ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEAR

2025 – 26

IN

CASE NO: TP – 110 / 26 – 27

TARIFF ORDER FOR UNIT 5 OF SAGARDIGHI THERMAL POWER PROJECT OF THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED FOR THE FINANCIAL YEAR 2025 – 26

DATE: 02.09.2026

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 empowered under section 62(1) read with section 86(1) (a) and (b) 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 The West Bengal Power Development Corporation Limited (hereinafter referred to as the 'WBPDCL'), a generating company in terms of section 2(28) of the Act and a wholly-owned utility of the Government of West Bengal, is engaged in the business of generation of electricity within the State of West Bengal and supplies power to the West Bengal State Electricity Distribution Company Limited (hereinafter referred to as the 'WBSEDCL'), its sole beneficiary.

1.3 WBPDCL was entrusted by the Government of West Bengal to establish one super-critical unit of 660 MW at Sagardighi (hereinafter referred to as 'Sagardighi Stage III') for augmentation of the generation capacity in the State. Now, on completion of construction of Sagardighi Stage III project and completion of the normative period of trial run, the project was declared to be under commercial operation with effect from 00:00 Hours of 20.03.2026.

1.4 In terms of definition contained in regulation 1.2.1(xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), the Commission vide its order dated 31.08.2022 in case no. SM-31/22-23 decided that the eighth control period shall be for three years consisting of 2023 – 24, 2024 – 25 and 2025 – 26.

1.5 WBPDCL submitted that, in terms of regulation 2.5.1(v) of the Tariff Regulations, any generating unit of a generating company if commissioned in the intermediate period of an ensuing year of a Control Period and tariff/ARR in respect of such unit has not been determined, the application for determination of tariff is required to be submitted 120 days before the proposed date of synchronisation of the generating unit. To overcome the apprehended shortage of power in the WBSEDCL system during summer on account of the expected demand surge, Unit 5 of the Sagardighi Thermal Power Project is commissioned on 20.03.2026 without the coal handling plant, and coal is presently being sourced from the existing Sagardighi Stage-II.

1.6 WBPDCL on 10.06.2026 has filed a Tariff Application to the Commission for determination of tariff for the energy supplied from the generating station during the financial year 2025 – 26 (20.03.2026 – 31.03.2026) under the eighth control period, with a prayer to condone the delay in submission of the tariff application within the stipulated period specified under the Tariff Regulations.

1.7 The Commission, considering the submission of WBPDCL, condoned the delay in submission of the application and admitted the tariff application. The Commission also directed WBPDCL to publish the gist of the Tariff Application, as approved by the Commission, in the newspapers and also on its website in terms of the Tariff Regulations. The gist was, accordingly, published simultaneously on 25.07.2026 in the newspapers - (i) The Times of India, (ii) The Economic Times, (iii) the Prabhat Khabar and (iv) the Dainik Statesman. The gist along with the tariff application was also posted in the website of WBPDCL. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of Sagardighi Stage III generating station of WBPDCL for the year 2025 – 26 (20.03.2026 – 31.03.2026) and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission within 21 days.

1.8 No objection/suggestion/comment has been received from the stakeholders within the stipulated due date i.e. 14.08.2026.

1.9 The Commission now proceeds to determine the tariff in accordance with the Electricity Act, 2003 and the Tariff Regulations framed thereunder for the newly commissioned Unit 5 of the Sagardighi Thermal Power Project of WBPDCL.

CHAPTER - 2
THE CASE OF SAGARDIGHI STAGE III OF WBPDCL

2.1 In terms of the directives of the Central Electricity Authority (CEA) vide Memo No. 163/GC/BO/TPPD/CEA/2016/516-517 dated 28.03.2016 read with Office Memorandum No. 8/3/2002-Th-II (Vol. I) dated 13.11.2009 of the Ministry of Power, Government of India, WBPDCL decided to set-up a 1x660 MW super-critical thermal power plant at Sagardighi Thermal Power Project in Murshidabad district. The Government of West Bengal in its meeting held on 23.03.2018 had approved the proposal to setup a 660 MW unit with a project cost of Rs. 3,86,265 Lakh including 30% equity participation of Rs. 1,15,880 Lakh. The approval was communicated vide U.O No. CAB(D)-827 dated 26.03.2018 read with Letter no. 61-PO/P/C-II/1B-18/2016 dated 05.04.2018. The capital loan was sanctioned by M/s PFC Limited at Rs. 2,70,388 Lakh considering the project cost. Thereafter, the project cost was further revised after awarding key contracts, on account of, inter alia, the higher-than-estimated price discovered for the Main Plant Package and Natural Draught Cooling Tower along with inclusion of third-party field quality inspection services and the construction of Technical Building.

2.2 WBPDCL submitted that the Government of West Bengal in its meeting held on 11.09.2024 had approved the revised project cost of Sagardighi Stage III as Rs. 4,56,732.00 Lakh and communicated vide Memo No. 1541-POW-13012/1/2018 dated 18.09.2024 of the Department of Power encompassing State Government's equity participation of Rs. 1,15,880 Lakh and additional funding of Rs. 21,140 Lakh from internal accruals of WBPDCL. After revision of the project cost, M/s PFC Limited has sanctioned additional loan for the project. The zero date for the project execution was declared as 01.07.2020 with commissioning time period of 54 months.

2.3 The Commission vide order dated 18.07.2025 in Case No. OA – 501 / 24 – 25 had given the investment approval of Rs. 4,56,732 Lakh with equity contribution of Rs.

1,37,020 Lakh and debt of Rs. 3,19,712 Lakh. The debt-equity ratio is accordingly 70:30.

2.4 The project was declared to be under commercial operation with effect from 00:00 Hours of 20.03.2026 and was certified by WBSLDC on 13.04.2026.

2.5 WBPDCL has submitted the instant tariff application based on the provisional figures and sought to recover the cost incurred during 2025 – 26 for the period from 20.03.2026 to 31.03.2026.

2.6 Generation:

The generation for the period from 20.03.2026 to 31.03.2026 has been submitted on the basis of actual generation during the said period and considering the Plant Load Factor as 64.67% and Plant Availability Factor as 67.74%.

2.7 Fuel Cost:

2.7.1 WBPDCL claimed the fuel cost on the basis of coal received from its captive mines at unaudited actuals and considering the Station Heat Rate and Specific Oil Consumption as determined by the Commission vide order dated 11.03.2026 in Case No. OA – 547 / 25 – 26.

2.7.2 WBPDCL submitted that the actual oil consumption of 100.60 KL is in excess of the norm on account of frequent shutdowns and start-ups of the unit. WBPDCL submitted that the fuel cost has been claimed on normative oil consumption and requested the Commission to consider the actual oil consumption on the basis of stabilization period of 180 days.

2.7.3 WBPDCL stated that the average price of coal from its captive mines has been arrived at after considering the latest CMA price (inclusive of taxes and duties, etc.) plus Railway freight and transportation charges as claimed by MDO in its coal bill. The average price of LDO is based on the price actually paid for the oil used during 20.03.2026 to 31.03.2026.

2.7.4 WBPDCL claimed Rs. 2,605.85 Lakh as Fuel Cost.

2.8 Adjustment of Cost of Infirm Power prior to Commercial Operation of the Unit:

WBPDCL claimed an amount of Rs. 22,746.39 Lakh as cost of infirm power and stated that the revenue billed on such infirm power is Rs. 4,145.33 Lakh. WBPDCL requested to adjust the actual cost of the infirm power with the project cost in terms of the provisions of Tariff Regulations.

2.9 WBPDCL has claimed Rs. 2,650.23 Lakh as Capacity Charge on different fixed cost elements such as Operation and Maintenance Expenses, Depreciation, Interest on Normative Loan, Interest on Working Capital, Statutory Charges, Other Finance Charges and Normative Return on Equity, etc.

2.10 The Aggregate Revenue Requirement has been claimed to be Rs. 5,256.08 Lakh with cost of supply being Rs. 4.6235 per kWh.

CHAPTER – 3
FUEL COST FOR SALE OF INFIRM POWER

3.1 WBPDCL submitted that supply of infirm power from Sagardighi Stage III project was started from the initial part of 2025 – 26 (18.12.2025) and continued till the date of commercial operation of the unit. The actual net energy supplied during the period was 232.884 MU.

3.2 The Commission vide order dated 11.03.2026 in Case No. OA – 547 / 25 – 26 had determined the price of infirm power from Sagardighi Stage III as Rs. 1.78 per kWh. The Commission directed WBPDCL to recover the same based on the certificate of SLDC.

3.3 WBPDCL in the instant tariff application, has determined the cost of such infirm power as Rs. 22,746.39 Lakh considering actual (un-audited) prices of fuel. WBPDCL submitted that an amount of Rs. 4145.33 Lakh has been billed as revenue for such supply of infirm power. WBPDCL has requested for adjustment of the cost of such infirm power with the capital cost of the project. Computation in this regard has been shown in Annexure – 3 to this chapter.

3.4 The Commission observes that the energy charges for supply of infirm power during the year are to be recovered at the rates specified by the Commission in its order dated 11.03.2026 and the actual fuel cost incurred, net of the revenue earned from sale of infirm power, shall be capitalised.

3.5 WBPDCL is directed to submit the actual expenses of the cost incurred for supply of infirm power duly certified by the auditor along with their FPPCA Petition for 2025 – 26.

ANNEXURE – 3
FUEL COST INCURRED AND REVENUE BILLED FOR SALE OF INFIRM POWER FROM SAGARDIGHI STAGE III

Sl No.	Particulars	Unit	2025 – 26 Sagardighi Stage III (Unit 5)
1	Quantum of Sale	MU	232.884
2	Average Rate of Sale (approved by the Commission)	Rs. / kWh	1.780
3	Revenue Billed	Rs. in Lakh	4,145.33
4	Cost of Fuel (Actual – Unaudited)	Rs. in Lakh	22,746.39
5	Unit Fuel Cost of Sale	Rs. / kWh	9.767
6	Short Recovery of Fuel	Rs. in Lakh	18,601.06

CHAPTER – 4
FUEL COST AND ENERGY CHARGE

4.1 Examination of fuel cost as claimed by WBPDCL for Sagardighi Stage III during the period from 20.03.2026 to 31.03.2026 of the eighth control period has been taken up in this chapter. For the purpose of calculation of fuel cost and determination of energy charge, the operating parameters of the generating station have been considered as per parameters approved by the Commission in terms of the order dated 11.03.2026 in Case No. OA – 547 / 25 – 26.

4.2 **Installed Capacity, Plant Load Factor and Plant Availability Factor:**

The Sagardighi Stage III project of WBPDCL is having a super-critical unit of 660 MW. WBPDCL submitted that the Plant Load Factor (PLF) and Plant Availability Factor (PAF) for its Unit 5 during the period from 20.03.2026 to 31.03.2026 were 64.67 % and 67.74 % respectively due to frequent shutdowns and startup of the unit during its stabilization period. For the purpose of determination of energy charge, the Commission, however, decides to consider 80 % and 85 % as the normative parameters for PLF and PAF respectively in terms of Schedule – 9D read with regulation 2.8.6.1 of the Tariff Regulations.

4.3 **Gross Generation:**

WBPDCL has considered Gross Generation of 122.933 MU by considering actual sent-out of 115.557 MU (64.67% PLF). The Commission considering the generation from the date of COD (20.03.2026) decides to consider Gross Generation as 152.064 MU considering 80 % PLF for 12 days of operation as computed below:

Table 1: Gross Generation

Installed Capacity	Number of Days of Operation	PLF	Gross Generation
A	B	C	D = (A x 24 x B / 10^3) x C
660 MW	12 days	80 %	152.064 MU

4.4 **Normative parameters:**

The Commission in terms of regulation 2.8.6.1 of the Tariff Regulations has to determine the revenue requirement of a new generating station based on the operating norms as specified in Schedule – 9D of the Tariff Regulations. Accordingly, the Commission vide order dated 11.03.2026 in Case No. OA – 547 / 25 – 26 has specified the following normative parameters for the purpose of fuel cost determination in respect of Sagardighi Stage III:

Table 2: Normative Parameters

Name of the Generating Station	Unit Size	SHR	AEC	Secondary Fuel Oil consumption	Transit and handling loss of coal
		(kCal/kWh)	(%)	(ml/kWh)	(%)
Sagardighi Stage III	660 MW	2179	6.00	0.50	0.80

4.5 **Auxiliary Energy Consumption and Sent-out Energy:**

Considering the Auxiliary Energy Consumption of 6 %, the Commission decides to compute the admissible gross generation, auxiliary consumption and sent-out energy based on normative values as given below:

Table 3: Auxiliary Energy Consumption and Sent Out Energy

Gross Generation	Auxiliary Energy Consumption		Sent Out Generation
In MU	In %	In MU	In MU
152.064	6.00	9.124	142.940

4.6 **Fuel Cost determination**:

4.6.1 WBPDCL has claimed the fuel cost for Sagardighi Stage III as Rs. 2,605.85 Lakh considering the actual sent out generation and normative parameters as decided by the Commission in its order dated 11.03.2026. The energy charge rate as claimed by WBPDCL comes to Rs. 2.255 per kWh.

Heat Value and Landed Price of Coal claimed by WBPDCL

4.6.2 During the period from 20.03.2026 to 31.03.2026, WBPDCL has used coal from its allotted captive mines of Pachhwara (North) Coal Mine, Gangaramchak & Gangaramchak – Bhadulia Coal Mine and Tara (East & West) Coal Mine block. WBPDCL submitted that the average price of coal for captive mines has been arrived after considering the latest CMA price (inclusive of taxes and duties) plus transportation charges as claimed by MDO in the coal bills. WBPDCL vide letter dated 04.08.2026 stated that the coal price is considered based on latest statutory notifications issued and submitted the documents related to (i) escalation of fixed reserve price by the Ministry of Coal, Government of India for 2025 – 26, (ii) notification of the Government of Jharkhand related to 'Jharkhand Mineral Bearing Land Cess', (iii) Forest Transit Fee levied by the Government of Jharkhand and (iv) GST Compensation Cess for coal as notified by Ministry of Finance, Government of India. The weighted average heat value of coal and its landed price as submitted by WBPDCL is given below:

Table 4: Weighted Average Heat Value of Coal claimed

Source	Grade of Coal	Quantity of Coal Received	Mix	GCV as billed	GCV as received
		In MT	In %	In kCal/ Kg	In kCal/ Kg
Pachhwara (North)	G10	69,983	87.50 %	4300	3894.32
Gangaramchak & Gangaramchak Bhadulia	G11	3,633	4.54 %	4000	4032.22
Tara (East & West)	G14	6,364	7.96 %	3100	3288.98
Weighted Average GCV of Coal					**3852.42**

Table 5: Weighted Average landed price of Coal claimed

Source	Grade of Coal	Quantity of Coal Received	Input Price of Coal	Handling and Sampling Charges	Transportation Charges	Landed Price of Coal
		In MT	In Rs / MT			
Pachhwara (North)	G10	69,983	3,057.83	15.64	491.61	3,565.09
Gangaramchak & Gangaramchak Bhadulia	G11	3,633	2,750.32	15.64	568.75	3,334.71
Tara (East & West)	G14	6,364	2,755.50	15.64	742.15	3,513.29
Weighted Average Landed Price of Coal						**3,550.50**

Heat Value and Landed Price of Coal determined by the Commission

4.6.3 In terms of regulation 5.8.6(2) of the Tariff Regulations, till the input price of coal from an allocated mine is determined by the Commission, the notified price of Coal India Limited for equivalent grade will be considered for determination of fuel cost and any over-recovery or under-recovery will be adjusted during the truing-up. In view of the above, the Commission decides to consider the price of coal used by WBPDCL for Sagardighi Stage III in terms of the regulation 5.8.6(2) of the Tariff Regulations.

4.6.4 The Commission observes that WBPDCL has claimed the heat value of coal on 'as received' GCV of coal based on the quality of coal received during the period of operation (20.03.2026 – 31.03.2026). On detailed scrutiny, it is observed that, WBPDCL has, in respect of coal from the Pachhwara Coal Mine, reported a GCV lower than the minimum of the notified band for the relevant grade. The Commission is of the considered opinion that it is the responsibility of the generating station to control the GCV loss on coal from loading end to unloading end for coal sourced from its own captive mine. WBPDCL has not submitted any certificate or sampling report along with the tariff application. Thus, in view of the above, the Commission finds it reasonable to consider mid value of the GCV range of the respective coal grade as notified by the Office of Coal Controller for the purpose of fuel cost determination.

4.6.5 The Commission has determined the input price of coal from Pachhwara (North) and Gangaramchak & Gangaramchak – Bhadulia Coal Mine blocks for the year 2021 – 22 vide order dated 26.12.2023 in Case No. OA – 447 / 22 – 23 and dated 19.11.2024 in Case No. OA – 450 / 22 – 23 read with review order dated 24.08.2026 in Case No. RP – 9 / 24 – 25. Subsequently, WBPDCL has submitted a petition for determination of input price of coal from Pachhwara (North) coal mine block for the years from 2022 – 23 to 2025 – 26 on 31.07.2024. The financial years having already been completed, the Commission directed WBPDCL to submit audited actual figures for determination of input price of Pachhwara (North) through a supplementary petition. WBPDCL has not submitted the audited figures till date. Thus, in the absence of a determined input price of coal for both Pachhwara (North) and Gangaramchak & Gangaramchak – Bhadulia Coal Mine, the Commission, in line with the principle followed in the MYT Order of WBPDCL for eighth control period, decides to allow inflation impact to the extent of mining charge based on the formula specified in the Coal Mining Agreement (CMA), for the year 2025 – 26 in respect of those captive mines for which an input price has been determined for the previous years. Further, the Commission also decided to allow the statutory charges to be paid by WBPDCL in line with notifications. Accordingly, considering the published inflation figures of (CPI, WPI and HSD), the input price of Pachhwara (North) and Gangaramchak & Gangaramchak – Bhadulia Coal Mine for 2025 – 26 comes to Rs. 2,777.94 per MT and Rs. 2,258.08 per MT. The detailed computations have been shown in Annexure – 4A to this chapter.

4.6.6 The Commission also observed that WBPDCL is yet to submit the petition for determination of input price of coal sourced from Tara (E&W) coal mine. As such, no input price has been determined by the Commission till date. In view of the above, the price of coal from Tara (E&W) coal mine has been computed considering the basic price of coal of equivalent grade notified by CIL dated 04.05.2025 in Memo No. CIL/M&S/Pricing/572 together with normative and statutory charges as notified, computed below:

Table 6: Computation for Price of Coal based on CIL Notification

Figures in Rs. / MT

Component	Basis	Amount
Basic Price	CIL Notified price – 04.05.2025	768.00
Sizing Charge	As per Notification	87.00
Evacuation Charge	As per Notification	60.00
Surface Transportation Charge	As per Notification - for 14 km siding	151.00
Royalty	As per Notification - for West Bengal	2.50
District Mineral Foundation Trust Charges	30 % of Royalty	0.75
National Mineral Exploration and Development Trust	3 % of Royalty	0.08
Rural Employment Cess	20 % of CIL notified price	153.60
Primary Education Cess	5 % of CIL notified price	38.40

Public Water Cess	As per Notification	1.00
Asansol Mines Board Health Cess	As per Notification	1.00
Sub-Total		1,263.33
GST	18 % of sub-total	227.40
Price of Coal		**1,490.73**

4.6.7 In view of the above, the admissible price and average GCV of coal are given below:

Table 7: GCV and Price of Coal considered for Allocated Coal Mines

Grade/ Source	Mix	Maximum GCV	Minimum GCV	Average GCV	Price of Coal
	%	kCal / kg			Rs. / MT
G10 – Pachhwara (North)	87.50	4600	4300	4450	2,777.94
G11 – Gangaramchak & Gangaramchak – Bhadulia	4.54	4300	4000	4150	2,258.08
G14 – Tara (E&W)	7.96	3400	3100	3250	1,490.73

4.6.8 WBPDCL has claimed Rs. 491.61 per MT, Rs. 568.75 per MT and Rs. 742.15 per MT as transportation charges from the Pachhwara, Gangaramchak-Bhadulia and Tara (E&W) coal mines. WBPDCL has also claimed Handling and Sampling charge of Rs. 15.64 per MT. The Commission considered the transportation charge, handling and sampling charge as claimed by WBPDCL for purpose of fuel cost determination.

4.6.9 Now, considering the same fuel mix of different grades of coal as claimed by WBPDCL with the rates determined as above, the weighted average GCV and landed price of coal has been determined as below:

Table 8: Weighted Average GCV and Landed Price of Coal admitted

Grade/ Source	Mix	Average GCV	Price of Coal	Handling & Sampling Charge	Transportation Charge	Landed Price of Coal
	%	kCal / kg	Rs. / MT			
G10 – Pachhwara (North)	87.50	4450	2,777.94	15.64	491.61	3,285.19
G11 – Gangaramchak & Gangaramchak – Bhadulia	4.54	4150	2,258.08	15.64	568.75	2,842.47
G14 – Tara (E&W)	7.96	3250	1,490.73	15.64	742.15	2,248.52
Weighted Average		**4340.88**	**3,182.59**			

4.6.10 WBPDCL is directed to submit a petition for determination of input price of coal from its captive mines which are under commercial operation within one (1) month from the date of issuance of this order.

4.7 For the purpose of computation of fuel cost, WBPDCL has claimed the coal consumed by considering the opening stock value of coal. However, while determining the corresponding heat value, the heat value attributable to the opening coal stock has not been considered. The submission of WBPDCL has been tabulated below:

Table 9: Coal Stock, Receipts and Consumptions claimed

Particulars	Opening Stock	Coal Received	Coal Consumed	Closing Stock
Quantity (in MT)	175.90	79,980.68	75,827.58	4,329.00
Price (in Rs. / MT)	5,643.00	3,550.50	3,555.09	3,555.09
GCV as received (in kCal/ kg)	-	3852.42	3852.42	-

The Commission finds it not appropriate to consider the price of the stock without taking into account the heat value of the stock, as it will result in an anomaly in the impact of coal price per 1,000 kCal of heat value. The Commission, therefore, has computed the price and heat value of coal by duly taking into account the coal received during the period as given in Table 8 above. WBPDCL, however, is directed to submit the details of stock (price and heat value) duly certified by the auditor along with its FPPCA petition.

Further, WBPDCL has not claimed any use of biomass pellets during the period. Accordingly, the same is not considered for determination of fuel cost.

4.8 **Price and heat value of oil**

4.8.1 WBPDCL has claimed the secondary fuel (oil) price and heat value based on the price actually paid during the year 2025 – 26 for the oil used after COD. The Commission decides to consider the same for determination of fuel cost.

4.8.2 Further, WBPDCL also requested to consider the actual oil consumption of 100.60 KL considering the stabilization period of 180 days. The Commission observes that WBPDCL has not submitted audit certificate regarding the actual consumption of oil. Accordingly, the Commission decides to consider, at the time of truing up, the additional oil consumption in terms of clause (ix) of paragraph A of Schedule – 9A based on the audited figures.

4.9 Fuel Cost and Energy Charge

4.9.1 On the basis of the above average landed price and heat value of primary and secondary fuel, the normative parameters as stated above and after allowing a margin of 120 kCal/ kg in heat value in terms of regulation 5.8.4(1) of the Tariff Regulations, the allowable fuel cost comes to Rs. 2,561.78 Lakh. Detailed computations have been shown in Annexure – 4B to this chapter.

Table 10: Fuel Cost claim vis-à-vis admission

Figures in Rs. Lakh

Total Fuel Cost claimed	Fuel Cost admitted
2,605.85	2,561.78

4.9.2 For the purpose of computation of working capital, the cost of oil and the cost of coal, on annualized generation, come to Rs. 1,477.76 Lakh and Rs. 76,443.05 Lakh respectively.

4.9.3 Considering the sent-out energy, the energy charge rates are computed as below:

Table 11: Energy Charge Rate admitted

Particulars	Unit	2025 – 26
Admitted Fuel Cost (As per Table 10)	Rs. in Lakh	2,561.78
Sent Out Energy (As per Table 3)	MU	142.940
Admitted Energy Charge	**Rs. / kWh**	**1.792**

ANNEXURE – 4A
INPUT PRICE ESTIMATE FOR PACHHWARA (NORTH) AND GANGARAMCHAK & GANGARAMCHAK – BHADULIA COAL MINE

Price escalation formula as per Coal Mining Agreement (CMA):

Mining Charge = Base Mining Charge x {1 + $(WPI_1 - WPI_0)/WPI_0$ x 25% + $(CPI_1 - CPI_0)/CPI_0$ x 25% + $(HSD_1 - HSD_0)/HSD_0$ x 30%}

Where,

WPI_0 = WPI value on the Index Date of the quarter preceding the Bid Submission Date;
WPI_1 = WPI value on the Index Date of the quarter preceding the Date of Revision;
CPI_0 = CPI (IW) value on the Index Date of the quarter preceding the Bid Submission Date;
CPI_1 = CPI (IW) value on the Index Date of the quarter preceding the Date of Revision;
HSD_0 = WPI value of HSD Oil on the Index Date of the quarter preceding the Bid Submission Date;
HSD_1 = WPI value of HSD Oil on the Index Date of the quarter preceding the Date of Revision;

Accordingly, the estimated Mining Charge for 2025 – 26 is as below:

Particulars\Quarter ending	Pachhwara Coal Mines				Gangaramchak & Gangaramchak Bhadulia Coal Mines			
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
WPI_0	176.50	176.50	176.50	176.50	176.80	176.80	176.80	176.80
WPI_1	253.38	252.23	254.04	257.48	253.38	252.23	254.04	257.48
CPI_0	266.00	266.00	266.00	266.00	269.00	269.00	269.00	269.00
CPI_1	429.41	417.60	424.22	426.82	429.41	417.60	424.22	426.82
HSD_0	174.00	174.00	174.00	174.00	181.70	181.70	181.70	181.70
HSD_1	476.35	453.60	460.80	464.26	476.35	453.60	460.80	464.26
Base Mining Charge (Rs. / MT)	**774**	**774**	**774**	**774**	**882.33**	**882.33**	**882.33**	**882.33**
Mining Charge for the quarter (Rs. / MT)	1,380.64	1,340.43	1356.83	1367.11	1,538.66	1,494.40	1,512.57	1,524.03
Average Mining Charge for 2025 – 26 (Rs. / MT)	**1,361.25**				**1,517.41**			
# The conversion factors of 1.64, 2.88 and 2.88 have been considered for WPI, CPI and HSD for conversion to series prevailing at the time of bidding								

The Input price of coal 2025 – 26 is now computed considering the estimated Mining Charge (including escalation) as above:

Particulars	Unit	Pachhwara (North)	Gangaramchak & Gangaramchak Bhadulia
Average Mining Charge	(Rs. / MT)	1,361.25	1,517.41
Siding Rent		25.00	0.00
Other Charges (Balance Cost)		1,245.84	701.82
Add: Enhancement of Fixed Reserve Price to Rs. 138.85 / MT from Rs. 100.00 / MT		38.85	38.85
Add: Adjustment of Jharkhand Mineral Bearing Land Cess		450.00	0.00
Add: Forest Transit Fee in Jharkhand area		57.00	0.00
Less: GST Compensation Cess		400.00	0.00

Input price for 2025 – 26			**2,777.94**	**2,258.08**

ANNEXURE – 4B

COMPUTATION OF FUEL COST FOR SAGARDIGHI STAGE III

Operating Parameters	Legend	Unit	Claimed	Admitted	Admitted – Annualized
Installed Capacity		*MW*	*660*	*660*	*660*
PLF		*%*	*64.67*	*80.00*	*80.00*
PAF		*%*	*67.74*	*85.00*	*85.00*
Gross Admissible Generation	A	MU	122.933	152.064	4625.280
Normative Auxiliary Consumption	B	%	6.00	6.00	6.00
Auxiliary Consumption	C	MU	7.38	9.124	277.517
Admissible Sent out Energy	D = A – C	MU	115.557	142.940	4347.763
Station Heat Rate	E	kCal/kWh	2179.00	2179.00	
Normative Specific Oil Consumption	F	ml/kWh	0.50	0.50	
Heat Value of Oil	G	kCal/L	9251.97	9251.97	
Heat Value of Coal	H	kCal/kg	3732.42	4220.88	
Overall Permitted Heat	I=AxE	GCal	267871.71	331347.46	
Permitted Heat from Oil	$J=AxFxG \div 10^3$	GCal	568.69	703.45	
Permitted Heat from Coal	K=I-J	GCal	267303.02	330644.01	
Permitted Oil Consumption	$L=(J \div G)*10^3$	kL	61.47	76.03	
Permitted Coal Consumption excluding transit loss		Tonne	71616.60	78335.28	
Permitted Coal Consumption with Transit Loss	$M=K \div H \div (1 - 0.80\%) x10^3$	Tonne	72194.15	78967.02	
Cost of Oil per kL	N	Rs. /kL	63,899.17	63,899.17	
Cost of Coal per Tonne	O	Rs. /Tonne	3,555.09	3,182.59	
Cost of Oil	$P=L*N \div 10^5$	Rs. Lakh	39.28	48.58	1,477.76
Cost of Coal	$Q=M*O \div 10^5$	Rs. Lakh	2,566.57	2,513.20	76,443.05
Total Cost of Fuel	**R=P+Q**	**Rs. Lakh**	**2,605.85**	**2,561.78**	**77,920.81**
Energy charge rate	**S = R ÷ (D x 10)**	**Rs. /kwh**	**2.255**	**1.792**	**1.792**

CHAPTER – 5
FIXED COST

5.1 The claim of fixed charges of WBPDCL for the year 2025 – 26 under different heads for Sagardighi Stage III has been analyzed in this chapter.

5.2 **Project cost**

5.2.1 The Commission vide order dated 18.07.2025 in Case No. OA – 501 / 24 – 25 had given the final investment approval of Rs. 4,56,732 Lakh with equity contribution of Rs. 1,37,020 Lakh and debt of Rs. 3,19,712 Lakh. It is observed that WBPDCL has not submitted the capital expenditure incurred as on the date of commercial operation and claimed Depreciation, Return on Equity and Interest on Normative Loan on the total project cost approved by the Commission.

5.2.2 In terms of regulation 2.8.1.4.13 of the Tariff Regulations, WBPDCL is required to submit a detailed report indicating whether provisions of different penalties or incentives of contractual conditions have been applied or waived on each provision as stipulated in the contract within 3 years of COD. Till submission of such report, the project cost shall be reduced by at least 5%. The Commission accordingly decides to reduce the project cost of Rs. 4,56,732 Lakh by 5% for the purpose of determination of fixed cost. Reduction of project cost would have a consequential effect on the fixed charge components viz. Depreciation, Interest on Normative Loan and Return on Equity. Accordingly, the admissible Depreciation, Return on Equity and Interest on Normative Loan shall each be restricted to 95%.

5.3 **Employee Cost and Operation and Maintenance Expenses**

5.3.1 WBPDCL submitted that the Tariff Regulations have not provided O&M norms for 660 MW super-critical unit. Accordingly, the O&M expenses have been claimed on the basis of the CERC Tariff Regulations, 2024 at Rs. 27.13 Lakh per MW. The O&M expenses include Employee expenses, Repair and Maintenance Expenses and Administrative and General Expenses. WBPDCL accordingly claimed Rs. 588.68 Lakh for 12 days.

5.3.2 In terms of Schedule 9D of the Tariff Regulations, for any new generating station, the normative O&M expenses shall be determined by the Commission on consideration of facts and figures submitted subject to a ceiling that is provided for Sagardighi Thermal Power Station for that relevant year. Similarly, the Man – MW ratio shall be determined by the Commission subject to a ceiling of 1.3 for units with an installed capacity of 200 MW or above. As no such information has been submitted by WBPDCL, the Commission considers the O&M expenses including employee expenses as per the norms specified in CERC Tariff Regulation, 2024. Thus, the O&M expense is admitted as Rs. 588.68 Lakh for 12 days. (Rs. 27.13 Lakh per MW x 660 MW x 12 days ÷ 365 days).

5.4 Statutory Charges

In terms of regulation 5.7.2.2 of the Tariff Regulations, the statutory fees and charges, excluding any penal charges, are to be allowed separately. WBPDCL has claimed an amount of Rs. 17.82 Lakh as filing fees. The same is admitted in full by the Commission.

5.5 Depreciation

WBPDCL has claimed depreciation on assets to the extent of Rs. 683.54 Lakh. From the calculation submitted in Form B to the application, the Commission noted that the depreciation has been arrived based on the depreciation rates specified in the Tariff Regulations amounting to Rs. 20,791.12 Lakh for the year and thereafter considering the period of operation of the unit. The Commission accordingly considers the same. However, as decided in paragraph 5.2.2 above, the Commission admits the depreciation as Rs. 649.37 Lakh (Rs. 20,791.12 x 95% x 12 days ÷ 365 days).

5.6 Return on Equity

5.6.1 In terms of regulation 5.6.1 of the Tariff Regulations, return on equity for a generating station of a Generating Company shall be computed on the admissible equity capital at the rate of 14.00% per annum on the post-tax basis for all assets commissioned on and from 01.04.2024. In terms of regulation 5.4.2 of the Tariff Regulations, where equity employed is more than 30%, the amount of equity shall be limited to 30% and the balance amount shall be considered under normative loan. However, where actual equity employed is less than 30%, the actual equity shall be considered for determination of return on equity. Equity capital may include paid-up equity, preference share, free reserve, etc., but shall not include any grant, revaluation reserve, development reserve, contingency reserve and contribution from consumers.

5.6.2 WBPDCL has computed return on the equity participation of Rs. 1,15,880 Lakh by the State Government and additional funding of Rs. 21,140 Lakh through internal accruals amounting to Rs. 9,591.40 Lakh (@14% on the average of the opening and closing admissible equity, i.e. on Rs. 68,510 Lakh) and claimed Rs. 315.33 Lakh for the period of operation (12 days). The Commission accordingly considers the same. However, as decided in paragraph 5.2.2 above, the Commission admits the return on equity as Rs. 299.57 Lakh (Rs. 9,591.40 x 95% x 12 days ÷ 365 days).

5.7 Interest on Normative Loan

5.7.1 WBPDCL in its application has considered the actual interest on capital loan paid amounting to Rs. 26,902.91 Lakh and claimed Rs. 884.48 Lakh for the period of operation.

5.7.2 In terms of regulation 5.6.4.2 of the Tariff Regulations, actual loan and/or normative loan, if any, for the asset put to use shall be considered as gross normative loan for calculation of interest on loan. Normative loan outstanding shall be considered as admitted loan corresponding to the asset capitalised deducted by cumulative depreciation and Advance Against Depreciation approved by the Commission. It is further provided that repayment during each year of the control period shall be deemed to be equal to the depreciation allowed for that year. The rate of interest shall be the weighted average rate of interest computed on the basis of actual capital loan portfolio.

5.7.3 In view of the above, the admissible interest on normative loan has been computed below:

Table 12: Interest on Normative Loan

Figures in Rs. Lakh

Sl No.	Particulars	Admitted
1	Approved GFA at the beginning of the year	0.00
2	Less: Asset created from Grant	0.00
3	Net Opening GFA (3 = 1 - 2)	0.00
4	Opening Equity	0.00
5	Opening Gross Normative Loan	0.00
6	Less: Cumulative Depreciation and AAD, if any, upto previous year	0.00
7	Opening Balance of Normative Loan	0.00
8	Addition to Fixed Asset	4,56,732.00
9	Less: Retirement during the year	0.00
10	Net Addition	4,56,732.00
11	Less: Asset created from Grant	0.00
12	Net Asset Addition out of own fund	4,56,732.00
13	Admissible Equity Addition during the year	1,37,020.00
14	Normative Addition of Loan	3,19,712.00
15	Depreciation during the year (Deemed Repayment)	20,791.12
16	Closing Balance of Gross Normative Loan	2,98,920.88
17	Average Net Normative Loan	1,49,460.44
18	Weighted Average Rate of Interest on Capital Loan	9.00%
19	**Interest on Normative Loan**	**13,451.44**
	For 12 days operation @ 95 %	**420.13**

5.8 Other Finance Charges

WBPDCL has claimed Rs. 13.06 Lakh as Other Finance Charges. In terms of clause (vii) of regulation 5.6.4.2 of the Tariff Regulations, finance charge incurred for obtaining capital loan is admissible and the same shall be allowed at the time of truing up. Accordingly, the Commission decides to consider the claim of WBPDCL at the time of truing up on the basis of the audited figures.

5.9 Interest on Working Capital

WBPDCL has computed Rs. 4,480.88 Lakh as Interest on Working Capital and claimed Rs. 147.32 Lakh for the period in operation. The Commission, now determines the Working Capital requirement based on the provisions of regulation 5.6.5 of the Tariff Regulations. In terms of the Tariff Regulations, interest on Working Capital shall be at the rate equal to the MCLR or any redefined term thereof by SBI from time to time being in effect and applicable for one-year period, as prevalent on 1st April of the financial year in which the Petition is filed plus 250 basis points. The Commission observes that the petitioner filed the petition on 10.06.2026, thus the rate of interest on working capital shall be the SBI MCLR as on 01.04.2026 i.e. 8.70% plus 250 basis points i.e., 11.20%. Accordingly, the Commission determines the interest on working capital as below:

Table 13: Interest on Working Capital claim vis-à-vis admission

Particulars	Claimed	Admitted
Cost of Coal stock (non-pit-head 20 days)	4,277.62	4,188.66
Advance payment of coal (30 days)	6,416.43	6,282.99
Cost of secondary fuel oil for 2 months	199.11	246.29
O&M expense for 1 month Employee Cost for 1 month	1,492.15	1,492.15
Water Charge for 1 month	0.00	0.00
Maintenance spare - 20% of O&M	298.43	3,581.16
Receivables equivalent to 45 days	26,280.40	17,408.85
Working Capital Requirement	**38,964.14**	**33,200.10**
Interest rate at SBI MCLR+250 basis point	11.50%	11.20%
Interest on working Capital	**4,480.88**	**3,718.41**
Interest on working Capital for 12 days	**147.32**	**122.25**

CHAPTER – 6
SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF

6.1 Based on analysis and findings recorded in the foregoing chapters, the Commission now draws up the statement of Aggregate Revenue Requirement (ARR) in respect of Sagardighi Stage III. Such summarized statement is given in Annexure – 6 to this chapter.

Table 14: ARR admitted

Figures in Rs. Lakh

Particulars	Claimed	Admitted
Sagardighi Stage III	5,256.08	4,659.60

6.2 Accordingly, the capacity charge to be recovered through tariff for the year 2025 – 26 works out as under:

Table 15: Capacity Charge recoverable by WBPDCL

Figures in Rs. Lakh

Sl No	Particulars	2025 – 26 (20.03.2026 – 31.03.2026)	2025 – 26 Annualized
1	Aggregated Revenue Requirement [As per Table 14]	4,659.60	1,41,205.10
2	Assessed Fuel cost [As per Table 10]	2,561.78	77,920.81
3	Capacity charge [1 – 2]	2,097.82	63,284.29

ANNEXURE – 6
AGGREGATE REVENUE REQUIREMENT (ARR) FOR 2025 – 26

Sl No	Particulars	Claimed	Admitted	Admitted – Annualized
1	Fuel Cost	2,605.85	2,561.78	77,920.81
2	Employee Cost	588.68	588.68	17,905.80
3	Operation and Maintenance Expenses			
4	Statutory Charges	17.82	17.82	17.82
5	Depreciation	683.54	649.37	19,751.56
6	Return on Equity	315.33	299.57	9,111.83
7	Interest on Normative Loan	884.48	420.13	12,778.87
8	Interest on Working Capital	147.32	122.25	3,718.41
9	Other Finance Charges	13.06	0.00	0.00
10	Income Tax	0.00	0.00	0.00
11	Reserve for Unforeseen Exigencies	0.00	0.00	0.00
12	Gross Revenue Requirement	**5,256.08**	**4,659.60**	**1,41,205.10**
13	Less: Non-Tariff Income	0.00	0.00	0.00
14	**Aggregate Revenue Requirement**	**5,256.08**	**4,659.60**	**1,41,205.10**

CHAPTER – 7
TARIFF ORDER FOR THE YEAR 2025 – 26

7.1 Based on the observation and analysis in earlier chapters, the Commission has determined the capacity charge and energy charge for 2025 – 26 in respect of Sagardighi Stage III project as shown in Chapter – 6. The Commission now specifies the Tariff Order including conditions for recovery of the charges in the subsequent paragraphs.

7.2 The annual fixed charge recoverable by WBPDCL from WBSEDCL shall be on the following basis:

(a) WBPDCL shall recover monthly capacity charge from its beneficiary WBSEDCL on monthly basis depending on actual availability during the month certified by SLDC with reference to the target normative annual availability as specified in this order, subject to the conditions as laid down in regulation 6.11.4 of the Tariff Regulations.

(b) The capacity charge is recoverable at the target normative availability as provided in the following table for 2025 – 26:

Table 16: Capacity Charge recoverable by WBPDCL against normative availability

Generating Stations	2025 – 26	
	Target Normative Availability Factor	Capacity Charge in Rs. Lakh
Sagardighi Stage III	85 %	2,097.82

(c) The capacity charge for 2025 – 26 so determined is for the period of operation of plant at normative availability commencing from the date of commercial operation. Based on the admitted capacity charge for 2025 – 26, the annualized capacity charge is computed as Rs. 63,284.29 Lakh as shown at Table 15 of this order.

7.3 The energy charge recoverable in 2025 – 26 against each unit of injection of energy under implemented schedule, as certified by SLDC and determined in Chapter – 4 of this order, is Rs. 1.792 per kWh.

7.4 WBPDCL shall raise the energy charge and capacity charge bill as per the energy accounting and availability certified by SLDC in its monthly energy accounting schedule.

7.5 The annualized capacity charge computed at Rs. 63,284.29 Lakh at target normative availability shall be recoverable on monthly basis depending on the actual availability during 2026 – 27 and onwards till further order of the Commission. The rate of energy charge shall be computed in terms of the provisions of the prevailing Tariff Regulations.

7.6 Adjustments, if any, for over-recovery or under-recovery from WBSEDCL upto the month of issue of this order shall be made in the monthly bills in six (6) monthly instalments commencing from the month succeeding the month of issue of this order.

7.7 For merit order despatch, SLDC/ALDC shall consider the energy charge computed by WBPDCL in terms of the prevailing Tariff Regulations.

CHAPTER – 8
DIRECTIONS

8.1 The Commission gives WBPDCL the following directions:

(i) WBPDCL is directed to complete the closure of all project package contracts within two (2) years from the date of commercial operation of the respective packages in terms of regulation 2.8.5 of the Tariff Regulations. WBPDCL shall also submit a detailed report indicating application or waiver of contractual penalties or incentives within three (3) years from COD in terms of regulation 2.8.1.4.13 of the Tariff Regulations. Till submission of such report, only 95% of the admitted cost shall be considered for determination of tariff.

(ii) In the APR Petition, WBPDCL shall submit a certificate indicating the actual capital expenditure as on date of commercial operation.

(iii) In the FPPCA Petition, WBPDCL shall submit a certificate indicating the opening stock value, price and heat value of such stock for computation of fuel cost.

(iv) WBPDCL shall submit the petition for determination of input price of coal upto 2025 – 26 for each of its captive mines which are under commercial operation with actual figures certified by auditor, within one (1) month from the date of issuance of this order.

(v) WBPDCL is directed to submit the actual expenses of the cost incurred for supply of infirm power duly certified by the auditor along with their FPPCA Petition for 2025 – 26.

8.2 WBPDCL shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within five working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in terms of aforesaid regulations within four (4) working days from the date of receipt of the approval of the Commission.

Sd/-

(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 02.09.2026

Sd/-

DEPUTY DIRECTOR,WBERC