity for generation function as determined above is allocated based on average GFA however, no Return on Equity is admitted for Titagarh which is inoperative since 2017 – 18 as shown in below table:

Table 5.9.6: Generating Station wise allocation of ROE

(Rs lakh)

Generating Stations	Claim			Admitted		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Budge Budge	17293	17511	17633	17432	17427	17412
Titagarh	1457	1457	1457	0	0	0
Southern	1334	1349	1348	1292	1292	1292

5.9.7 Thus, the admitted Return on Equity comes as follows:

Table 5.9.7: Allocation of admitted ROE

Rs in Lakh

Sl. No.	Particulars	Claimed by CESC			Admitted by the Commission		
		23-24	24-25	25-26	23-24	24-25	25-26
1	Budge Budge TPS	17293	17511	17633	17432	17427	17412
2	Titagarh TPS	1457	1457	1457	0	0	0
3	Southern TPS	1334	1349	1348	1292	1292	1292
4	Sub-Total	20084	20317	20438	18724	18719	18704
5	Distribution	57507	61426	64618	49785	50303	51065
6	Total	77591	81743	85056	68509	69022	69769

5.9.8 It is to be clarified that the equity bases admitted for allowing returns as shown in the above tables are computed for the prospective year and therefore, they need adjustments subsequently on the basis of audited accounts. Such adjustments will be carried out at the time of APR for the concerned year.



5.10 Interest on Capital loan:

5.10.1 CESC Limited has submitted in specified formats the detailed computations of interest chargeable to revenue accounts for the eighth control period based on its existing as well as projected capital borrowings from different sources. The position of its outstanding borrowings at the beginning of the year, additional borrowings during the year, repayment schedule for the year, the outstanding balance at the end of the year and interest charges on capital account as per Form – C of the tariff application can be summarized as follows:

Table 5.10.1: Projected Interest on Capital loan

Rupees in Lakh				
Sl. No.	Borrowing Particulars	2023-24	2024-25	2025-26
1	Outstanding Balance at the beginning of the year	225285	223067	222887
2	Add: Drawal of loan on capital account	44324	46520	48668
	Sub-Total (1 + 2)	269609	269587	271555
3	Less: Repayment of existing loan during the year	46542	46700	47637
4	Outstanding balance at the end of the year	223067	222887	223917
5	Gross interest on capital account for the year	20249	22093	24056
6	Less: Interest capitalized during the year	1000	1000	1000
7	Net interest on capital account (5 – 6)	19249	21093	23056

5.10.2 The rates of interest on existing and proposed rupee borrowings from different financial institutions are projected between 8.06% and 11% for the year 2023 – 24, between 8.65 and 11.50% for the year 2024 – 25 and in the range from 9.15% to 12% for the year 2025 – 26.

5.10.3 CESC Limited has shown a drawal of loan of Rs. 44324.00 lakh, Rs 46520.00 lakh and Rs 48668.00 lakh during the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively in Form-C to Annexure – 1 of the tariff petition at an interest rate of 11%, 11.50% and 12% respectively with repayment for these fresh loans in respective years at Rs 2194.00 lakh, Rs 2407.00 lakh and Rs 2628.00 lakh and total interest of Rs. 4432.00 Lakh, Rs. 4652.00 Lakh and Rs 4867.00 lakh has been claimed for 2023 – 24, 2024 –25 and 2025 – 26 respectively.

5.10.4 The Commission vide Regulation: 5.6.4.2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023, specifies that outstanding normative loan shall be derived after deduction depreciation and



Advance against depreciation. Repayment during each year shall be deemed to be equal to depreciation allowed for the year. The Commission proceeds to determine the admissible Interest on Loan considering admissible outstanding loan and admissible GFA during 8th control period applying necessary prudence based on the following methodology:

5.10.5 GFA for Interest on loan: The Commission has earlier considered GFA including freehold land and excluding assets on consumer contribution while considering GFA for admitting Return on equity. Same GFA will be considered now while computing Interest on Loan. Such admissible GFA shall be reduced by admitted Equity at the beginning of the year. The balance will be the gross outstanding loan. The admitted cumulative depreciation and cumulative advance against depreciation will be reduced from the gross normative loan to determine the outstanding loan at the beginning of the year. Thereafter, the current depreciation will be deducted besides considering additional loan availed of during the year within normative limits to derive the net closing outstanding loan.

5.10.6 Cumulative Depreciation and Advance against Depreciation (AAD): CESC has stated in Form C of their submission for 8th control period that since repayment allowed in respective years exceeded depreciation, hence, AAD plus depreciation is always equal to repayment and therefore, they have considered actual outstanding loan balance for projection during 8th control period. CESC has not considered the opening cumulative depreciation prior to 1.4.2006 which needs to be considered while working out the outstanding balance of loan as on 1.4.2023. The Commission has earlier at para 5.8.16 computed the opening cumulative depreciation as on 1.4.2006 and the subsequent additions based on APR petitions/admissions and annual accounts submitted with APR petitions as also reflected in the corresponding table therein. The cumulative depreciation and AAD position is again furnished below for convenience.

Table 5.10.6: Cumulative Depreciation and AAD

(Rs lakh)



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Year	Annual Depreciation	Cumulative Depreciation	Annual AAD	Cumulative AAD	Depreciation Plus AAD	Cumulative Depreciation Plus AAD
1	2	3	4	5	6=(2+4)	7=(3+5)
Opening as on 1.4.2006		168966				
Addition						
2006-07	15794	184760	10616	10616	26410	195376
2007-08	16845	201605	9727	20343	37188	221948
2008-09	17490	219095	10288	30631	48121	249726
2009-10	20564	239659	6693	37324	57888	276983
2010-11	25987	265646	8126	45450	71437	311096
2011-12	28198	293844	8499	53949	82147	347793
2012-13	29871	323715	15274	69223	99094	392938
2013-14	33109	356824	9303	78526	111635	435350
2014-15	33557	390381	9267	87793	121350	478174
2015-16	36170	426551	7922	95715	131885	522266
2016-17	39438	465989	12566	108281	147719	574270
2017-18	41446	507435	18239	126520	167966	633955
2018-19	41233	548668	7527	134047	175280	682715
2019-20	41288	589956	4737	138784	180072	728740
2020-21	42931	632887	8450	147234	190165	780121
2021-22	43853	676740	4248	151482	195335	828222
2022-23	44112	720852	6625	158107	202219	878959
Allocation*						
Generation		220476		48358		268834
Distribution		500376		109749		610125
Total		720852		158107		878959

* Cumulative Depreciation and AAD allocated in the ratio of Depreciable GFA as on 1.4.2023

5.10.7 Outstanding loan and admissible Interest on Loan: The Commission has considered the Closing GFA of Rs 441577 lakhs as on 31.3.2023 for generation function and Rs 1002168 lakhs for distribution function while considering opening GFA as on 1.4.2023 including land but excluding assets on consumer contribution during computation of Return on Equity earlier above. Admissible equity of Rs 129970 lakhs and Rs 300650 lakhs respectively for generation function and distribution function is deducted from such GFA to work out the gross outstanding loan. Thereafter, cumulative depreciation and cumulative AAD is deducted from such gross outstanding opening loan as on 1.4.2023 to derive the



closing outstanding net loan. The Commission has earlier considered figures of asset addition in the 8th control period while considering admissible depreciation above. Such additions are also considered here while computing outstanding net loan for respective years.

5.10.8 **Weighted average rate of interest:** Weighted average rate of interest is worked out below based on figures submitted at Form C by CESC considering projected interest as a percentage on average loan:

Table 5.10.8: Weighted average rate of interest

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	Actual Opening Loan in Rs lakh	225285	223067	222887
2	Actual Closing Loan in Rs lakh	223067	222887	223917
3	Actual Average Loan in Rs lakh	224176	222977	223402
4	Interest for the year in Rs lakh	20249	22093	24056
5	Weighted Average Rate of Interest	9.03%	9.91%	10.77%

5.10.9 The admissible outstanding loan and the corresponding interest is accordingly worked out here below:

Table 5.10.9: Interest on loan - Generation

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	GFA at Beginning as Approved	441577	441467	441357
2	Less: Admissible Equity Base at Beginning	129970	129937	129904
3	Opening Gross Loan Capital (Normative)	311607	311530	311453
4	Cumulative Depreciation & AAD at Opening	268834	292645	316507
	Plus: Current Depreciation for 2022-23			
	Plus: Current Depreciation for 2023-24	23811		
	Plus: Current Depreciation for 2024-25		23862	
	Plus: Current Depreciation for 2025-26			23908
	Cumulative Depreciation at Closing	292645	316507	340415
5	Opening Net Loan Capital (Normative)	42773	18885	-5054
6	Gross Current Addition to GFA	0	0	0
	Less: GFA of Current Retirement	110	110	110



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Sl. No.	Particulars	2023-24	2024-25	2025-26
	Less: GFA of Current Consumer Contribution			
	Net Current Addition to GFA	-110	-110	-110
7	Current Addition to Equity Base as Admitted (30%)	-33	-33	-33
8	Net Current Addition to Loan Capital (70%)	-77	-77	-77
9	Current Depreciation	23811	23862	23908
10	Closing Net Loan Capital (Normative)	18885	-5054	-29039
11	Average of Net Loan Capital (Normative)	30829	6916	-17047
12	Weighted Average Rate of Interest on Long Term Loan Capital (%)	9.03%	9.91%	10.77%
13	Interest on Loan Capital (Admissible)	2785	685	-1836

5.10.10 As it appears from the above that the closing outstanding loan as on 31.3.2025 which is also opening loan on 1.4.2026 and the closing loan on 31.3.2026 for generation function turns negative after adjusting cumulative and current depreciation, hence, such loan balance is considered to be nil and there is no outstanding loan for generation function as on 31.3.2025 and thereafter till 31.3.2026. Such interest is recomputed below accordingly:

Table 5.10.10: Reworked Interest on Loan-Generation

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	GFA at Beginning as Approved	441577	441467	441357
2	Less: Admissible Equity Base at Beginning	129970	129937	129904
3	Opening Gross Loan Capital (Normative)	311607	311530	311453
	Cumulative Depreciation & AAD at Opening	268834	292645	316507
	Plus: Current Depreciation for 2022-23			
4	Plus: Current Depreciation for 2023-24	23811		
	Plus: Current Depreciation for 2024-25		23862	
	Plus: Current Depreciation for 2025-26			23908
	Cumulative Depreciation at Closing	292645	316507	340415
5	Opening Net Loan Capital (Normative)	42773	18885	0
	Gross Current Addition to GFA	0	0	0
6	Less: GFA of Current Retirement	110	110	110
	Less: GFA of Current Consumer Contribution			



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Sl. No.	Particulars	2023-24	2024-25	2025-26
	Net Current Addition to GFA	(110)	(110)	(110)
7	Current Addition to Equity Base as Admitted (30%)	(33)	(33)	(33)
8	Net Current Addition to Loan Capital (70%)	(77)	(77)	(77)
9	Current Depreciation	23811	23862	23908
10	Closing Net Loan Capital (Normative)	18885	0	0
11	Average of Net Loan Capital (Normative)	30829	9443	0
12	Weighted Average Rate of Interest on Long Term Loan Capital (%)	9.03%	9.91%	10.77%
13	Interest on Loan Capital (Admissible)	2785.00	936.00	0.00

5.10.11 The admissible Interest on Capital Loan for distribution function is determined as below:

Table 5.10.11: Admissible Interest on loan – Distribution

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	GFA at Beginning as Approved	1002168	1009349	1023988
2	Less: Admissible Equity Base at Beginning	300650	302804	307196
3	Opening Gross Loan Capital (Normative)	701518	706545	716792
	Cumulative Depreciation & AAD at Opening	610125	639627	669771
4	Plus: Current Depreciation for 2022-23			
	Plus: Current Depreciation for 2023-24	29502		
	Plus: Current Depreciation for 2024-25		30144	
	Plus: Current Depreciation for 2025-26			31098
	Cumulative Depreciation at Closing	639627	669771	700869
5	Opening Net Loan Capital (Normative)	91393	66918	47021
6	Gross Current Addition to GFA	23681	31139	34602
	Less: GFA of Current Retirement	2300	2300	2300
	Less: GFA of Current Consumer Contribution	14200	14200	14200
	Net Current Addition to GFA	7181	14639	18102
7	Current Addition to Equity Base as Admitted (30%)	2154	4392	5431
8	Net Current Addition to Loan Capital (70%)	5027	10247	12671
9	Current Depreciation	29502	30144	31098
10	Closing Net Loan Capital (Normative)	66918	47021	28594
11	Average of Net Loan Capital (Normative)	79156	56970	37808



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Sl. No.	Particulars	2023-24	2024-25	2025-26
12	Weighted Average Rate of Interest on Long Term Loan Capital (%)	9.03%	9.91%	10.77%
13	Interest on Loan Capital (Admissible)	7150	5645	4071

5.10.12 The admissible Interest on Capital Loan for generation and distribution function is determined as below:

Table 5.10.12: Admissible Interest on loan – Generation and Distribution

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	GFA at Beginning as Approved	1443745	1450816	1465345
2	Less: Admissible Equity Base at Beginning	430620	432741	437100
3	Opening Gross Loan Capital (Normative)	1013125	1018075	1028245
4	Cumulative Depreciation & AAD at Opening	878959	932272	986278
	Plus: Current Depreciation for 2022-23	0	0	0
	Plus: Current Depreciation for 2023-24	53313	0	0
	Plus: Current Depreciation for 2024-25	0	54006	0
	Plus: Current Depreciation for 2025-26	0	0	55006
	Cumulative Depreciation at Closing	932272	986278	1041284
5	Opening Net Loan Capital (Normative)	134166	85803	47021
6	Gross Current Addition to GFA	23681	31139	34602
	Less: GFA of Current Retirement	2410	2410	2410
	Less: GFA of Current Consumer Contribution	14200	14200	14200
	Net Current Addition to GFA	7071	14529	17992
7	Current Addition to Equity Base as Admitted (30%)	2121	4359	5398
8	Net Current Addition to Loan Capital (70%)	4950	10170	12594
9	Current Depreciation	53313	54006	55006
10	Closing Net Loan Capital (Normative)	85803	47021	28594
11	Average of Net Loan Capital (Normative)	109985	66413	37808
12	Weighted Average Rate of Interest on Long Term Loan Capital (%)	9.03%	9.91%	10.77%
13	Interest on Loan Capital (Admissible)	9935	6581	4071

5.10.13 The interest on capital loan for generation function as determined above is allocated based



on average GFA, however, no interest on capital loan is admitted for Titagarh which is inoperative since 2017 – 18 as shown in below table:

Table 5.10.13: Admitted Interest on Capital Loan of Generating stations

Rupees in Lakh

Sl. No.	Power Station	Proposed by CESC			Admitted by Commission		
		23 – 24	24 – 25	25 – 26	23 – 24	24 – 25	25 – 26
1	Budge Budge	1261	1237	1237	2410	810	0
2	Titagarh	0	0	0	0	0	0
3	Southern	52	55	49	179	60	0

5.11 Carrying cost:

5.11.1 CESC Limited has claimed carrying cost as part of the Annual Revenue Requirement (ARR) in Form E (B) under Finance Cost.

5.11.2 In terms of regulation 2.6.6 (iv) of the Tariff Regulations, carrying cost shall be allowed on the amount of Revenue Gap or Revenue Surplus, as determined in APR and FPPCA order, for the period from the middle of the financial year in which such revenue gap / surplus had occurred upto the middle of the financial year in which the recovery has been allowed. However, this is not part of the ARR as evident from the E(B) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023.

5.11.3 The Commission does not consider carrying cost as part of ARR and treats the matter in next chapter.

5.12 Foreign Exchange Rate Variations:

5.12.1 CESC Limited has not projected any amount of additional liability for repayment of foreign loan during the eighth control period in the tariff petition and thus, the Commission does not consider such liability for the said period.

5.13 Interest on Consumer’s Security Deposits:

5.13.1 CESC Limited has claimed Rs. 11663.00 lakh, Rs. 12443.00 lakh and Rs. 13223.00 lakh



for 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively on account of interest payable to the consumers on their projected security deposits at the rate specified in the regulation. CESC has projected Rs. 168394 lakh for all the years of the present control period as cash security deposit in Form 1.17(b) of the petition. The Commission considers Rs. 168394 lakh as cash security deposit for all the years of the present control period as projected by CESC Limited and allows Rs. 10104 lakh as interest on consumer security deposit at the admissible rate of 6% on estimated security deposit for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026.

5.13.2 During APR, CESC Limited is required to submit actual audited data for interest on consumers' security deposits and to confirm that the entire amount of interest payment has been made in terms of the Commission's concerned Regulations including refund of security deposits to outgoing consumers. An Auditor's certificate in this regard shall be submitted indicating movement of security deposit during the year indicating fresh receipts and refunds separately along with corresponding interest provided in the accounts and actually paid during the year on the same.

5.14 Other Finance Charges:

5.14.1 The amounts of other finance charges projected by the applicant are as follows:

Table 5.14.1: Other finance charges projected by CESC

		Rupees in Lakh		
Sl. No.	Particulars	23- 24	24 – 25	25 – 26
1	Front end fees (Arrangement fees for NCD, Loans and bank facilities (Net) for Capex)	443.00	465.00	487.00
2	Fees & expenses for loan restructuring	0.00	0.00	0.00
3	Others, if any (for Financial services, Cash Management Services and Miscellaneous Charges)	1023.00	1123.00	1234.00
4	cost of hedging	0.00	0.00	0.00
5	Total	1466.00	1588.00	1721.00

5.14.2 The Commission has noted that bank charges for cash management services are not related to loan capital and as such the charges will form part of normal operation and maintenance. Moreover, claim of other miscellaneous finance charges is without details of



such charges.

5.14.3 In terms of regulation 5.6.4.2(vi) of the Tariff Regulations, finance charges incurred for obtaining capital loans from financial institutions and any amount claimed towards foreign exchange rate variation (FERV) for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudent analysis. Therefore, the Commission does not admit any charge under this head in tariff determination stage.

5.14.4 Finance charges incurred for obtaining capital loans from financial institutions shall be allowed by the Commission at the time of Truing-up of respective year, subject to prudent analysis.

5.15 Interest on Working Capital:

5.15.1 CESC Limited has stated that working capital requirements for the years 2023 – 24 to 2025 – 26 have been projected in terms of the Tariff Amendment Regulations dated 13.03.2023 [West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023]. Interest rate for 2023-24 is projected at 11%, (1 year SBI MCLR as on 1st April 2023 plus 250 basis points), a rate hike of 50 basis points has been considered by CESC Limited for the years 2024-25 and 2025-26. The break up of projected interest on working capital is as under:

Table 5.15.1: Projected interest on working capital

Generating station	Rupees in lakh		
	2023 – 2024	2024 – 2025	2025 – 2026
Budge Budge	583	733	878
Southern	54	67	81
Distribution	2441	3146	3831
Total	3078	3946	4790

5.15.2 The Commission in the fourth amendment of Tariff Regulations has specified the normative working capital requirement in regulations 5.6.5. Accordingly, it is observed that no working capital is required for the distribution and generation functions of CESC Limited as computed below:

Table 5.15.2: Admitted Working Capital Requirement

(Rs lakh)

Sl. No	Particulars	2023-24	2024-25	2025-26
A	Distribution			
1	O&M expense for 1 month	4513	4729	4972
2	Employee cost for 1 month	7312	7197	7446
3	Maintenance spare 15% of O&M expense	8123	8512	8950
4	Receivables equivalent to 45 days	92811	93870	97413
	Sub-total (1 to 4)	112759	114308	118781
5	Less: Cash security deposit	168394	168394	168394
6	Working Capital Requirement	0	0	0
B	Own Generation			
1	Cost of Coal stock (non-pit-head 20 days)	7263	7553	7561
2	Advance payment of coal (30 days)	7263	11328	11341
3	Cost of secondary fuel oil for 2 months	667	667	668
4	O&M expense for 1 month	1481	1537	1596
5	Employee cost for 1 month	1536	1574	1630
6	Water charge for 1 month			
7	Maintenance spare 20% of O&M expense	3554	3689	3830
	Sub-total (1 to 7)	21764	26348	26626
8	Less: Cash security deposit held after meeting working capital of distribution function	55635	54086	49613
9	Working Capital Requirement	0	0	0
C	Balance cash security in hand [B8 – SUM(B1:B7)]	33871	27738	22987

5.15.3 Further, in terms of first proviso to clause (a) of regulation 5.6.5.3 of the Tariff Regulations as amended, interest on such balance cash security deposit is considered as non-tariff income (NTI). In view of the excess cash security deposit held with the licensee after meeting working capital requirement as mentioned above, an interest @4.75% (based on SBI rate of bulk term deposit > 2Crore for 1 month) is considered. Hence the admissible non-tariff income for excess cash security deposit for the years 2023 – 24, 2024 – 25 and 2025 – 26 come as below:

Table 5.15.3: Interest on such balance cash security deposit

(Rs lakh)



Sl. No.	Particulars	23-24	24-25	25-26
A	Excess cash security deposit held with the licensee after meeting working capital requirement	33871	27738	22987
B	Interest rate at SBI bulk term deposit	4.75%	4.75%	4.75%
C	NTI for excess cash security deposit held with the licensee after meeting working capital requirement	1609	1318	1092

5.15.4 The working capital requirement will be recalculated during truing up in terms of second proviso of clause (a) of regulation 5.6.5.3 of the Tariff Regulations.

5.16 Bad Debts:

5.16.1 CESC has stated that in line with the Tariff Regulations, the Company has shown in this Petition Bad Debts @ 0.5% of the total revenue. The bad debts projected by CESC Limited for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 are Rs 5799.00 lakh, Rs. 5971.00 lakh and Rs 6114.00 Lakh respectively.

5.16.2 In terms of the Tariff Regulations, the Commission may allow amount of bad debts as actually had been written off in the latest available audited accounts subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year. The Commission decides not to consider any amount as 'bad debt' at the tariff determination stage. The recovery of such cost shall be reviewed in APR for 2023 – 2024, 2024 – 2025 and 2025 – 2026 based on audited financial results.

5.17 Intangible Assets Write Off:

5.17.1 CESC Limited has not projected any value of Intangible Assets to be written off for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026. The Commission also views that any written off value should be based on actual and projection for the same is not admitted at tariff determination stage. CESC Limited may come up with such proposal in APR for 2023 – 2024, 2024 – 2025 and 2025 – 2026 based on actual financial results.

5.18 Income Tax:



5.18.1 The applicant has projected the provision of Rs 41670.00 lakh, Rs 43900.00 lakh and Rs 45679.00 lakh for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively towards taxes payable, computed @ 34.94% being the current Corporate Tax rate. However, CESC Limited has stated that the actual Income Tax paid including in respect of earlier years unclaimed taxes will be duly adjusted in the APR Petitions for the respective years. In terms of the Tariff Regulations, the taxes payable on the incomes from the core business of the applicant and other applicable taxes under the provisions of the Income Tax Act are recoverable as pass through from the consumers. The Commission, therefore, allows the provision for payment of income tax considering the rate 17.472% of 2023 – 2024 (15% MAT, 1.67% Cess and 0.67% Surcharge) for all the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 on admitted Return on Equity as follows, subject to adjustments on the basis of tax assessment and payments made accordingly:

Table 5.18.1: Income Tax

(Rs in Lakh)

Power Station	Claimed by CESC			Admitted by WBERC		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Budge Budge	10069	10187	10252	3046	3045	3042
Titagarh	0	0	0	0	0	0
Southern	717	724	724	226	226	226
Sub Total	10786	10911	10976	3272	3271	3268
Distribution, selling	30884	32988	34703	8698	8789	8922
Total	41670	43899	45679	11970	12060	12190

5.18.2 CESC Limited is directed in terms of regulation 5.13 of the Tariff Regulations to furnish final assessment order of Income Tax Authority for each assessment year corresponding to relevant financial year or other valid documents along with Auditor's certificate in respect of income tax assessed and actual income tax paid after adjustment of credit of income tax for the relevant financial year while submitting APR application.

5.19 Performance Incentive:

5.19.1 The petitioner has not projected towards performance incentive for the eighth control period but stated that it will be submitted during the respective APR petitions. The Commission does not consider any incentive for the said period in the tariff determination stage, however,



incentive as per provision in the Tariff Regulations will be reviewed in APR of respective years.

5.20 Reserve for Unforeseen exigencies:

- 5.20.1 The petitioner has claimed nothing towards Reserve for Unforeseen exigencies during the eighth control period and thus, the Commission does not consider any such amount for the said period.
- 5.20.2 CESC Limited is, however, directed that investment of the amounts so far created under the head must be done in accordance with the provisions of the Tariff Regulations. For failure to comply with the provisions of the referred regulation, double the amount allowed for the purpose will be deducted from the amount of return on equity as allowed to CESC Limited during APR of any succeeding years. Income from such investments of Reserve for Unforeseen Exigencies as was previously directed, shall be reinvested for the same purpose and shall be shown separately in the application of APR or tariff, as the case may be, supported by necessary audited data for any year. Moreover, this income should not be considered under income from non-tariff sources for the determination of Net Aggregate Revenue Requirement in APR or tariff for any year.

5.21 Demurrage of coal transportation:

- 5.21.1 Demurrage of coal transportation is part of fuel cost, therefore, the issue is already dealt in previous chapter.

5.22 Corporate Social Responsibility:

- 5.22.1 The petitioner has not projected on account of Corporate Social Responsibility (CSR) during the eighth control period in the instant petition, however, it is stated by the Petitioner that that CSR expenses being statutory in nature will be claimed in the APR petition based on actual expenditure by the Company.
- 5.22.2 The Commission maintains that Corporate Social Responsibility is not a pass through and such cost should be appropriated out of profit of the company.

5.23 Others - Deviation Settlement Management (DSM) charges:



5.23.1 CESC Limited has projected Rs 994 lakh, Rs 1092 lakh and Rs 1199 lakh for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 respectively on account of Deviation Settlement Management (DSM) charges as an element of Gross Revenue Requirement under the head 'Others'. However, regarding DSM charges Receivable in Note – 5 below Form 1.26 corresponding to Income other than Sale of Energy, this is submitted that in case of any DSM Charges arising to be payable/ receivable, the same will be appropriately dealt with in the APR Petitions.

5.23.2 DSM charges are not a part of Gross Revenue Requirement as per Form E(B) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023. Hence, the Commission does not consider any DSM charges in tariff determination stage. DSM Charges arising to be payable/receivable will be appropriately dealt with in the APR / FPPCA as per provision of the extant regulations.

5.24 Others - Railway siding Charge of Titagarh:

5.24.1 CESC Limited has claimed Rs. 121 lakh for all the years of the control period for Railway siding Charge of Titagarh under 'Others'.

5.24.2 The Commission does not allow any such charge as Titagarh generating station is inoperative since 2017 – 18.

5.25 Others – Insurance

5.25.1 CESC Limited has claimed insurance under the head Others for the years of 2023 – 24, 2024 – 25 and 2025 – 26 as given in below Table. The licensee has stated that Insurance Premium is dependent on various market forces not only in India but also the reinsurance market overseas, therefore, it cannot be determined based on any fixed norm and therefore needs to be allowed separately.

Table 5.25.1: Insurance claimed under Others

Description	Rs. in lakh		
	2023-24	2024-25	2025-26
Budge Budge	1510	1658	1821
Titagarh	11	11	11



Description	2023-24	2024-25	2025-26
Southern	256	282	309
Sub Total	1777	1951	2141
Distribution	659	724	795
Total	2436	2675	2936

5.25.2 In terms of regulation 5.7.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023, insurance fees are included in Administrative and General Expenses. Therefore, the Commission does not admit any amount separately for insurance.

5.26 Income from other Non-tariff Sources:

5.26.1 CESC Limited has projected incomes from other non-tariff sources as under:

Table 5.26.1: Non Tariff Income projected by CESC

Rs in Lakhs

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	a) Rental of meters and other apparatus hired out from consumers	6563	6983	7401
	b) External subsidy for meter rent			
2	Testing & Reconnection Charges/ Sale and repair of lamp and other apparatus	179	179	179
3	Contribution from consumers			
4	Income from Investments and Bank Balances etc.			
5	Surcharge for Late Payments	4258	4258	4258
6	Wheeling charge	205	236	265
7	Other General receipts arising from and ancillary or incidental to the business of electricity	6456	6456	6456
8	Total	17661	18112	18559

5.26.2 CESC Limited has stated that all of the above Non Tariff incomes are kept at the level of 2021 – 22 except Rental of meters and other apparatus hired out from consumers which is estimated. Regarding external subsidy for meter rent, CESC Limited has submitted that subsidy scheme of the Government of West Bengal has been implemented in terms of order



dated 31 March 2020 of the Commission with effect from 1 April 2020, Meter Rent related subsidy has been shown at Rs 268 lakh for the Base Year, subsidy given by the appropriate authority for any ensuing year (presently estimated at Rs. 259 lakhs, Rs. 260 lakhs, Rs. 262 lakhs respectively for 2023- 24, 2024-25 and 2025-26), may be adjusted appropriately by the Commission.

- 5.26.3 CESC Limited has submitted that Other general receipts arising from and ancillary or incidental to the business of electricity for all the above years do not include realisation from disposal of assets not in use. Any sum received towards the value of such disposal for the years 2022-23 onwards will be dealt with in APR Petitions and added in equity contribution in terms of the applicable Regulations, submitted by the licensee.
- 5.26.4 CESC Limited has not considered any DSM charges Receivable under Non Tariff Income and it is submitted that In case of any DSM Charges arising to be payable/ receivable, the same will be appropriately dealt with in the APR Petitions.
- 5.26.5 CESC Limited has stated that Capital Contribution from Consumers have been netted off in Form 1.18 and 1.19(a) in terms of the Regulations dated 13.03.2023 [West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023] and the same has been considered in Form 1.26 till 31.03.2023 in terms of the APR Order for the year 2017 – 18. The Commission has noted that CESC Limited has netted off Rs. 11066 lakh for all the years of this control period from original cost of fixed asset in Form 1.18.
- 5.26.6 The Commission considers for interest on excess cash security deposit as determined in previous paragraph as non-tariff income under 'Income from Investments and Bank Balances etc.'. Further, Meter Rent related subsidy at Rs. 259 lakhs, Rs. 260 lakhs, Rs. 262 lakhs respectively as estimated by CESC Limited for 2023- 24, 2024-25 and 2025-26 have been considered under Non Tariff Income.
- 5.26.7 For other items under Non Tariff income, the proposal of CESC Limited has been considered by the Commission with allocation of the income to the generating stations and distribution system on the basis of the nature of income.
- 5.26.8 Thus, the allowed amounts for income from non-tariff sources are Rs. 19554 lakh for 2023



– 2024, Rs 19716 lakh for 2024 – 2025 and Rs 19942 lakh for 2025 – 2026.

Table 5.26.8: Admitted Non Tariff Income

(Rs lakh)

Sl. No.	Particulars	2023-24	2024-25	2025-26
1	a) Rental of meters and other apparatus hired out from consumers	6563	6983	7401
	b) External subsidy for meter rent	259	260	262
2	Testing & Reconnection Charges/ Sale and repair of lamp and other apparatus	179	179	179
3	Contribution from consumers	0	0	0
4	Income from Investments and Bank Balances etc.	1609	1318	1092
5	Surcharge for Late Payments	4258	4258	4258
6	Wheeling charge	205	236	265
7	Other General receipts arising from and ancillary or incidental to the business of electricity	6456	6456	6456
8	Total	19529	19690	19913

5.26.9 The incomes from rental of meters and other apparatus hired out, sale and repair of lamp and other apparatus, service connection fees and surcharge for late payment have been considered in the distribution system head. Income from other general receipts have been distributed to generating stations and distribution system in line with the proposal submitted by CESC Limited in its tariff application. Accordingly, the allocated amounts as allowed by the Commission are as follows:

Table 5.26.9: Admitted income from other Non-tariff sources

Rs in lakh

Income from other Non-tariff sources						
As allowed by the Commission in the tariff order						
Year	Income from Non-tariff Sources	Budge Budge	Titagarh	Southern	Distribution	total
2023-2024	Income from Investments and General Receipts	1633	0	116	4707	6456
	Other income from distribution system	0	0	0	13073	13073
	Total	1633	0	116	17780	19529



Income from other Non-tariff sources						
As allowed by the Commission in the tariff order						
Year	Income from Non-tariff Sources	Budge Budge	Titagarh	Southern	Distribution	total
2024-2025	Income from Investments and General Receipts	1613	0	115	4728	6456
	Other income from distribution system	0	0	0	13234	13234
	Total	1613	0	115	17962	19690
2025-2026	Income from Investments and General Receipts	1614	0	114	4728	6456
	Other income from distribution system	0	0	0	13457	13457
	Total	1614	0	114	18185	19913

CESC shall submit break up of 'Other General receipts arising from and ancillary or incidental to the business of electricity' in APR petitions of respective years.

5.27 Benefits to be passed on to Consumers:

5.27.1 CESC Limited has projected only net income from User fee for commercial usage of certain assets (at Park Circus) at Rs 1464 lakh, Rs. 1611 lakh and Rs 1611 lakh for the years 2023 – 24, 2024 – 25 and 2025 – 26 respectively and share with the consumers @40%. CESC Limited has not projected any income from Auxiliary Services (advertisements on bill face), other business (Consultancy service) and income from sale of power to Others and sharing thereof to consumers. The licensee has stated that income from business relating to Auxiliary Services to be shared with the consumers in terms of Regulation 5.15.2 (vii) and any sum actually received towards Consultancy Services is proposed to be shared with the consumers in the respective APR Petitions, in terms of the Regulations. This is submitted that income from sale of power to Others would be dealt with subsequently in accordance with the Tariff Regulations/Orders of the Commission. The Commission agrees to the projection of the utility at tariff determining stage. The net income it derives from such other auxiliary services and other business, if any, at actuals shall be dealt with in APR for respective years as per the Tariff Regulations. CESC Limited shall submit details of earnings and expenditure with auditor's certificate in APR petitions.



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5.27.2 The earnings from commercial usage of certain assets (at Park Circus) and sharing of such earnings @ 40% as projected by CESC Limited are given below. The Commission considers the same for adjustment with the expenses of distribution system before arriving at the net revenue requirement for 2023 – 2024, 2024 – 2025 and 2025 - 2026 as under:

Table 5.27.2: Admitted Benefits to be passed on to Consumers

Rs in lakh

Sl. No.	Particulars	23 – 24	24 – 25	25 – 26
1	Earnings from commercial usage of assets (user fee)	1464	1611	1611
2	Allowable benefit to consumers @ 40%	586	644	644



ANNEXURE – 5A

Administrative & General Expenses for distribution (Rs lakh)

Particulars	Derivation	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
		As admitted in APR		As per MYT Order			Base Year	Ensuing Year		
Hybrid Index	A	3.02%	4.72%	4.00%	2.79%	9.82%	3.79%	3.79%	3.79%	3.79%
A&G	B	18043.00	19339.00	20567.00	21929	23168	Average of G	By applying inflation over 2022-23	By applying inflation over 2023-24	By applying inflation over 2024-25
Insurance	C	307.00	332.00	183.00	194.00	204.00				
Lease Rental	D	1023.00	1026.00	1023.00	1197.00	1197.00				
Cost of Outsourcing	E	964.00	1026.04	1084.00	1149.00	1208.00				
Total A&G*	F=(B:E)	20337.00	21723.04	22857.00	24469.00	25777.00				
A&G at FY 2022-23 base with inflation impact	G	25950.02	26469.26	26779.78	27890.3	26753.95				
Admissible A&G	H						26769	27784	28837	29930

Note: *

$$\begin{aligned}
 25950.02 &= 20337.00 \times (1+HI \text{ of } 18-19) \times (1+HI \text{ of } 19-20) \times (1+HI \text{ of } 20-21) \times (1+HI \text{ of } 21-22) \times (1+HI \text{ of } 22-23) \\
 26469.26 &= 21723.04 \times (1+HI \text{ of } 19-20) \times (1+HI \text{ of } 20-21) \times (1+HI \text{ of } 21-22) \times (1+HI \text{ of } 22-23) \\
 26779.78 &= 22857.00 \times (1+HI \text{ of } 20-21) \times (1+HI \text{ of } 21-22) \times (1+HI \text{ of } 22-23) \\
 27890.30 &= 24469.00 \times (1+HI \text{ of } 21-22) \times (1+HI \text{ of } 22-23) \\
 26753.95 &= 25777.00 \times (1+HI \text{ of } 22-23)
 \end{aligned}$$



CHAPTER - 6

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT FOR THE YEARS 2023 – 2024, 2024 – 2025 and 2025 – 2026 AND REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEARS 2023 – 2024 AND 2024 – 2025

- 6.1 Based on the analyses and findings recorded in the foregoing chapters, Aggregate Revenue Requirements (ARR) separately for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 under eighth control period have been computed. Summarized statements are given in Annexure 6A to 6E of this chapter.
- 6.2 Accordingly, the amount of revenue to be recovered through tariff, capacity charges and fixed charges for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 work out as under.

Rs. in Lakh

Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2023 – 2024	182897	49	39152	532768	754866
2	Fuel Cost / Power Purchase Cost	112708	0	28215	294096	435019
3	Capacity Charges / Fixed Charges (1-2)	70189	49	10937	238672	319847

Rs. in Lakh



Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2024 – 2025	187462	52	38971	534901	761386
2	Fuel Cost / Power Purchase Cost	117714	0	28125	293295	439134
3	Capacity Charges / Fixed Charges (1-2)	69748	52	10846	241606	322252

Rs in lakh

Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2025 – 2026	188110	55	39010	562955	790130
2	Fuel Cost / Power Purchase Cost	117879	0	28125	313038	459042
3	Capacity Charges / Fixed Charges (1-2)	70231	55	10885	249917	331088

6.3 The Commission has considered 13 MU Sale to WBSEDCL at radial mode. The purchase price of such energy by WBSEDCL from CESC Limited is admitted in the tariff order for WBSEDCL for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 at Rs 6.54 per kWh. On the basis of that rate the revenue to be earned by CESC Limited from WBSEDCL on account of sale of 13 MU of energy comes to Rs. 850.20 lakh, which will be deducted from the net ARR of CESC Limited for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 to arrive at the revenue to be earned through sale to own consumers.

6.4 Adjustment of Regulatory Assets



6.4.1 The Commission in the FPPCA & APR order of CESC Limited for the year 2018 – 19 in Case No. FPPCA – 95 / 19 - 20 and APR – 80 /19 - 20 dated 22.09.2023 has admitted recoverable amount of Rs. 65280.09 lakh and ordered in terms of regulation 2.6.6 of the Tariff Regulations that the entire recoverable amount of Rs. 65280.09 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2022 – 23 or that for any other ensuing year or through a separate order as may be decided by the Commission. The Commission adjusted Rs. 12722.00 lakh, part of the recoverable amount of Rs. 65280.09 lakh admitted in APR & FPPCA for the year 2018 – 19, with the ARR of 2022 – 23 in terms of regulation 2.5.3(i) of the Tariff Regulations to avoid tariff shock and decided that the balance amount of Rs. 52558.09 lakh (Rs. 65280.09 lakh – Rs. 12722.00 lakh) will be adjusted in subsequent tariff order or any subsequent order in terms of regulation 2.6.6 of the Tariff Regulations.

Further, the Commission in paragraph 7.1.2.15 of the order dated 02.07.2024, in Case No: APR(R) – 26/23-24 for review of the Order dated 22.09.2023 passed by the Commission in Case No. FPPCA-95/19-20 and APR- 80/19-20 for the year 2018 – 19, has redetermined the recoverable amount as Rs. 67,376.61 lakh. Thus, the differential recoverable amount becomes Rs 2,096.52 lakh (Rs. 67,376.61 lakh - Rs 65,280.09 lakh). The Commission in paragraph 8.2 of the said order dated 02.07.2024, has decided that in terms of regulation 2.6.6 of the Tariff Regulations, the recoverable amount of Rs. 2,096.52 lakh, as determined in paragraph 7.1.2.15, or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2025 – 26 or that for any other ensuing year or through a separate order, as may be decided by the Commission.

Thus, the total recoverable amount now remains as Rs. 54645.61 lakh (Rs. 52558.09 lakh + Rs. 2,096.52 lakh).

6.4.2 The Commission now decides to adjust an amount of Rs 13062.09 lakh and Rs 28084.00 lakh, out of the balance recoverable amount of Rs. 54645.61 lakh, with the ARR for the year 2023 – 24 and 2024 – 25 respectively of eighth control period as follows to avoid tariff shock:

Table 6.4.2: APR adjustment with the ARR of 8th control period



(Rs lakh)

Description	Balance adjustment	Adjustment in 23 – 24	Adjustment in 24 – 25	Adjustment left for 25 – 26 onwards
(1)	(2)	(3)	(4)	(5)=(2)-(3)-(4)
1) Part adjustment of APR 18 -19 of CESC Limited	54654.61	13062.09	28084.00	13508.52
Total adjustment		13062.09	28084.00	13508.52

The balance recoverable amount of Rs 13508.52 lakh will be adjusted with the ARR of 2025 – 26 or as decided by the Commission.

- 6.5 In terms of clause (iv) of regulation 2.6.6 of the Fourth Amendment of the Tariff Regulations, carrying cost is allowable on reducing balance principle from 01.04.2023, i.e., the date of effect of the amendment. Carrying cost is allowed for the part adjustment of APR 2018-19 as mentioned in paragraph above. In terms of clause (iv) of regulation 2.6.6 of the Tariff Regulations, as amended, carrying cost is calculated with simple interest rate of 9.50% (= SBI MCLR rate as on 01.04.2022 + 250 basis point). The carrying cost is admitted as follows:

Table 6.5: Carrying Cost (Rs lakh)

Particulars	2023 – 24	2024 – 25
Recoverable amount of APR adjusted (Rs lakh)	13062.09	28084.00
Middle of the FY	30-09-2023	30-09-2024
Duration of Carrying cost from 01.04.23 (Year)	0.50	1.50
SBI MCLR (%)	7.00%	7.00%
SBI MCLR +250 Basis Point (%)	9.50%	9.50%
Carrying Cost (Rs lakh)	620.00	4002.00

- 6.6 The Commission now works out the revenue to be recovered through tariff for 2023 – 2024 and 2024 – 2025 and the same is shown in the table below:

Rs in lakh

Table 6.6: REVENUE TO BE RECOVERED THROUGH TARIFF				
Sl. No	Particulars	Unit	23 - 24	24-25



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MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025



Table 6.6: REVENUE TO BE RECOVERED THROUGH TARIFF

1	Net ARR for the year 2023 – 24 and 2024 – 25 as shown in table under paragraph 6.2 above.	Rs lakh	754866.00	761386.00
2	Less: Revenue earned from sale to WBSEDCL (@Rs 6.54/unit)	Rs lakh	850.20	850.20
3	Add: Adjustment for APR	Rs lakh	13062.09	28084.00
4	Add: Carrying Cost	Rs lakh	620.00	4002.00
5	Total revenue to be recovered through tariff (5)=(1)-(2)+(3)+(4)	Rs lakh	767697.89	792621.80
6	Energy sale to own consumers	MU	10502.00	10843.00
7	Average tariff for the consumers [(7)=(5)/(6)*10]	Paisa/ KWh	731.00	731.00

- 6.7 The Commission observes that the admitted average tariff for 2023 – 24 and 2024 – 25 is same as that of 2022 – 23 i.e. 731 paisa/kWh. Therefore, the Commission keeps the Tariff Schedule unaltered. Any variation related to fuel, power purchase cost etc. shall be governed by the relevant provisions of the Tariff Regulations.
- 6.8 On the basis of above analysis, the detailed tariff structure for different classes of consumers and other terms and conditions related to tariff for the years 2023 – 2024 and 2024 – 2025 are provided in chapter -7 of this order.



ANNEXURE – 6A

AGGREGATE REVENUE REQUIREMENT FOR BUDGE BUDGE GENERATING STATION							Rs lakh
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		23 – 24	24 – 25	25 – 26	23 – 24	24 – 25	25 – 26
1	Fuel cost of own generating station	194120	195154	195490	112708	117714	117879
2	Employee Cost						
	a) Employee Cost	16291	17991	19807	13778	14324	15027
	b) Arrear	0	0	0	0	0	0
3	Operation & Maintenance Expenses	14550	15106	15675	14550	15105	15675
4	Water Charges for own generating station	0	0	0	0	0	0
5	Statutory Charges	0	0	0	0	0	0
6	Finance Cost	0	0	0	0	0	0
	a) Interest on capital loan	1261	1237	1237	2410	810	0
	b)-i) Carrying Cost on shortfall	16676	13526	10266	0	0	0
	b) -ii) Interest on Working Capital	583	733	878	0	0	0
	c) Foreign Exchange Rate Variation	0	0	0	0	0	0
	d) Other Financing Charges	278	295	315	0	0	0
7	Depreciation	9192	9263	9270	20606	20650	20689
8	Intangible Assets write off	0	0	0	0	0	0
9	Bad Debt	0	0	0	0	0	0
10	Income Tax	10069	10187	10252	3046	3045	3042
11	Reserve for Unforeseen Exigencies	0	0	0	0	0	0
12	Demurrage for coal transportation	0	0	0	0	0	0
13	Others - a) Insurance	1510	1658	1821	0	0	0
	Others - b) DSM	0	0	0	0	0	0
	Others - c) Reactive Energy Charge	0	0	0	0	0	0
14	Total Expenditure	264530	265150	265011	167098	171648	172312
15	Normative Return on Equity	17293	17511	17633	17432	17427	17412
16	Permitted incentive	0	0	0	0	0	0
17	Gross Revenue Requirement	281823	282661	282644	184530	189075	189724
18	Less : Income other than sale of energy	1633	1613	1614	1633	1613	1614
	Less : Benefit passed on to consumers	0	0	0	0	0	0
	Less: Expenses attributable to persons other than licensees or any consumers	0	0	0	0	0	0
	Less: DSM charges receivable	0	0	0	0	0	0
19	Net Aggregate Revenue Requirement	280190	281048	281030	182897	187462	188110



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for the years 2023 – 2024 and 2024 – 2025



Annexure - 6B

(Rs lakh)

AGGREGATE REVENUE REQUIREMNT OF TITAGARH GENERATING STATION							
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Fuel cost of own generating station	0	0	0	0	0	0
2	Employee Cost						
	a) Employee Cost	79	91	103	49	52	55
	b) Arrear	0	0	0	0	0	0
3	Operation & Maintenance Expenses	228	228	228	0	0	0
4	Water Charges for own generating station	0	0	0	0	0	0
5	Statutory Charges	0	0	0	0	0	0
6	Finance Cost						
	a) Interest on capital loan	0	0	0	0	0	0
	b)-i) Carrying Cost on shortfall	0	0	0	0	0	0
	b) -ii) Interest on Working Capital	0	0	0	0	0	0
	c) Foreign Exchange Rate Variation	0	0	0	0	0	0
	d) Other Financing Charges	0	0	0	0	0	0
7	Depreciation	742	710	662	0	0	0
8	Intangible Assets write off	0	0	0	0	0	0
9	Bad Debt	0	0	0	0	0	0
10	Income Tax	0	0	0	0	0	0
11	Reserve for Unforeseen Exigencies	0	0	0	0	0	0
12	Demurrage for coal transportation	0	0	0	0	0	0
13	Others - a) Insurance	11	11	11	0	0	0
	Others - b) Rly sliding Charge (Titagarh)	121	121	121	0	0	0
	Others - b) DSM	0	0	0	0	0	0
	Others - c) Reactive Energy Charge	0	0	0	0	0	0
14	Total Expenditure	1181	1161	1125	49	52	55
15	Normative Return on Equity	1457	1457	1457	0	0	0
16	Permitted incentive	0	0	0	0	0	0
17	Gross Revenue Requirement	2638	2618	2582	49	52	55
18	Less: Income other than sale of energy	0	0	0	0	0	0
	Less: Benefit passed on to consumers	0	0	0	0	0	0
	Less: Expenses attributable to persons other than licensees or any consumers	0	0	0	0	0	0
	Less: DSM charges receivable	0	0	0	0	0	0
19	Net Aggregate Revenue Requirement	2638	2618	2582	49	52	55



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MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025



Annexure - 6C

AGGREGATE REVENUE REQUIREMNT OF SOUTHERN GENERATING STATION							(Rs lakh)
Sl. No.	ITEM	PRPOSED BY CESC			ALLOWED BY WBERC		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Fuel cost of own generating station	12544	12689	12722	28215	28125	28125
2	Employee Cost						
	a) Employee Cost	5094	5052	5176	4607	4509	4477
	b) Arrear	0	0	0	0	0	0
3	Operation & Maintenance Expenses	3223	3345	3472	3222	3344	3471
4	Water Charges for own generating station	0	0	0	0	0	0
5	Statutory Charges	0	0	0	0	0	0
6	Finance Cost						
	a) Interest on capital loan	52	55	49	179	60	0
	b)-i) Carrying Cost on shortfall	1535	1241	944	0	0	0
	b) -ii) Interest on Working Capital	54	67	81	0	0	0
	c) Foreign Exchange Rate Variation	0	0	0	0	0	0
	d) Other Financing Charges	26	27	29	0	0	0
7	Depreciation	474	453	430	1527	1530	1533
8	Intangible Assets write off	0	0	0	0	0	0
9	Bad Debt	0	0	0	0	0	0
10	Income Tax	717	724	724	226	226	226
11	Reserve for Unforeseen Exigencies	0	0	0	0	0	0
12	Demurrage for coal transportation	0	0	0	0	0	0
13	Others - a) Insurance	256	282	309	0	0	0
	Others - b) DSM	0	0	0	0	0	0
	Others - c) Reactive Energy Charge	0	0	0	0	0	0
14	Total Expenditure	23975	23935	23936	37976	37794	37832
15	Normative Return on Equity	1334	1349	1348	1292	1292	1292
16	Permitted incentive	0	0	0	0	0	0
17	Gross Revenue Requirement	25309	25284	25284	39268	39086	39124
18	Less: Income other than sale of energy	116	115	114	116	115	114
	Less: Benefit passed on to consumers	0	0	0	0	0	0
	Less: Expenses attributable to persons other than licensees or any consumers	0	0	0	0	0	0
	Less: DSM charges receivable	0	0	0	0	0	0
19	Net Aggregate Revenue Requirement	25193	25169	25170	39152	38971	39010



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MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025

ANNEXURE – 6D

AGGREGATE REVENUE REQUIREMENT FOR DISTRIBUTION							(Rs lakh)
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Power Purchase cost	409865	429544	446817	294096	293295	313038
2	Transmission Charge						
	Inter-state transmission charges	10397	11200	11922	192	1081	1950
	Intra-state transmission charges	10431	11946	13417	8955	10235	11667
3	Power System charges	967	1012	1054	748	801	854
4	Employee Cost						
	a) Employee Cost	97414	103543	108693	87744	86365	89351
	b) Arrear	0	0	0	0	0	0
5	Repair & Maintenance including consumables	27191	29652	32591	26376	27908	29734
6	Administrative & General Expenses	30820	33849	37177	27784	28837	29930
8	Statutory Charges	2087	2178	2220	0	0	0
9	Finance Cost						
	a) Interest on capital loan	17936	19802	21769	7150	5645	4071
	b)-i) Carrying Cost on shortfall	69795	58073	44799	0	0	0
	b) -ii) Interest on Working Capital	2441	3146	3831	0	0	0
	c) Foreign Exchange Rate Variation	0	0	0	0	0	0
	d) Other Financing Charges	1163	1266	1376	0	0	0
	e) Interest on consumer security deposit	11663	12443	13223	10104	10104	10104
10	Depreciation	61941	63715	65896	29502	30144	31098
11	Intangible Assets write off	0	0	0	0	0	0
12	Bad Debt	5799	5971	6114	0	0	0
13	Income Tax	30884	32988	34703	8698	8789	8922
14	Reserve for Unforeseen Exigencies	0	0	0	0	0	0
15	Others - a) Insurance	659	724	795	0	0	0
	Others - b) DSM	994	1092	1199	0	0	0
	Others - c) Reactive Energy Charge	0	0	0	0	0	0
16	Total Expenditure	792447	822144	847596	501349	503204	530719
17	Normative Return on Equity	57507	61426	64618	49785	50303	51065
18	Permitted incentive	0	0	0	0	0	0
19	Gross Revenue Requirement	849954	883570	912214	551134	553507	581784
20	Less: Income other than sale of energy	15911	16383	16830	17780	17962	18185
	Less: Benefit passed on to consumers	586	644	644	586	644	644
	Less: Expenses attributable to persons other than licensees or any consumers	0	0	0	0	0	0
	Less: DSM charges receivable	0	0	0	0	0	0
21	Net Aggregate Revenue Requirement	833457	866543	894740	532768	534901	562955



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MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025



ANNEXURE – 6E
AGGREGATE REVENUE REQUIREMNT OF CESC

(Rs lakh)

Sl. No.	ITEM	PRPOSED BY CESC			ALLOWED BY WBERC		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
1	Fuel cost of own generating station	206664	207843	208212	140923	145839	146004
2	Power Purchase cost	409865	429544	446817	294096	293295	313038
3	Transmission Charge						
	Inter-state transmission charges	10397	11200	11922	192	1081	1950
	Intra-state transmission charges	10431	11946	13417	8955	10235	11667
4	Power System charges	967	1012	1054	748	801	854
5	Employee Cost						
	a) Employee Cost	118878	126677	133779	106178	105250	108910
	b) Arrear	0	0	0	0	0	0
6	O&M Expenses (Generation)	18001	18679	19375	17772	18449	19146
7	Repair & Maintenance (Distribution)	27191	29652	32591	26376	27908	29734
8	Administrative & General Expenses (Distribution)	30820	33849	37177	27784	28837	29930
9	Water Charges for own generating station	0	0	0	0	0	0
10	Statutory Charges	2087	2178	2220	0	0	0
11	Finance Cost						
	a) Interest on capital loan	19249	21094	23055	9739	6515	4071
	b)-i) Carrying Cost on shortfall	88006	72840	56009	0	0	0
	b) -ii) Interest on Working Capital	3078	3946	4790	0	0	0
	c) Foreign Exchange Rate Variation	0	0	0	0	0	0
	d) Other Financing Charges	1467	1588	1720	0	0	0
	e) Interest on consumer security deposit	11663	12443	13223	10104	10104	10104
12	Depreciation	72349	74141	76258	51635	52324	53320
13	Intangible Assets write off	0	0	0	0	0	0
14	Bad Debt	5799	5971	6114	0	0	0
15	Income Tax	41670	43899	45679	11970	12060	12190
16	Reserve for Unforeseen Exigencies	0	0	0	0	0	0
17	Demurrage for coal transportation	0	0	0	0	0	0
18	Others - a) Insurance	2436	2675	2936	0	0	0
	Others - b) Rly sliding Charge (Titagarh)	121	121	121	0	0	0
	Others - c) DSM	994	1092	1199	0	0	0
	Others - d) Reactive Energy Charge	0	0	0	0	0	0
19	Total Expenditure	1082133	1112390	1137668	706472	712698	740918
20	Normative Return on Equity	77591	81743	85056	68509	69022	69769
21	Permitted incentive	0	0	0	0	0	0
22	Gross Revenue Requirement	1159724	1194133	1222724	774981	781720	810687
23	Less: Income other than sale of energy	17660	18111	18558	19529	19690	19913
	Less: Benefit passed on to consumers	586	644	644	586	644	644



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**MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025**

Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	Less: Expenses attributable to persons other than licensees or any consumers	0	0	0	0	0	0
	Less: DSM charges receivable	0	0	0	0	0	0
24	Net Aggregate Revenue Requirement	1141478	1175378	1203522	754866	761386	790130



CHAPTER - 7

TARIFF ORDER FOR 2023 – 24 AND 2024 – 25

- 7.1 In the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined for CESC Limited the revenue recoverable through tariff during 2023 – 24, 2024 – 25 and 2025 – 26. The Commission now proceeds to determine the tariff schedule applicable to the consumers of CESC Limited and also the associated conditions of tariff of CESC Limited for 2023 – 24 and 2024 – 25.
- 7.2 **Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2023 – 24:**
- 7.2.1 Considering the analysis made in paragraph 6.7, Commission proposes no change in the tariff schedule and other terms and conditions of tariff for the year 2023 – 24 from that of 2022 - 23. Accordingly, the Tariff schedule for 2023 – 24 is given in Annexure 7A1 for LV & MV consumers under monthly billing cycle and at Annexure 7A2 for HV & EHV consumers. The other terms and conditions as per tariff order for the year 2022 – 23 shall continue during the year 2023 – 24.
- 7.2.2 Any variation between the revenue realised by CESC Limited (including MVCA) during the period vis-à-vis the amount realizable as per the tariff schedule is subject to truing up during FPPCA and APR for the year as per provision of Tariff Regulations.
- 7.2.3 All the rates and conditions of tariff mentioned above are effective from 1st April 2023.
- 7.3 **Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2024 – 25:**
- 7.3.1 From the analysis made in previous chapter the average tariff for consumers of CESC Limited for 2024 – 25 remains same as that of the existing rate of tariff during 2022 – 23. Accordingly, the Tariff schedule for 2024 – 25 is given in Annexure 7B1 for LV & MV consumers and at Annexure 7B2 for HV & EHV consumers.



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*MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025*

- 7.3.2 All the rates and conditions of tariff mentioned in the paragraph 7.3.1 above are effective from 1st April 2024 and will continue till further order of the Commission.
- 7.3.3 Any variation between the revenue realised by CESC Limited (including MVCA) upto the month of issue of the order and the amount realizable as per the tariff schedule is subject to truing up during FPPCA and APR for the year as per provision of Tariff Regulations.
- 7.3.4 Special rebate of 50 paisa/kWh on energy charge to the juvenile home, destitute home, orphanage, dispensaries, libraries and educational institutions run by non- profitable Charitable Organizations connected to L&MV level as per tariff order for the year 2022 – 23 shall continue.
- 7.3.5 Rebate for demand side management shall continue at the prevailing rate and conditions for those categories of consumers to whom these were applicable during the period. From the date of issuance of this order licensee has to ensure that, the rebate is applicable to the consumers who make their payments within due date.
- 7.3.6 Other associated conditions of the tariff as per tariff order for the year 2022 – 2023 shall continue during the year 2024 – 2025.
- 7.3.7 In addition to above, the following rebates shall be applicable from the next billing cycle after issuance of this order:
- a) For the consumers under Pre-paid scheme, 3% rebate on energy charge of Non-TOD or TOD tariff, as the case may be, shall be applicable. However, where specific prepaid tariff has been mentioned in the tariff schedule that will be applicable.
 - b) In case of short term supply to pandals for community religious ceremony, a rebate of 30 paisa/kWh on energy charge of each unit shall be given if the entire illumination is done with LED.
 - c) A rebate of 15% in energy charge shall be applicable for supply of power for poultry, duckery, aqua culture, animal husbandry, horticulture, floriculture and sericulture. Activities such as ice factories, chilling plants, cold storage, cattle/poultry/fish feed units and food/agriproduct processing units shall be excluded for such rebate.



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Provided that a feed unit attached to poultry farm/aquaculture farm/cattle rearing farm is for exclusive use of the firm, then such activities shall be considered as part of poultry/aquaculture/cattle rearing farm and rebate will be applicable.

7.4 Green Tariff

7.4.1 In view of the Green Open Access Rules and 'Go Green' initiatives taken up by the Government, the Commission, in order to promote renewables, had introduced 'Green Tariff' at the rate of 50 paise/kWh since 2021 - 22 for all consumers other than domestic consumers over and above the retail tariff to the consumer who intends to consume 100% of its consumption using green power for an uninterrupted period for at least six months. In the tariff order for 2022 – 23, Green Tariff is applicable to the consumer who intends to consume a minimum of 25% of its consumption using green power for an uninterrupted period for at least six months and requisition for green power in multiple of 25% of its consumption. The 'Green Tariff' as applicable for 2022-23 shall also be continued for 2023-24, 2024 - 25 and onwards.

7.5 Promotional tariff for Electric Vehicle charging stations

7.5.1 In addition to promoting the renewables, the Government has also decided for promotion of Electric Vehicles to achieve overall reduction of carbon footprint. The Commission in line with such Government Policy has already introduced promotional single part tariff for EV Charging stations from the tariff order of 2020 – 21 and 2021 – 22 at Rs. 6.00 per unit during the peak hours (17:00 hrs to 23:00 hrs) and Rs. Rs. 5.50 per unit during the period other than peak hours. The Commission decides to continue with the same tariff during the years 2023-24, 2024 – 25 and onwards.

7.5.2 Any EV Charging Station has the liberty to go for complete green resource by applying for green energy with payment of 'Green Tariff' as specified in paragraph 7.4 above.

7.6 Parallel operation / grid support charge: In the tariff order for the year 2022 – 23, consumers having in-situ captive generating plant willing to synchronize its captive plant with CESC system for enhancement of its reliability and security of operation shall pay a parallel operation / grid support charge at the rate of Rs. 20 /KVA/ month for the entire capacity of the captive generating plant in addition to other applicable charges payable by the



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- consumer. The Commission decides to continue with the same tariff during the years 2023-24, 2024 – 25 and onwards.
- 7.7 Tariff for Military Engineering Services (MES) under L&MV category shall be same as that of MES tariff in HV&EHV category.
- 7.8 All statutory levies like Electricity Duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff as determined under this tariff order.
- 7.9 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.9.8 and 2.9.9 of the Tariff Regulations.
- 7.10 It 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 CESC Limited. If at all any such subsidy under the provisions of the Act is intimated to CESC Limited 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 CESC Limited 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.
- 7.11 CESC shall clearly indicate in the consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) amount payable for green tariff, if any (c) the amount of the State Government subsidy, if any and (d) the net amount payable as per provisions of the Tariff Regulations.
- 7.12 The Commission notes that, in terms of regulation 6.1.1 of the Tariff Regulations, the recovery of capacity charges for its thermal generating stations shall be based on plant availability factor. CESC Limited shall comply with the requirements of regulation 6.4.2 and



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submit information regarding availability and actual generation to SLDC in line with regulation 6.4.2 of the Tariff Regulations, in such format as may be required by SLDC.

- 7.13 CESC Limited 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.	Life Line Consumer (Domestic)	Rate G (LL)	Normal	0 to 25	407	5.00	Not Applicable					Not Applicable					
2.	Domestic (Urban)	Rate G	Normal	First	25	518	15	Rate G (p)	Prepaid	All Units	751	15	Not Applicable				
				Next	35	569											
				Next	40	670											
				Next	50	745											
				Next	50	762											
				Next	100	762											
				Above	300	921											
3.	Commercial (Urban)	Rate M (i)	Normal	First	60	657	24	Rate M (i) (TOD)	Normal TOD	06:00 hrs to 17:00 hrs	789	24	Rate M (i) (pTOD)	Prepaid - TOD	06:00 hrs to 17:00 hrs	764	24
				Next	40	724				17:00 hrs to 23:00 hrs	865				17:00 hrs to 23:00 hrs	838	
				Next	50	793				23:00 hrs to 06:00 hrs	736				23:00 hrs to 06:00 hrs	713	
				Next	150	849											
				Above	300	926											
4.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	753	28	Not Applicable					Not Applicable					
				17.00 hrs to 23.00 hrs	825												
				23.00 hrs to 06.00 hrs	702												



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
5.	Specified Institution Municipal or Non-Municipal	Rate P	Normal	On all Units	663	28	Rate P(p)	Prepaid	On all Units	646	28	Rate P (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs All Units	644	28
													17.00 hrs to 20.00 hrs All Units	706		
													23.00 hrs to 06.00 hrs All Units	601		
6	Government School, Government aided School or Government Sponsored School	P1	Normal	On all Units	524	12	P1 (TOD)	Normal (TOD)	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs All Units	517	12	Not Applicable				
								17.00 hrs to 20.00 hrs All Units	566							
								23.00 hrs to 06.00 hrs All Units	502							
7	Public Bodies Municipal or Non-Municipal	Rate C1	Normal	On all Units	722	42	Rate C1(p)	Prepaid	On all Units	687	42	Rate C1(pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs All Units	683	42
													17.00 hrs to 20.00 hrs All Units	748		
													23.00 hrs to 06.00 hrs All Units	637		



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	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme – I			Optional Tariff Scheme – II				
				P/kWh		P/kWh				Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate M (ii)	Normal	First	100	582	24	Rate M (ii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	648	24	Not Applicable			
				Next	100	701				17.00 hrs to 23.00 hrs	All Units	710					
				Above	200	846				23.00 hrs to 06.00 hrs	All Units	605					
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate M (iii)	Normal	First	300	706	24	Rate M (iii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	701	24	Not Applicable			
				Next.	300	772				17.00 hrs to 23.00 hrs	All Units	768					
				Next	400	807				23.00 hrs to 06.00 hrs	All Units	654					
				Above	1000	852											



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
10.	Public Water Works & Sewerage System	Rate J	Normal	On all Units		687	42	Rate J (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	667	42	Not Applicable				
										17.00 hrs to 20.00 hrs	All Units	986						
										23.00 hrs to 06.00 hrs	All Units	469						
11.	Industries (Urban)	Rate K	Normal	First	500	677	50	Rate K (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	789	50	Not Applicable				
				Next	1500	747				17.00 hrs to 23.00 hrs	All Units	1169						
				Next	1500	787				23.00 hrs to 06.00 hrs	All Units	553						
				Above	3500	807												
12.	Street Lighting	Rate C	Normal	On all Units		687	42	Not Applicable					Not Applicable					



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	
13	Street Lighting with LED	Rate C2	Normal	On all Units	577	42	Not Applicable					Not Applicable					
14.	Private Educational Institutions and Hospitals	Rate L	Normal	On all Units	732	42	Rate L (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	717	42	Not Applicable				
								17.00 hrs to 20.00 hrs	All Units	786							
								23.00 hrs to 06.00 hrs	All Units	669							
15.	Emergency Supply	Rate E2	Prepaid - TOD	06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	On all Units On all Units On all Units	808 1198 567	56	Not Applicable					Not Applicable				



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				
				On all Units	On all Units			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
16.	Construction Power Supply	Rate LTCON	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	773	42	Not Applicable					Not Applicable				
				17.00 hrs to 20.00 hrs.	On all Units	1145											
				23.00 hrs to 06.00 hrs	On all Units	542											
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate LTCOP	Normal	On all Units		707	42	Rate LTCOP (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	689	42	Not Applicable				
										17.00 hrs to 23.00 hrs	755						
										23.00 hrs to 06.00 hrs	643						
18.	Common Services of Industrial Estate	Rate S (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	749	42	Not Applicable					Not Applicable				
				17.00 hrs to 20.00 hrs	On all Units	1109											
				23.00 hrs to 06.00 hrs	On all Units	526											

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



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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 I	Normal	All Units	700	697	694	384	Rate I (TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	680	670	660	384
											17.00 hrs-20.00 hrs	All Units	1006	991	976	
											23.00 hrs-06.00 hrs	All Units	478	471	464	
2.	Industries (below 33 KV)	Rate A	Normal	All Units	681	678	676	384	Rate A (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	671	666	661	384
											17.00 hrs-23.00 hrs	All Units	992	985	977	
											23.00 hrs- 06.00 hrs	All Units	472	469	465	
3.	Industries (33 KV)	Rate A1	Normal	All Units	658	655	652	384	Rate A1 (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	651	646	641	384
											17.00 hrs-23.00 hrs	All Units	962	955	947	
											23.00 hrs-06.00 hrs	All Units	458	455	451	
4.	Commercial (below 33 KV)	Rate B	Normal	All Units	730	727	724	384	Rate B (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	718	715	712	384
											17.00 hrs-23.00 hrs	All Units	1063	1058	1054	
											23.00 hrs-06.00 hrs	All Units	504	502	500	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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.	Commercial (33 KV)	Rate B1	Normal	All Units	681	678	675	384	Not Applicable						



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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		
6.	Domestic	Rate R	Normal	All Units	742	739	736	26	Not Applicable							
7.	Public Water Works & Sewerage, Pumping Station under local Authority	Rate U	Normal	All Units	647	642	637	384	Rate U(TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	637	627	617	384
											17.00 hrs-20.00 hrs	All Units	941	926	911	
											23.00 hrs-06.00 hrs	All Units	449	442	435	
8.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate O	Normal	All Units	769	759	749	34	Not Applicable							
9.	Cold storage or Dairy with Chilling Plant	Rate CP	Normal	All Units	688	683	678	384	Rate CP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	668	663	658	384
											17.00 hrs-23.00 hrs	All Units	988	980	973	
											23.00 hrs-06.00 hrs	All Units	470	466	463	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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.	Emergency Supply	Rate E1	Normal TOD	06.00 hrs-17.00 hrs	All Units	777	767	757	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	1151	1136	1121									
				23.00 hrs-06.00 hrs	All Units	545	538	531									
11.	Construction Power Supply	Rate HTCOn	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	703	698	693	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1040	1033	1025									
				23.00 hrs-06.00 hrs	All Units	494	491	487									
12.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate HTCOP	Normal	All Units	All Units	712	707	702	34	Rate HTCOP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	687	682	677	34
												17.00 hrs-23.00 hrs	All Units	753	747	742	
												23.00 hrs-06.00 hrs	All Units	641	636	632	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme						
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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	
17	MES	Rate R - M	Normal	All Units	742	739	736	26	Not Applicable						



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
1.	Life Line Consumer (Domestic)	Rate G (LL)	Normal	0 to 25	407	5.00	Not Applicable				Not Applicable			
2.	Domestic (Urban)	Rate G	Normal	First	25	518	15	Not Applicable				Not Applicable		
				Next	35	569								
				Next	40	670								
				Next	50	745								
				Next	50	762								
				Above	100	762								
3.	Commercial (Urban)	Rate M (i)	Normal	First	60	657	Rate M (i) (TOD)	Normal TOD	06:00 hrs to 17:00 hrs	789	24	Not Applicable		
				Next	40	724			17:00 hrs to 23:00 hrs	865				
				Next	50	793			23:00 hrs to 06:00 hrs	736				
				Next	150	849								
				Above	300	926								
4.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	753	28	Not Applicable				Not Applicable			
				17.00 hrs to 23.00 hrs	825									
				23.00 hrs to 06.00 hrs	702									



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	
5.	Specified Institution Municipal or Non-Municipal	Rate P	Normal	On all Units	663	28	Not Applicable					Rate P (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	644	28
														17.00 hrs to 20.00 hrs	All Units	706	
														23.00 hrs to 06.00 hrs	All Units	601	
6	Government School, Government aided School or Government Sponsored School	P1	Normal	On all Units	524	12	P1 (TOD)	Normal (TOD)	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	517	12	Not Applicable				
									17.00 hrs to 20.00 hrs	All Units	566						
									23.00 hrs to 06.00 hrs	All Units	502						
7	Public Bodies Municipal or Non-Municipal	Rate C1	Normal	On all Units	722	42	Not Applicable					Rate C1(pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	683	42
														17.00 hrs to 20.00 hrs	All Units	748	
														23.00 hrs to 06.00 hrs	All Units	637	



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	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme - I			Optional Tariff Scheme - II				
				P/kWh		P/kWh				Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate M (ii)	Normal	First	100	582	24	Rate M (ii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	648	24	Not Applicable			
				Next	100	701				17.00 hrs to 23.00 hrs	All Units	710					
				Above	200	846				23.00 hrs to 06.00 hrs	All Units	605					
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate M (iii)	Normal	First	300	706	24	Rate M (iii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	701	24	Not Applicable			
				Next	300	772				17.00 hrs to 23.00 hrs	All Units	768					
				Next	400	807				23.00 hrs to 06.00 hrs	All Units	654					
				Above	1000	852											



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	
10.	Public Water Works & Sewerage System	Rate J	Normal	On all Units		687	42	Rate J (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	667	42	Not Applicable				
										17.00 hrs to 20.00 hrs	All Units	986						
										23.00 hrs to 06.00 hrs	All Units	469						
11.	Industries (Urban)	Rate K	Normal	First	500	677	50	Rate K (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	789	50	Not Applicable				
				Next	1500	747				17.00 hrs to 23.00 hrs	All Units	1169						
				Next	1500	787				23.00 hrs to 06.00 hrs	All Units	553						
				Above	3500	807												
12.	Street Lighting	Rate C	Normal	On all Units		687	42	Not Applicable					Not Applicable					



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	
13	Street Lighting with LED	Rate C2	Normal	On all Units	577	42	Not Applicable					Not Applicable					
14.	Private Educational Institutions and Hospitals	Rate L	Normal	On all Units	732	42	Rate L (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	717	42	Not Applicable				
									17.00 hrs to 20.00 hrs	All Units	786						
									23.00 hrs to 06.00 hrs	All Units	669						
15.	Emergency Supply	Rate E2	Prepaid - TOD	06.00 hrs to 17.00 hrs	On all Units	808	56	Not Applicable					Not Applicable				
				17.00 hrs to 23.00 hrs	On all Units	1198											
				23.00 hrs to 06.00 hrs	On all Units	567											



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	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme - I		Optional Tariff Scheme - II					
				Energy Charge P/kWh	Monthly consumption in KWH	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	
16.	Construction Power Supply	Rate LTCON	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	773	42	Rate LTCOP	Normal - TOD	Not Applicable		Not Applicable					
				17.00 hrs to 20.00 hrs.	On all Units	1145				Not Applicable		Not Applicable					
				23.00 hrs to 06.00 hrs	On all Units	542				Not Applicable		Not Applicable					
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate LTCOP	Normal	On all Units		707	42	Rate LTCOP (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	689	42	Not Applicable				
				17.00 hrs to 23.00 hrs	755	Not Applicable				Not Applicable							
				23.00 hrs to 06.00 hrs	643	Not Applicable				Not Applicable							
18.	Common Services of Industrial Estate	Rate S (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	749	42	Rate LTCOP	Normal - TOD	Not Applicable		Not Applicable					
				17.00 hrs to 20.00 hrs	On all Units	1109				Not Applicable		Not Applicable					
				23.00 hrs to 06.00 hrs	On all Units	526				Not Applicable		Not Applicable					

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



Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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 I	Normal	All Units	700	697	694	384	Rate I (TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	680	670	660	384
											17.00 hrs-20.00 hrs	All Units	1006	991	976	
											23.00 hrs-06.00 hrs	All Units	478	471	464	
2.	Industries (below 33 KV)	Rate A	Normal	All Units	681	678	676	384	Rate A (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	671	666	661	384
											17.00 hrs-23.00 hrs	All Units	992	985	977	
											23.00 hrs- 06.00 hrs	All Units	472	469	465	
3.	Industries (33 KV)	Rate A1	Normal	All Units	658	655	652	384	Rate A1 (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	651	646	641	384
											17.00 hrs-23.00 hrs	All Units	962	955	947	
											23.00 hrs-06.00 hrs	All Units	458	455	451	
4.	Commercial (below 33 KV)	Rate B	Normal	All Units	730	727	724	384	Rate B (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	718	715	712	384
											17.00 hrs-23.00 hrs	All Units	1063	1058	1054	
											23.00 hrs-06.00 hrs	All Units	504	502	500	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme						
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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.	Commercial (33 KV)	Rate B1	Normal	All Units	681	678	675	384	Not Applicable						



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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		
6.	Domestic	Rate R	Normal	All Units	742	739	736	26	Not Applicable							
7.	Public Water Works & Sewerage, Pumping Station under local Authority	Rate U	Normal	All Units	647	642	637	384	Rate U(TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	637	627	617	384
											17.00 hrs-20.00 hrs	All Units	941	926	911	
											23.00 hrs-06.00 hrs	All Units	449	442	435	
8.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate O	Normal	All Units	769	759	749	34	Not Applicable							
9.	Cold storage or Dairy with Chilling Plant	Rate CP	Normal	All Units	688	683	678	384	Rate CP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	668	663	658	384
											17.00 hrs-23.00 hrs	All Units	988	980	973	
											23.00 hrs-06.00 hrs	All Units	470	466	463	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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.	Emergency Supply	Rate E1	Normal TOD	06.00 hrs-17.00 hrs	All Units	777	767	757	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	1151	1136	1121									
				23.00 hrs-06.00 hrs	All Units	545	538	531									
11.	Construction Power Supply	Rate HTCon	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	703	698	693	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1040	1033	1025									
				23.00 hrs-06.00 hrs	All Units	494	491	487									
12.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate HTCOP	Normal	All Units		712	707	702	34	Rate HTCOP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	687	682	677	34
											17.00 hrs-23.00 hrs	All Units	753	747	742		
												23.00 hrs-06.00 hrs	All Units	641	636	632	



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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	
13.	Common Services of Industrial Estate	Rate E	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	703	698	693	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1040	1033	1025									
				23.00 hrs-06.00 hrs	All Units	494	491	487									
14.	Traction/ Metro Rail / Calcutta Tramways	Rate T	Normal	All Units		722	717	712	105	Not Applicable							
15.	Short-term Supply	Rate ST	Normal TOD	06.00 hrs-17.00 hrs	All Units	671	666	661	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	735	730	724									
				23.00 hrs-06.00 hrs	All Units	626	621	617									
16.	Private Educational Institutions	Rate E (ei)	Normal	All Units		693	683	673	384	Rate E (eit)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	683	673	663	384
17.00 hrs-23.00 hrs	All Units	748	737	726													
23.00 hrs-06.00 hrs	All Units	637	628	619													



HIGH & EXTRA HIGH VOLTAGE CONSUMERS



SI No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer 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	
17	MES	Rate R - M	Normal	All Units	742	739	736	26	Not Applicable						



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CHAPTER - 8

DETERMINATION OF WHEELING CHARGE

- 8.1 The Commission in this chapter takes up the matter relating to determination of the rate of distribution wheeling charges for the year 2023 – 24 and 2024 – 25 in accordance with the principles, terms and conditions laid down in Schedule - 4 to the Tariff Regulations.
- 8.2 The distribution wheeling charges represents the charges for the use of distribution systems or associated facilities of a distribution licensee for wheeling of electricity through that facility and derived based on total distribution network cost, total unit saleable by the licensee to the consumers and total units wheeled for all open access customers in the network. CESC Limited in Form 1.9 (a) of its petition proposed 7 MU and 8 MU wheeling of energy during 2023 – 24 and 2024 – 25 respectively. After prudent analysis of the amounts of ARR for the years 2023 – 24 and 2024 – 25 in Annexure – 6D of this tariff order and making such allocations, the gross amount of total fixed charges attributable to the distribution function of CESC Limited to be considered for determining wheeling charges is found to be Rs. 237039 lakh and Rs. 237991 lakh respectively. The amounts of provisions reserved for bad and doubtful debts as well as an amount towards interest payable to consumers on their security deposits have not been considered in the above computation. The detailed head-wise break-up of the referred amount is given in Annexure – 8A to this order.
- 8.3 The gross amount of total fixed charges, i.e., Rs. 237039 lakh and Rs. 237991 lakh, as shown in Annexure – 8A, is the gross aggregate revenue requirement for distribution function. Paragraph 2.1 of Schedule – 4 to the Tariff Regulations provides for deduction of expenses incidental to selling and distribution of energy, non-tariff income and income from other business from the gross aggregate revenue requirement attributable to distribution function for ascertaining the wheeling charges payable by the open access customers. The deductible amount of expenses under different heads incidental to selling of energy based on allocation made by CESC Limited in their MYT Application and total cost admitted under that head for distribution function comes as under:



Table 8.3: Expenses incidental to selling of energy

Rs. in Lakh

Sl. No	Head of Charges	Expense relating to sales	
		2023-24	2024-25
1	Employee Cost	19834	19500
2	R&M Expenses	1268	1327
3	A&G Expenses	13213	13714
4	Statutory Charges		
5	Interest on capital expenditure	371	288
6	Other Finance Charges		
7	Foreign Exchange Rate Variation	0	0
8	Depreciation	3655	2612
9	Reserve for Unforeseen Exigencies	0	0
10	Intangible Assets written off	0	0
11	Tax on Income & profit	466	467
12	Return on Equity	2671	2670
13	Gross Amount of Fixed charges	41478	40578

8.4 The amount of gross fixed charges attributable to distribution function also requires to be reduced by the non-tariff income and other income (Benefit passed on to consumers). The total deductible amount is found to be Rs. 59844 lakh and Rs 59184 lakh respectively for the years 2023 – 24 and 2024 – 25.

8.5 Based on the foregoing analyses, the amount of fixed charges attributable to the distribution function of CESC Limited for the years 2023 – 24 and 2024 – 25 for determination of rate of wheeling charges payable by the open access customers including the captive generating plants comes as under:

		Rs. in Lakh	
		2023 – 24	2024 – 25
a)	Gross Amount of Fixed charges relating to distribution function including sale	237039	237991
b)	Less:		
	i) Expense relating to and incidental to retail sales	41478	40578
	ii) Non Tariff Income and other income	18366	18606
	Total [(i) + ii)]	59844	59184



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c)	Net admissible amount of fixed charges relating to distribution wheeling	177195	178807
d)	Estimated Sales to own consumers and WBSEDCL (MU)	10515	10856
e)	Average Rate of recoverable wheeling charges (p/kwh)	168.52	164.71

8.6 With the estimated sales of 10515 MU and 10856 MU for the years 2023 – 24 and 2024 – 25 to own consumers and West Bengal State Electricity Distribution Company Limited admitted in Chapter-4 of this Tariff Order, the average rate of recoverable wheeling charges comes to 168.52 paise per unit (kWh) and 164.71 paise per unit (kWh).

8.7 The average rate of distribution wheeling charges of CESC Limited for the year 2023– 2024 and 2024 – 2025 come to 168.52 paise per unit (kWh) and 164.71 paise per unit (kWh) respectively as shown in this chapter and the same is recoverable from different categories of open access customers including captive generators for conveyance of electricity through its distribution system for long term open access. However, the consumer of the distribution licensee shall not be required to pay any wheeling charge for the part of energy he is drawing not as an open access customer.

Cross-Subsidy Surcharge

8.8 The open access customer, other than those carrying the electricity generated in captive generating plant to the destination and for the extent of their own use, shall pay cross-subsidy surcharge in addition to the distribution wheeling charge in accordance with the Open Access Regulations.

8.9 Cross subsidy surcharge with effect from 1 August, 2022 onwards till further order of the Commission, shall be computed in terms of clause (b) of regulation 18.2.4 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2022, for any open access consumer by the following formula:

$$S = T - ACS + R$$

Where,



- S = surcharge,
T = Tariff payable by the relevant category of consumers,
ACS = Average Cost of supply and
R = per unit cost of amortizing regulatory asset including carrying cost.

Provided that such surcharge shall not exceed 20% of the average tariff applicable to the respective consumer category.

8.10 In Chapter – 6 of this order the Commission has determined Average Cost of Supply for the year 2023 – 24 and 2024 – 25 as 731.00 paisa/kwh. Now, the average tariff of each category of consumers (T) and applicable surcharge (S) for the years 2023 – 24 and 2024 – 25 are given in Annexure – 8B and 8C respectively.

Per unit cost of amortizing regulatory asset (R) comes to 13 paisa/ kWh and 30 paisa/ kWh for the year 2023 – 24 and 2024 – 25 as below:

Table 8.10: Per Unit cost of Regulatory Asset

Particulars	Unit	23 - 24	24 - 25
Total APR adjustment Amount (A)	Rs lakh	13062.09	28084.00
Carrying Cost (B)		620.00	4002.00
Total Amount (C)		13682.09	32086.00
Sale to Consumer (D)	in MU	10502.00	10843.00
Per Unit cost of Regulatory Asset (R) = (C) x 10 / (D)	in paisa/ kWh	13	30

8.11 Additional surcharge

Distribution licensee shall compute the additional surcharge in terms of the formula specified in the respective Open Access Regulations and recover from the open access consumers in terms of the said regulations to meet the fixed cost arising out of its obligation to supply in terms of the Electricity Act 2003.

8.12 Other charges and losses applicable to the open access consumers will be same as specified in the respective Open Access Regulations.



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- 8.13 The adjustments, if any, for over-recovery / under-recovery for the period from 01.04.2023 to 31.08.2024 shall be made in 6 (six) equal monthly instalments starting from the next billing month from issuance of this order.
- 8.14 Distribution licensee shall maintain separate accounts for receipts from open access consumers in terms of wheeling charges, cross-subsidy surcharge, additional surcharge and any other applicable charges. Distribution licensee shall submit the details along with its APR petition of respective years.
- 8.15 CESC Limited shall mention the applicable wheeling charges in the gist of their tariff order.



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Annexure-8A

**HEAD WISE BREAKUP OF THE AMOUNT OF NET FIXED CHARGES
ATTRIBUTABLE TO DISTRIBUTION FUNCTION**

Rs in lakh

Sl. No	Head of Charges	Allowed for Distribution including Sales	
		2023-24	2024-25
1	Employee Cost	87744	86365
2	R&M Expenses	26376	27908
3	A&G Expenses	27784	28837
4	Statutory Charges	0	0
5	Interest on capital expenditure	7150	5645
6	Other Finance Charges	0	0
7	Foreign Exchange Rate Variation	0	0
8	Depreciation	29502	30144
9	Reserve for Unforeseen Exigencies	0	0
10	Intangible Assets written off	0	0
11	Tax on Income & profit	8698	8789
12	Return on Equity	49785	50303
13	Gross Amount of Fixed charges	237039	237991



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for the years 2023 – 2024 and 2024 – 2025



ANNEXURE – 8B
AVERAGE TARIFF FOR CONSUMER CATEGORY AND APPLICABLE CROSS-SUBSIDY
SURCHARGE FOR 2023 – 24

(p/kwh)

Consumer Category	Category-wise Average Tariff (T)	Average Cost of Supply (ACS)	Regulatory Component (R)	Cross Subsidy Surcharge (S) = (T) - (ACS) + (R)
Low and Medium Voltage Consumers				
Life Line Consumer (Domestic)	419	731	13	
Domestic (Urban)	687	731	13	
Commercial (Urban)	842	731	13	124
Specified Institution (Municipal or Non- Municipal)	669	731	13	
Government School, Government aided School or Government Sponsored School	525	731	13	
Public Bodies (Municipal or Non-Municipal)	736	731	13	18
Public Water Works & Sewerage System	703	731	13	
Industries (Urban)	770	731	13	52
Street Lighting	696	731	13	
Private Educational Institutions and Hospitals	741	731	13	23
Short-term Supply	770	731	13	52
EV Charging Stations	555	731	13	
High and Extra High Voltage Consumers				
Public Utility	785	731	13	67
Industries (below 33 KV)	752	731	13	34
Industries (33 KV)	696	731	13	
Commercial (below 33 KV)	825	731	13	107



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MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025

Consumer Category	Category-wise Average Tariff (T)	Average Cost of Supply (ACS)	Regulatory Component (R)	Cross Subsidy Surcharge (S) = (T) - (ACS) + (R)
Commercial (33 KV)	714	731	13	
Domestic	728	731	13	10
Public Water Works & Sewerage, Pumping Station under local Authority	737	731	13	19
Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	778	731	13	60
Cold storage or Dairy with Chilling Plant	759	731	13	41
Construction Power Supply	856	731	13	138
Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	680	731	13	
Traction	715	731	13	
Short-term Supply	807	731	13	89
Private Educational Institutions	846	731	13	128
MES	704	731	13	



**MYT 8th Control Period and Tariff Order of CESC Limited
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**ANNEXURE – 8C
AVERAGE TARIFF FOR CONSUMER CATEGORY AND APPLICABLE CROSS-SUBSIDY
SURCHARGE FOR 2024 – 25**

(p/kwh)

Consumer Category	Category-wise Average Tariff (T)	Average Cost of Supply (ACS)	Regulatory Component (R)	Cross Subsidy Surcharge (S) = (T) - (ACS) + (R)
Low and Medium Voltage Consumers				
Life Line Consumer (Domestic)	418	731	30	
Domestic (Urban)	687	731	30	
Commercial (Urban)	842	731	30	141
Specified Institution (Municipal or Non- Municipal)	669	731	30	
Government School, Government aided School or Government Sponsored School	525	731	30	
Public Bodies (Municipal or Non-Municipal)	736	731	30	35
Public Water Works & Sewerage System	703	731	30	2
Industries (Urban)	768	731	30	67
Street Lighting	696	731	30	
Private Educational Institutions and Hospitals	740	731	30	39
Short-term Supply	770	731	30	69
EV Charging Stations	555	731	30	
High and Extra High Voltage Consumers				
Public Utility	786	731	30	85
Industries (below 33 KV)	763	731	30	62
Industries (33 KV)	694	731	30	



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for the years 2023 – 2024 and 2024 – 2025

Consumer Category	Category-wise Average Tariff (T)	Average Cost of Supply (ACS)	Regulatory Component (R)	Cross Subsidy Surcharge (S) = (T) - (ACS) + (R)
Commercial (below 33 KV)	824	731	30	123
Commercial (33 KV)	717	731	30	16
Domestic	728	731	30	27
Public Water Works & Sewarage, Pumping Station under local Authority	736	731	30	35
Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	778	731	30	77
Cold storage or Dairy with Chilling Plant	759	731	30	58
Construction Power Supply	854	731	30	146
Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	680	731	30	
Traction	714	731	30	13
Short-term Supply	804	731	30	103
Private Educational Institutions	846	731	30	145
MES	706	731	30	5



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CHAPTER - 9 DIRECTIONS

- 9.1 The Commission had given certain directions to CESC Limited in the previous tariff orders. Some of those directions are of continuous in nature for the eighth control period and CESC Limited has to continue with compliance of these directions for the subsequent period also. The Commission has also given some directions in different chapters of this order as below. CESC Limited shall also comply with those directions in addition to the directions mentioned hereinabove.
- 9.1.1 CESC Limited shall submit the basis of choosing the independent third party agency for testing heat value of oil in APR petitions of respective year.
- 9.1.2 CESC Limited shall submit justification with supporting documents during FPPCA petitions of respective year that coal other than FSA and captive is procured from the cheapest source for balance requirement.
- 9.1.3 CESC Limited shall submit actual yields after washing of captive coal with supporting documents during FPPCA petitions for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026. CESC Limited shall also submit break up of costs under the head 'other incidental charges' in the FPPCA petition for the respective years.
- 9.1.4 CESC Limited shall submit actual manpower and expenditures under employee cost for contracted manpower in regular establishment at generating stations and distribution business in APR petitions for the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 with auditor's certificate and required data in Form 1.17(h), as per regulation 5.9.3 and 5.9.6 failing which the Commission will not consider any such expenditure in respective APR petitions.
- 9.1.5 CESC limited is directed to provide total number of employees in their pay roll as well as number of contracted man power in regular establishment and respective employee cost for generation and distribution function in APR petitions.
- 9.1.6 CESC Limited to submit details of asset addition along with date of put in use of such asset as well as the adjustments in case of replaced asset during APR stage.



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*MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025*



- 9.1.7 During APR, CESC Limited is required to submit actual audited data for interest on consumers' security deposits and to confirm that the entire amount of interest payment has been made in terms of the Commission's concerned Regulations including refund of security deposits to outgoing consumers. An Auditor's certificate in this regard shall be submitted indicating movement of security deposit during the year indicating fresh receipts and refunds separately along with corresponding interest provided in the accounts and actually paid during the year on the same.
- 9.1.8 CESC Limited is directed that investment of the amounts so far created under the head Reserve for Unforeseen exigencies must be done in accordance with the provisions of the Tariff Regulations. For failure to comply with the provisions of the referred regulation, double the amount allowed for the purpose will be deducted from the amount of return on equity as allowed to CESC Limited during APR of any succeeding years. Income from such investments of Reserve for Unforeseen Exigencies as was previously directed, shall be reinvested for the same purpose and shall be shown separately in the application of APR or tariff, as the case may be, supported by necessary audited data for any year. Moreover, this income should not be considered under income from non-tariff sources for the determination of Net Aggregate Revenue Requirement in APR or tariff for any year.
- 9.1.9 CESC shall clearly indicate in the consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) amount payable for green tariff, if any (c) the amount of the State Government subsidy, if any and (d) the net amount payable as per provisions of the Tariff Regulations.
- 9.1.10 CESC Limited shall maintain separate accounts for receipts from open access consumers in terms of wheeling charges, cross-subsidy surcharge, additional surcharge and any other applicable charges. Distribution licensee shall submit the details along with its APR petition of respective years.
- 9.1.11 CESC Limited shall mention the applicable wheeling charges in the gist of their tariff order.
- 9.2 In addition, CESC Limited shall further comply with the following directions:



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**MYT 8th Control Period and Tariff Order of CESC Limited
for the years 2023 – 2024 and 2024 – 2025**



9.3 While submitting application of APR, CESC shall have to submit the following through affidavit:

That no expenditure has been claimed by CESC Limited through the APR petition on employee or infrastructure or any other support or O&M activity pertaining to any other business of CESC Limited unrelated to their licensed business.

9.4 CESC Limited along with its APR application shall also submit a reconciliation statement, duly certified by the auditor, for items of expenditure wherever the amount claimed in APR petition differs from the Annual Accounts.

9.5 CESC Limited shall endeavor to fulfil its RPO obligation specified in the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Energy Sources) Regulations, 2013 as amended from time to time. CESC Limited shall also endeavor to purchase low-cost fossil fuel-based cogeneration power from the plants located within the state subject to ceiling rate specified in the regulation. CESC Limited shall submit a quarterly report of regarding compliance of RPO.

9.6 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 2023 – 2024, 2024 – 2025 and 2025 – 2026.

Sd/-

**(PULAK KUMAR TEWARI)
MEMBER**

Sd/-

**(MALLELA VENKATESWARA RAO)
CHAIRPERSON**

Date : 03.09.2024

Sd/-

(SECRETARY)