



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
FOR THE YEAR
2022 - 23**

**IN
CASE NO: TP – 100 / 22 – 23**

**IN REGARD TO THE TARIFF APPLICATION UNDER
SEVENTH CONTROL PERIOD OF ADHUNIK POWER
AND NATURAL RESOURCES LIMITED FOR THE YEAR
2022 – 23 UNDER 62(1) OF THE ELECTRICITY ACT, 2003**

DATE: 06.06.2024



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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 Adhunik Power and Natural Resources Ltd. in short 'APNRL' (hereinafter referred to as 'Petitioner') is a company incorporated under the provision of Companies Act, 1956 having its Registered Office at CHANDRAKUNJ, 3 Pretoria Street, 4th Floor, Kolkata – 700 071. The petitioner being the generating company with the meaning of section 2(28) of the Electricity Act, 2003 (the 'Act').
- 1.3 West Bengal State Electricity Distribution Company Limited (WBSEDCL) is the distribution licensee in the State of West Bengal. In order to meet the power requirement of the consumers in its licensed area, WBSEDCL had entered into a long-term Power Supply Agreement ("PSA") with PTC India Ltd. ("PTC") on 05.01.2011 and PTC in turn entered into Power Purchase Agreement ("PPA") on back to back basis with APNRL, the petitioner in this case, on 25.03.2011 for a period of 25 years for supply power of 100 MW at a negotiated price. The Commission vide order dated 15.12.2011 approved the PSA/PPA. Subsequently, the Petitioner along with PTC and WBSEDCL had proposed amendments in the Tariff mechanism under the PPA/PSA wherein the tariff of the agreed capacity i.e. 100 MW was to be determined by this Commission. The Commission vide order dated 29.07.2022 in Case no. OA-417/22-23 inter alia approved the said changes in the tariff mechanism.
- 1.4 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period has been normally for a



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period of five ensuing years or such other period of number of ensuing years as is decided by the Commission from time to time. The Commission, through *suo moto* Order in Case No. SM-19/19-20 dated 28th May, 2019 decided that the seventh control period should be for three ensuing years consisting of FY: 2020 – 21, FY: 2021 – 22 and FY: 2022 – 23.

- 1.5 The present petition has been filed by the Petitioner for approval of ARR for supplying 100 MW of net capacity to WBSEDCL and determination of tariff of the same for the FY: 2022-23 under the seventh control period in accordance with the order of this Commission dated 29.07.2022 under section 61, 62, 64 (5) of the Electricity Act, 2003 and in terms of the provisions of the WBERC (Terms and Conditions for Determination of Tariff) Regulation, 2011.
- 1.6 The gist of the Tariff Application as approved by the Commission and the petitioner published it in the newspapers (a) Anandabazar (Bengali) (b) Aajkal (Bengali), (c) Sanmarg (Hindi) and (d) The Telegraph (English) on 18.05.2023 and also in their website as per the provision of the Tariff Regulations. The publication invited the attention of all interested parties, stake holders and the member of the public to the application for approval of investment, approval of capital cost, approval of ARR and determination of tariff and approval of FPPCA and request for submission of suggestions, objections and comments, if any, on the Tariff Application to the Commission by 07.06.2023 at the latest. Opportunity was also given to all to inspect the Tariff Application and to take copies thereof.

The suggestions and objections on the aforementioned application of APNRL for determination of tariff for the FY 2022-2023 were received from WBSEDCL vide Memo No. REG/SERC/APNRL/153 dated 7.6.2023 and the same has been discussed at Chapter -3 of this order.



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CHAPTER - 2 THE CASE OF APNRL

- 2.1 APNRL owns and operates a 540 MW (2X270 MW) coal fired Thermal Power Station located at Padampur and Srirampur in Seraikela-Kharsawan district in the State of Jharkhand. The dates of commercial operation of the two units of the generating stations are January 21, 2013 and May 19, 2013.
- 2.2 The petitioner at para 11 of the instant petition has made the following prayers:
- Approve the capital investment plan for development of the station
 - Approve the opening capital cost, loan and equity balances as submitted in this petition.
 - Approve the ARR for supplying 100 MW of net capacity to WBSEDCL based on the submission and rationale shared in this petition as per PPA for FY: 2022-23
 - Determine the tariff including fixed charges, variable charges for supplying 100 MW of capacity to WBSEDCL as per PPA for FY: 2022-23
 - Pass such order so that, the petitioner shall bill the fixed charges to DISCOM based on the availability norms as specified in WBERC Regulation for the period starting from 01-04-2022 onwards.
 - Approve the recovery of historical FPPCA from April 2022 till date of award of this order as a one-time amount from the DISCOM to avoid financial impact of higher coal price on the petitioner.
 - Approve the carrying cost as applicable on various components from the date of their actual expenditure till payment made by the WBSEDCL.
 - Approve the prayer regarding absorption of 75% of SHAKTI Coal discount by WBSEDCL.
- 2.3 The petitioner has made additional submissions on the following dates:
- APNRL/WBERC/FY 22-23/1458 dated 06.03.2023
 - APNRL/WBERC/FY 23-24/28 dated 30.06.2023



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- c) APNRL/WBERC/FY 23-24/38 dated 07.09.2023
- d) APNRL/WBERC/FY 23-24/49 dated 19.9.2023
- 2.4 It has further been submitted by APNRL that the fuel costs in the instant application for Tariff for the financial year 2022 – 2023 under the seventh control period has been submitted in terms of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended. APNRL has proposed a total of Rs. 596.03 crore as Capacity charge for the plant as a whole for the year 2022-23 and Rs. 137.83 crore for its 100 MW share to WBSEDCL.
- 2.5 The petitioner has further submitted that the Capital Cost of the project (on accrual basis) has already been determined by Hon'ble Jharkhand SERC in its order dated 1.9.2016 in Case(Tariff) No. 05 of 2015 read with Review Order in Case(T) No. 13 of 2016 dated 9.1.2018 for Rs. 3314.24 crores.
- 2.6 Further, keeping view of the fact that this Commission considers the capital cost on Cash basis, the Petitioner has submitted the year-wise liability flow statement since COD of the project as well as movement of capital cost of the project on accrual and cash basis till March 31, 2022, which comes to Rs. 3362.31 crore.
- 2.7 Therefore, the Petitioner prayed before this Hon'ble Commission to kindly consider the overall investment of Rs. 3362.31 crore as the base Capital Cost for the purpose of determination of Tariff for FY 2022-23. The Petitioner craves leave to submit any additional information that may be required by this Hon'ble Commission for establishing prudence check on the capital cost as on COD.



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CHAPTER – 3 SUGGESTION AND OBJECTION RECEIVED FROM WBSEDCL

- 3.1 WBSEDCL vide letter no. REG/SERC/APNRL/153 dated 07.06.2023 has submitted the suggestion/objection and comments in respect of the instant petition, a summarized version of the same is reproduced below:
- 3.2 With regard to determination of tariff and capital cost as on COD as determined by the Hon'ble JSERC, WBSEDCL inter alia submitted as follows:
- 3.2.1 **Capital Cost**
- a) The petitioner's Capital Cost/Project Cost (as on COD) as determined by Ld. JSERC's Order dated 01.09.2016 and 09.01.2018 is not binding on this Hon'ble Commission. This Commission is only required to consider the same (to the extent it is appropriate) while determining The petitioner's tariff including the Base Capital Cost.
 - b) WBSEDCL has quoted Regulation 2.7.6 of WBERC tariff Regulation and submitted that for the purpose of approving Project Cost, this Hon'ble Commission can at its discretion rely upon any document published/issued by statutory bodies formed under the Electricity Act 2003 such as other Electricity Regulatory Commission.
 - c) It is submitted that by way of its Tariff Petition, the petitioner has not submitted any supporting documents as required for conducting prudence check of the claimed capital cost and for verifying discharge of liabilities. This is in violation of Regulation 2.8.1.4.12 and 5.1(ix) of Tariff Regulation 2011 in terms of which The petitioner is required to submit all documents as mandated under Regulation 2.8.1.4 for the purpose of approval of Capital Cost of the Project.
 - d) In the Tariff Petition, the petitioner has claimed Project Cost/Capital Cost of Rs.3362.31 Crores which translates into Rs. 6.23 Crores/MW. The petitioner Capital Cost of Rs. 3362.31 includes cost of land, Plant & Machinery, Civil



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Works, Infrastructure, other assets along with adjustment of discharge of liabilities, additional capitalization and decapitalization from 2014-2022. In terms of the benchmark norms the capital cost of the petitioner ought to have been between Rs. 4.34 Crores/MW to Rs. 5.08 Crores/MW. Therefore, even considering the higher value of the benchmark cost of Rs. 5.08 Crores/MW, The petitioner's claimed Capital Cost of Rs. 6.23 Crores/MW is exorbitantly higher than the capital cost benchmark norm prescribed by Ld. CERC for similar size generating station. In such situation there seems to be imprudence in the Capital Cost being claimed by the petitioner and the same ought not to be allowed by this Commission.

CERC's benchmark has been prepared for hard cost of units of sizes 500/660/800 MW. Instead, fresh prudence of capital cost (2x270 = 540 MW) has been taken by the Commission based on the documents submitted on record.

3.2.2 Funding of Project

Keeping in view the SDR, WBSEDCL requested the Commission to take a view on the funding of the project based on the documents submitted with regard to debt and equity as reflected in the petition. The actual cost incurred by the petitioner may be taken into account while taking the prudence check.

3.2.3 Interest on Loan

With regard to interest on loan as allowed in tariff, WBSEDCL requested the Commission to arrive at the weighted average rate of interest of 9% after checking documents like swapping of loan, Extract of Loan Ledger and Form C as mandated by Regulation 2.7.2 read with Annexure 1 of Tariff Regulations, 2011.

3.2.4 O & M Expenses

It is submitted by WBSEDCL that the petitioner has claimed the O&M cost contrary to what has been stated in the Regulation 7 of schedule 9D, where it has been mentioned that the ceiling of such O&M expenses as determined for Sagardighi Thermal Power Station (2x300) – Stage 1.



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3.2.5 Employee Cost

WBSEDCL has stated that with regard to employee cost, the petitioner should be asked to submit details of employees cost viz. number of contractual and permanent employees during FY: 2021-22 employees cost for FY: 2022-23 can be determined, after applying the maximum escalation factor 3.17% to arrive at the number.

3.2.6 Depreciation

WBSEDCL has stated that the petitioner has not submitted Form B (details of Depreciation chargeable to revenue account for the year) as mandated under Regulation 2.7.2 read with Annex I of Tariff Regulation 2011. It is further argued that without Form B it is not possible for WBSEDCL to verify the depreciation being claimed by Adhunik in the present Petition. Hence, the petitioner shall be directed to file Form B along with the details considered for computation of depreciation as mandated under the Tariff Regulation 2011

3.2.7 Interest on Working Capital

With regard to Interest on Working Capital, it has been requested that the Commission may determine based on suo moto order dated 06.04.2022.

3.2.8 Water Charges

In absence of documents in support of the claim of water charges, it has been requested by WBSEDCL that the claim may be settled in line with the water charges allowed to Durgapur Projects Limited (DPL).

3.2.9 Coal and ash handling expenses

As contended by WBSEDCL that the petitioner's claim for recovery of fly ash transportation charges for the period 2022-23 is without any basis and not justifiable in absence of any document supporting / demonstrating the petitioner's compliance with the notifications issued by the MoEF&CC and MoP regarding disposal of fly ash and the cost of its transportation.



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3.2.10 Rent Rates Tax levies and Insurance

The claim of the petitioner for escalation factor of 9.85% is termed as erroneous by the petitioner. The escalation factor 4.02% which was applied in case of WBPDCCL petition should be allowed.

3.2.11 Corporate Social Responsibilities

The above claim is not part of the tariff component. Hence the same should be denied.

3.2.12 Bad Debt

Based on the regulatory provision dealing with bad debt, the same can be claimed at the stage of APR. Hence, the claim should be denied.

3.2.13 Price of Fuel

The WBSEDCL has stated that the average coal price for the period Jan-March 2022 as adopted by the petitioner is not justified since the fluctuation in price of coal on spot auction and open market is not constant and are subject to huge variation. The petitioner should be directed to submit details for FY: 2022-23. Fuel mix may be validated based on design parameters.

3.2.14 GCV of Fuel

It has been argued that in absence of third-party sampling, the GCV as claimed cannot be verified. The procedure adopted in case of WBPDCCL may be applied here as well.

3.2.15 Capacity charges for 100 MW

It has been requested to approve fixed cost for 100 MW net supply to WBSEDCL on the proportionate basis of capacity allocation of The petitioner's Project (100/540 i.e., 18.52%) while computation of fixed charges applicable for WBSEDCL the capacity



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charge should be determined based on capacity applicable for WBSEDCL i.e. 100 MW with 540 MW as denominator.

- 3.3 The Commission takes note of the above submissions of WBSEDCL. Before determining the tariff for the generating station, the Commission decides to determine the admissible Capital Cost of the project in terms of the WBERC Tariff Regulations under CHAPTER – 4. Thereafter, the admissible fuel cost and fixed cost are determined in CHAPTER – 5 and CHAPTER – 6 of this order considering the provisions of Tariff Regulations subject to prudent analysis.



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CHAPTER – 4 DETERMINATION OF CAPITAL COST

- 4.1 The petitioner submitted that on completion of the project it had approached the Jharkhand State Electricity Regulatory Commission (JSERC) for approval of ARR and determination of tariff in respect of the project for supply of power to Jharkhand. The JSERC after detailed prudence check had approved the capital cost of Rs. 3314.24 crore. The petitioner has proposed to consider the Capital cost as approved by the JSERC.
- 4.2 The Commission observes that, the instant tariff petition has been filed by the petitioner for determination of tariff under section 62 of the Electricity Act, 2003. In terms of the settlement agreement entered among APRNL (petitioner), WBSEDCL (purchaser of 100 MW power from petitioner) and PTC (the Trader), determination of tariff has been entrusted upon this Commission. In view of this, the Commission decides to determine the admissible capital cost of the power plant following the provisions of WBERC Tariff Regulations for determination Aggregate Revenue Requirement (ARR) to the extent of sale of 100 MW power to WBSEDCL by the petitioner.
- 4.3 From the submissions of the petitioner with regard to capital cost as on COD as also the deployment of loan and equity, it is observed that as on COD (19.5.2013) the overall capital cost was determined by the JSERC as Rs. 3341.21 crore on accrual basis. The petitioner in consideration of the fact that this Commission determines capital cost on cash basis, has also submitted details of year-wise position of liabilities (Liability flow statement) from COD of the Station (19.5.2013) to FY: 2021-22 duly certified by the Auditor. In addition, based on the directions issued by this Commission vide letter dated 1.6.2023 and 21.6.2023, the petitioner has also submitted year-wise additional capitalisation (including deletions) from COD to FY: 2021-22, duly certified by the Auditor.

Table -1 Year-wise Capital Cost claimed from COD to FY: 2021-22

Particulars	Values in INR. Crore								
	As on COD	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Capital Cost (Accrual Basis)	2046.30	3314.24	3366.47	3380.96	3382.30	3389.39	3386.73	3389.26	3408.11



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Opening Liabilities	225.40	173.97	81.63	84.41	82.57	77.23	71.83	62.21	56.71
Opening capital cost (Cash Basis)	1820.90	3140.27	3284.83	3296.57	3299.75	3312.17	3314.91	3327.05	3351.42
Add: Discharge of liabilities	51.43	92.33	(-)2.77	1.84	5.34	5.40	9.61	5.51	9.49
Add: Additional Capitalisation	1268.23	54.23	14.50	1.51	7.08	2.82	2.53	20.47	1.42
Less: Decapitalisation	0.29	2.01	0.00	0.17	0.00	5.48	0.00	1.61	0.00
Closing Capital Cost (Accrual Basis)	3314.24	3366.47	3380.96	3382.30	3389.39	3386.73	3389.26	3408.11	3409.53
Closing Capital Cost (Cash Basis)	3140.27	3284.82	3296.57	3299.75	3312.17	3314.91	3327.05	3351.42	3362.33

4.4 Capital Cost as on COD:

After perusal of the submissions made by the petitioner, it is observed that the submitted capital cost on cash basis duly certified by the auditor as on COD (19.5.2013) is Rs. 3140.27 crore for 540 MW project.

4.5 Additional Capitalization up to cut-off date:

- 4.5.1 The petitioner vide affidavit dated 6.9.2023 has further submitted that with COD of the plant declared on 19.5.2013, the cut-off date for the project is 31.03.2016. Therefore, the FY: 2014-15 and FY: 2015-16 fall before the cut-off date (31.3.2016) of the project. The Petitioner further submitted that the net additional capitalization of Rs 52.22 Cr and Rs. 14.50 Cr incurred in FY 2014-15 and FY 2015-16 are on account of deferred payments made to suppliers/ contractors towards the works completed forming part of the original scope of the project.
- 4.5.2 As per Regulation 5.2.1 of WBERC Tariff Regulation, 2011, the claim of the petitioner with regard to the discharge of liabilities amounting to Rs. 9233.00 Lakh and negative discharge of Rs. 201 lakh during FY: 2014-15 and FY 2015-16 respectively have been allowed. The claim for additional capitalizations of Rs 5222.00 Lakh (after adjustment of de-capitalisation of Rs. 201.00 Lakh) and Rs. 1450 lakh incurred in FY: 2014-15 and FY 2015-16 respectively have been made under the ground of deferred payment. The Commission has already allowed deferred liabilities amounting to Rs. 9233 lakh and negative discharge of liabilities for Rs. 201 Lakh during FY: 2014-15 and FY 2015-16. Hence no further claim of deferred payment made under add-cap is allowable. The petitioner may come up with additional details at the time of true up.



4.6 Additional Capitalization after cut-off date:

4.6.1 With regard to the claims for additional capitalisation by the petitioner from FY: 2016-17 to FY: 2021-22, i.e after the cut-off date, the justifications in support of the claim for each item are analysed by the Commission. The year-wise add cap claimed from FY: 2016-17 to 2021-22 are allowed after prudence check, as detailed in Annexure 4A to Annexure 4F. For disallowed items, APNRL may furnish further details of such items duly certified by Auditor with adequate justifications in support of capitalization of these expenditures during truing up in APR.

4.7 The year-wise capital cost after allowance of additional capitalization upto 2021-22 as discussed in paragraphs 4.5 to 4.7 above, are given as follows:

Table - 2 Year-wise Capital Cost allowed

Particulars	Values in INR. Lakh								
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Opening capital cost (Cash Basis)	1,82,048	3,14,027	3,23,261	3,22,983	3,23,227	3,24,455	3,25,201	3,26,292	3,26,884
Add: Discharge of liabilities (As per Auditor's certificate)	5,143	9,234	(278)	184	534	540	962	550	949
Add: Net Additional Capitalisation (including De-cap)	1,26,836	-	-	60	694	206	129	42	68
Closing Capital Cost	3,14,027	3,23,261	3,22,983	3,23,227	3,24,455	3,25,201	3,26,292	3,26,884	3,27,901

Note: * There was certain mismatch in the Table -1 of the petition (Capital cost of Project on accrual and cash basis) with respect to opening liability position in FY: 2016-17. When asked to clarify the position, the petitioner has submitted revised liability flow statement with negative discharge of liabilities for FY: 2015-16 duly certified by the Auditor vide affidavit dated 30.6.2023. The discharge of liability as per the said Auditor's certificate has been taken into consideration as above

4.8 Additional Capitalization during FY: 2022-23:

4.8.1 Out of total projected claim of additional capitalisation amounting to Rs. 11.66 crore in FY: 2022-23, it is observed that except purchase of vehicle amounting to Rs. 1.53 crore for the working efficiency of support services and smooth/safe movement of the employees, the petitioner projected to replace some items during FY: 2022-23 which are either spares or replacement of existing assets. The petitioner has not submitted details in respect of original cost of acquisition of replaced assets in the petition. Therefore, the Commission does not allow any additional capitalisation for FY: 2022-23, except Rs. 1.53 crore towards purchase of vehicle. However, the liberty is granted to the petitioner to submit the necessary details including original



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cost of acquisition, actual capitalisation (on cash basis) duly certified by the Auditor at the time of true-up.

- 4.9 Therefore, for the purpose of the tariff for FY: 2022-23, the capital cost on cash basis amounting to Rs. 3280.54 (3279.01 as on 31.3.2022 + 1.53 for FY: 2022-23) crore has been considered for the purpose of tariff for FY: 2022-23. The per MW capital cost comes to Rs. 5.75 crore.
- 4.10 The Capital Cost of other similarly placed generating stations are as under:

Table 3: Capital Cost of other similarly placed projects

Name of the Generating Station	COD	Unit size (MW)	No. of Units	Installed Capacity (MW)	Capital Cost (Rs. Crore / MW)	
					Actual	Approved by ERC
Paras Unit No. 3	01.03.2008	250	1	250	5.75	4.83
Paras Unit No.4	31.08.2010	250	1	250	5.94	5.73
Parli Unit 6	01.11.2007	250	1	250	5.26	4.62
Parli Unit 7	31.07.2010	250	1	250	5.67	5.33
Rosa TPP	30.06.2010	300	4	1200	5.21	5.06
Satpura Units 10&11	18.08.2013	250	2	500	6.33	6.01
Bina Thermal Power Plant Units 1&2	31.08.2012	250	2	500	6.97	6.94
Butibori Power Plant	04.04.2013	300	2	600	6.68	6.57

- 4.11 On comparison of the approved Capital Cost of APRNL with the approved Capital Costs of similarly placed generating stations by the respective Electricity Regulatory Commissions in the Country the Commission finds the same to be comparable with those generating stations.



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Annexure – 4A

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2016-17

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Oil handling system, Air compressor system and Other Plant & Machineries.	0.83	-	Additional expenditure was incurred for smooth handling of oil and protecting wear and tear of the Air compressor system which are nodal for consistent operation of the generating station.	As contended by the petitioner, the expenditure was necessary for the efficient and successful operation of the generating station. However, the petitioner has not submitted any details justifying the necessity of these new assets, which are otherwise necessary and integral part of an existing generating station. In absence of any details, the add-cap is not allowed.
2.	Civil Work and Infrastructure	0.53	0.53	Petitioner has incurred an expenditure of Rs. 0.53 Crore for increasing/strengthening the capacity of Ash Dyke, which was essential for the smooth running of the plant.	As submitted by the petitioner, the increasing/strengthening in capacity of ash dyke is considered essential for smooth running of the plant. Hence, the expenditure of Rs. 0.53 crore is allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
3.	IT Equipment	0.09	-	This expenditure was incurred for the replacement of laptops, printers, UPS, etc. provided for routine office work. These expenditures were necessary for managing the efficient and successful administration of the generating station.	UPS, Printers etc. are considered as Minor assets, which, are not allowed to be capitalised vide Regulation 5.2.3 of Tariff Regulation, 2011, which reads as follows: "5.2.3 Any expenditure on minor items/assets like normal tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing machines, heat-convector, carpets, mattresses etc. bought after cut-off date may not be considered for additional capitalisation subject to prudence check by the Commission for determination of tariff. The list of items is illustrative and not exhaustive." Accordingly, the same is not allowed for capitalisation.
4.	Self-propelled vehicles	0.07	0.07	Vehicles have been purchased for commuting at the plant visit, which is necessary for efficient and successful management of the station.	The vehicles are slated to be used for ensuring the mobility of officers of the plant which was necessary for the efficient and successful operation of the generating station. As per the Auditor's certificate, there is decapitalisation of Rs. 0.11 crore in respect of old vehicle, which has been taken into consideration. Accordingly, capitalisation for Rs. 0.07 crore is allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
	TOTAL	1.52	0.60		



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Annexure – 4B

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2017-18

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Ash Handling System	0.14	-	The Petitioner submits that ash handling system required strengthening and accordingly the Petitioner has purchased an automatic bagging and packing machine for sending bagged fly ash through railway rake to different customer in accordance with norms of Ministry of Environment, Forest and Climate Change. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station	As submitted by the petitioner, automatic bagging and packing machine has been procured for sending bagged fly ash through railways rake to different customers. The petitioner has also claimed Rs. 0.07 crore under the same head in FY: 2018-19. Thus, the petitioner has not mentioned in the petition as to when the benefit from this asset is available to the generating station to justify the allowance of this add-cap. Accordingly, the asset in question is not allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
2.	Site Development	2.06	2.06	The Petitioner at Birajpur, Jharkhand had developed a railway siding which is 800 meters away from plant truck tippler area and the Petitioner has developed a road from truck tippler at coal handling plant to Birajpur railway siding for transportation of coal. This will increase the efficiency of coal unloading and movement.	Since the expenditure incurred for development of a road from truck tippler at coal handling plant to Birajpur Railway siding for transportation of coal which is essential for uninterrupted power supply to the beneficiaries, hence the same is allowed to be capitalised under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011..
3.	MGR/Railway Siding	4.37	4.37	The Petitioner has developed the railway siding at Birajpur, Jharkhand for unloading of coal near the plant. This railway siding is 800 meters far from the coal handling plant area. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	Since the expenditure incurred for development of the railways siding at Birajpur, Jharkhand for unloading of coal near the plant which is considered essential for ensuring uninterrupted generation as also power supply to the beneficiaries, hence the Rs. 4.37 crore is allowed to be capitalised under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011..
4.	Coal Handling System	0.51	0.51	The Petitioner has to procure coal from multiple sources, the coal handling system had to be strengthened to take care of multiple trucks reaching the power plant premises. Accordingly, a 100 MT weigh bridge has been installed. Beside this 6 LPM oil filtration machine is purchased for truck tippler and stacker reclaimer for filtration of oil. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	Since the expenditure was incurred for construction of 100 MT weigh bridge as also 6 LPM oil filtration machine which is required for strengthening the coal handling system to take care of multiple trucks reaching the power plant and essential for uninterrupted generation of power, hence, the same is allowed for capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011..
TOTAL		7.08	6.94		



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Annexure – 4C

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2018-19

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Ash Handling System	0.07	-	The Petitioner submits that ash handling system required strengthening and accordingly the Petitioner has purchased an automatic bagging and packing machine for sending bagged fly ash through railway rake to different customer in accordance with norms of Ministry of Environment, Forest and Climate Change. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	As submitted by the petitioner, automatic bagging and packing machine has been procured for sending bagged fly ash through railways rake to different customers. The petitioner has also claimed Rs. 0.14 crore under the same head i.e. purchase of an automatic bagging and packing machine. Since, the asset in question is required for transportation of ash, the same is not allowed. However, the petitioner may utilize the amount collected from sale of fly ash to fund such capitalisation.
2.	Coal Handling System	0.69	-	The Petitioner submits that in order to procure large quantity of coal the Petitioner has purchased trucks tippers. Since, the 14 wheel trucks are much more spacious and the coal from such trucks can transport substantially. Therefore, the Petitioner enhanced the capacity of the truck tippler from 12 wheels trucks to 14 wheels trucks. Hence, the Petitioner claims that this expenses is justifiable and required for increase in efficiency for movement of Coal.	The expenditure was incurred for procurement of trucks tippers, which is required for strengthening the coal handling system with 14 wheel trucks are much more spacious and the coal from the such trucks can transport substantial quantum of coal which is essential for uninterrupted generation of power. It is also observed that a sum of Rs. 0.60 crore has also been claimed in FY: 2019-20 though put-to-use date of such asset is not mentioned in the petition. In absence of the same it could not be ascertained as to when the asset was put to use and the benefit from such asset is available to the generating station. Accordingly, the same is not allowed for capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
3.	Other Ready Assets	1.88	1.88	To enhance the working efficiency of support services and smooth & safe movement of employees, the Petitioner has purchased / some assets like vehicles. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station	Since the add-cap was meant for procurement of vehicles which in turn would ensure smooth and safe movement of the employees necessary for efficient and successful operation of the generating station, hence the same is allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
4.	Workshop, Laboratory	0.18	0.18	Under Workshop and Laboratory, the Petitioner has purchased a Coal Sampling Auger. Further, Crusher / Pulverized Vibrating Cup Mill / Air Dried oven / Digital Piezometer / Portable Flue Gash Analyser / Portable Sand Blasting Machine are purchased for laboratory for correct analysis.	Since the add-cap was meant to facilitate the coal testing department entrusted with coal sampling which is considered necessary for efficient and successful operation of the generating station, hence the same is allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
TOTAL		2.82	2.06		



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Annexure – 4D

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2019-20

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Coal Handling System.	0.60	-	The Petitioner submits that in order to procure large quantity of coal the Petitioner has purchased trucks tippers. Since, the 14 wheel trucks are much more spacious and the coal from the trucks can transport substantially. Therefore, the Petitioner enhanced the capacity of the truck tippler from 12 wheels trucks to 14 wheels trucks. Hence, the Petitioner claims that this expenses is justifiable and required for increase in efficiency for movement of Coal.	The petitioner has also claimed Rs. 0.69 crore for enhancement of capacity of truck tippers in FY: 2018-19. Since, the put-to-use date of the asset in question is not specifically mentioned in the submission of the petitioner, hence, the same has not been allowed to be capitalised under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
2.	Crane & Hoist	0.19	0.19	The Petitioner has procured one hydra 14 tonnes pick & carry crane and one Mobile hydraulic scissor lifter to improve the operation and maintenance efficiency. Hence, the Petitioner claims that this expense is justifiable and required for increase in efficiency for movement of Coal.	Since procurement of hydra 14 MT pick and carry crane and Mobile Hydraulic Scissor Lifter are to be used for improving the operational efficiency of the power plant, hence, the capitalisation is allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
3.	DM Water Plant	0.05	-	Boilers that generate steam to power turbines require high-pressure boilers and therefore more complex feed water treatment system to remove as many impurities as possible. The DM Water Plant significantly enhances the quality of water used in thermal plant's processes. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station	Although smooth running of DM Water Plant is absolutely essential for the efficient and successful operation of the generating station, however, the petitioner has not mentioned as to what capital asset had been procured for the DM Water Plant. In view of above, the same is not allowed to be capitalised.
4.	Other Ready Assets	0.59	-	To enhance the working efficiency of support services and smooth & safe movement of employees, the Petitioner has purchased / some assets like vehicles. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station	Since in the justification the petitioner has submitted that some assets like vehicle had been purchased without giving details of the vehicles procured, the same is not allowed under Regulation 5.2.2 (iv) of WBERC Tariff Regulation, 2011.
5.	Workshop, Laboratory	1.10	1.10	Under Workshop and Laboratory, the Petitioner has purchased a Coal Sampling Auger for coal testing department to take correct samples as per prescribed guidelines in IS436 for better control over the quality. for correct analysis.	Since, coal sampling is essential for determination of GCV of the coal which is used for determination of fuel cost, the same is allowed for capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011
	TOTAL	2.53	1.29		



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Annexure – 4E

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2020-21

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Coal Handling System	0.28	0.28	<p>The Petitioner submits that, since the COD of the plant, the PCR and CCRD systems were pending to install. The said systems are important for safety purpose and smooth operation of stacker reclaimer. Accordingly, the PCR and CCRD systems have been purchased for an amount of Rs. 0.22 Cr.</p> <p>In addition to the above, the Petitioner had incurred the cost of Rs 0.04 Cr for purchasing the secondary crusher for crushing the coal. The 3.5 mm coal crusher was not purchased earlier and it is required for pulverising the coal during the quality inspection of coal. Apart from the above, the foundation for weigh bridge of capacity 100 MT had been constructed, as 100 MT weigh bridge had been installed. Hence, the Petitioner submits that the cost of Rs. 0.28 Cr has been incurred for ensuring the efficient and successful operation of the generating station.</p>	<p>As submitted by the petitioner, the PCR and CCRD form an important part of Coal Handling System of the project, which have been procured at a cost of Rs. 0.22 crore.</p> <p>In addition, the Rs. 0.04 crore had been spent for purchase of 3.5 mm secondary crusher which was not purchased earlier.</p> <p>Accordingly, additional capitalisations for Rs. 0.26 (0.22+0.04) crore has been allowed as against erroneous claim of the petitioner for Rs. 0.28 crore under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011 since such components are essential for running of the power plant.</p>
2.	Steam Generator Island	0.04	-	<p>The Pulverizer is under use, since the last 10 years after commissioning of the project. Keeping the continuous usage of pulverizer, it is required to purchase the same as spare to avoid major breakdown/emergency. Accordingly, the Petitioner had incurred the expenditure of Rs. 0.04 Crore against the same. Hence, the Petitioner claims that these expenses are justifiable and required for increase in efficiency for movement of Coal.</p>	<p>From the submission of the petitioner, it is seen that the pulverizer had been purchased as spare to avoid major breakdown/emergency. The same will be allowed to be capitalised once the same is put to use and original cost of acquisition is deducted from the capital cost of the project.</p> <p>Since year in which the same is put to use is not submitted as also the cost of acquisition is not deducted from the capital base as required under Regulation 5.2.7 (ii) of Tariff Regulation 2011, the same is not allowed to be capitalised.</p>
3.	Turbine Generator Island	18.53	-	<p>The Petitioner submits that the earlier generator, which was running since the COD of the plant was not performing as per the standards and led to the several breakdowns. Accordingly, the new generator had been procured for efficient and successful operation of the generating station. Hence, the aforesaid expenditure was necessary for the efficient and successful</p>	<p>As submitted by the petitioner, the generator had been purchased to avoid major breakdown/emergency. However, from the submission of the petitioner it is not clear as to when the same was put to use. In addition, the original cost of acquisition is not deducted from the capital cost of the project.</p> <p>Since the year in which the same is put to use is not submitted as also the</p>



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Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
				operation of the generating station.	gross value of original assets is not deducted from the original capital cost as required under Regulation 5.2.7 (ii) of Tariff Regulation 2011, the same is not allowed to be capitalised.
4.	Workshop Laboratory	0.14	0.14	To ensuring the quality of coal, some testing equipment had been purchased by the Petitioner and expenditure towards the same has been claimed. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	The petitioner has purchased some testing equipment for checking the quality of coal. Since, the equipment is essential for determination of GCV of the coal which is required for the purpose of fuel cost, the same is allowed for capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
5.	Switchyard equipment	0.49	-	The Petitioner submits that the SAS system is used for operation & maintenance of switch yard equipment & real time power flow monitoring. The earlier SAS system, which was under the use since COD of the plant was not functioning as per the requirement due to lower version. Accordingly, the Petitioner had procured the upgraded version of SAS system to ensure efficient operation of switch yard version. In addition to that, thermal imager had been procured for monitoring the switchyard equipment, as it was not available earlier. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	The petitioner replaced the old SAS system with an upgraded version to ensure efficient operation of switch yard. Considering the importance of the SAS system, the capitalisation can be allowed if the gross value of the old asset is deducted from the original capital cost. In the instant claim, the petitioner has not submitted details of gross value of old asset nor deducted the same from original capital cost as required under Regulation 5.2.7 (ii) of Tariff Regulation 2011. In view of above, the additional capitalisation is not allowed.
6.	Crain, Hoist & Other Miscellaneous asset	1.00	-	The Petitioner submits that the electrical hoist had been purchased for lifting the heavy equipment in the crusher house. The said asset had been procured because it was not available in the plant. Therefore, for efficient operation, the expenditure towards the said asset had been incurred. Similarly, the Petitioner had incurred the Rs. 0.08 Crore towards the other miscellaneous assets, which were essential for efficient and successful operation of the generating station. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	The petitioner has submitted that electrical hoist has been purchased for lifting the heavy equipment in the crusher house and the same was not available in the plant. It is also observed from the submission of the petitioner that against total claim of Rs. 1.00 crore, Rs. 0.08 crore was spent towards other miscellaneous assets without any details. That means, Rs. 0.92 (1.00 - 0.08) crore was spent towards electrical hoist. It is observed that the said electrical hoist is an essential component for running of the power station, therefore, it has been clarified by the petitioner whether same is procured as replacement of the existing asset. In view of the above, Rs. 0.92 crore is not allowed for capitalisation. Further, in absence of any details in respect of miscellaneous assets, the capitalisation of Rs.0.08 crore has not been allowed.
	TOTAL	20.48	0.42		



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Annexure – 4F

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2021-22

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Ash Handling System	0.13	0.13	The MOEF's advice to install a Dust Suppression System signifies a crucial step towards aligning APNRL's operations with the latest environmental regulations. The petitioner has claimed the above expenditure under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011	The petitioner has claimed add-cap for installation of Dust Suppression System at a cost of Rs. 0.13 crore following MOEF advice. The Dust Suppression System is considered an important component of Ash Handling System of a power station, which, as the petitioner submitted, significantly reduces airborne dust particles generated during various operations within the plant. In view of the above, the Commission allow capitalisation of the same under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
2.	Coal Handling System	0.17	-	The installation of a robust Weigh Bridge Foundation, along with accompanying Retaining and Guard Walls, was an investment that holds paramount importance in ensuring the smooth and efficient operation of thermal plant. The foundation, retaining wall, and guard wall collectively form a sturdy base for the Weigh Bridge, providing essential stability and support for accurate weight measurement. In addition to the above, the shift from 12-wheel tippers to 14- wheel tippers represents a significant advancement in transportation capacity. The longer body length of the 14-wheel tippers necessitated the extension of the Truck Tippler Platform to ensure seamless unloading and loading operations. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	The petitioner has submitted that the expenditure had been incurred for construction of foundation for weight bridge along with accompanying Retaining and Guard wall, which according to the petitioner, is of paramount importance for smooth and efficient operation of the power plant. The petitioner has also mentioned about the significant advancement in coal handling from 12-wheel tippers to 14- wheel tippers for which Rs. 0.69 crore and Rs. 0.60 crore were claimed as add-cap in FY: 2018-19 and FY: 2019-20 respectively. In absence of detailed justifications in support of the claim the Commission is not inclined to allow expenditure incurred for construction of foundation of the Weigh Bridge under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
3.	DM Water Plant	0.05	-	Boilers that generate steam to power turbines require high-pressure boilers and therefore more complex feed water treatment system to remove as many impurities like as possible. The DM Water Plant significantly enhances the quality of water used in thermal plant's processes. This, in turn, resulted in reduced scaling, corrosion, and fouling of critical equipment such as boilers, turbines, and heat exchangers. Hence, the	The petitioner has not submitted details of expenditure which has been incurred for DM Water Plant. In absence of such details, the claim of Rs. 0.05 core is not allowed for capitalisation.



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Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
				aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	
4.	Fuel Oil Handling & Storage	0.08	0.08	Fuel oil is a crucial component in power generation process. Ensuring its quality during storage is essential to prevent the accumulation of moisture, which can lead to corrosion and degradation of fuel quality. The investment in improved fuel oil handling and storage facilities directly contributes to preserving the integrity of fuel, resulting in better combustion efficiency and reduced emissions. The Governing valve system relies on hydraulic oil for efficient operation. The presence of moisture in hydraulic oil can lead to accelerated wear and tear, affecting the performance and longevity of the governing valve. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	From the submission of the petitioner it is observed that the expenditure has been incurred for creating a storage facility for Fuel Oil at a cost of Rs. 0.08 crore. Considering the above submission of the petitioner, the same is allowed for capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011
5.	Other Ready Assets	0.52	-	To enhance the working efficiency of support services and smooth & safe movement of employees, the Petitioner has purchased / some assets like vehicles, replaced the IT equipment.	The petitioner has submitted that for smooth and safe movement of employees some vehicles have been procured. In addition, the petitioner has also submitted that certain IT equipment as replacement has also been procured, though bifurcation of expenditure under these two heads has not been furnished. Items like personal computer as part of IT equipment, being minor items, are not allowed to be capitalised after cut-off date as per Regulation 5.2.3 of Tariff Regulation, 2011. Moreover, in absence of necessary break-up of expenditure for vehicle and IT equipment, the Commission is not inclined to allow any additional capitalisation under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
6.	Workshop, Laboratory	0.47	0.47	To ensuring the quality of coal, some testing equipment had been purchased by the Petitioner and expenditure towards the same has been claimed. Hence, the aforesaid expenditure was necessary for the efficient and successful operation of the generating station.	The petitioner has submitted certain testing equipment had been purchased for sampling of coal. Since, sampling of coal is essential for determination of GCV which in turn would help to ascertain the fuel cost, hence the expenditure is allowed to be capitalised under Regulation 5.2.2 (iv) of WBERC Tariff Regulations 2011.
	TOTAL	1.42	0.68		



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Annexure – 4G

ADDITIONAL CAPITAL COST CLAIMED VIS-À-VIS ALLOWED DURING FY: 2022-23

Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
1.	Ash Handling System	0.43	-	Assembly of Blowers needs replacement after 8 to 9 years of usage. Keeping the continuous running of blower since inception in mind, it is required to procure main shaft assembly of Pump Assembly in order to avoid major breakdown/emergency due to failure on account of unbalance/high vibration etc. Accordingly, APNRL has planned to incur expenditure for ensuring efficient and successful operation of the generating station	From the justifications submitted by the petitioner, it transpires that the main shaft assembly is slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, we are not inclined to allow add-cap under this head.
2.	Coal Handling System	1.36	-	Life of Flap gate, belt and other spares is approx. 7-10 years which are working continuously for last ~ 10 years and hence these spares are required in order to avoid any failure and ensure availability of the station. Accordingly, APNRL has planned to incur expenditure to procure the same for ensuring efficient and successful operation of the generating station.	From the justifications submitted by the petitioner, it transpires that the main shaft assembly is slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalisation is not allowed.
3.	Other ready Assets (Vehicle & Others)	1.53	1.53	To enhance the working efficiency of support services and smooth / safe movement of employees, the Petitioner has purchased / plans to purchase some assets like vehicles and has claim the expenditure towards the same. Therefore, the expenses are justifiable and required for efficient and successful operation of the generating station.	The petitioner seeks to procure some assets like vehicle etc. to enhance the working efficiency of support services and smooth/safe movement of employees. The capitalisation is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
4.	Steam Generator island	3.82	-	PA Fan is running since last 10 years after commissioning of the project. Keeping the continuous running of fan, it is required to procure main shaft assembly of PA fan to avoid major breakdown/ emergency. Accordingly, APNRL has planned to incur expenditure to procure the same for ensuring efficient and successful operation of the	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7



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Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
				<p>generating station.</p> <p>Also both Units are running since last 10 years. As the flue gas velocity is higher in LTSH Zone, these parts are prone to erosion. Because of high erosion prone it is must for APNRL to keep one set of LTSH coils in inventory so that the same can reduce the time of outage which leads to efficient and successful operation of the generating station.</p> <p>The Petitioner submits that, the plant is operated through DCS system (Automated control system). The present hardware was supplied by OEM (Original Equipment Manufacturer) during project phase in 2011-12 are outdated and operating system is windows XP which has become obsolete and there is no service backup. System can be crashed due to virus attack. Accordingly, APNRL has planned to incur expenditure to update the system for ensuring efficient and successful operation of the generating station.</p>	<p>(ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalisation is not allowed as of now.</p>
5.	Transformer, switch gear and cables	1.57	-	<p>Discharge resistor is required for safe battery capacity testing to avoid unforeseen damage and provide quality power backup and require power for IT infrastructure/systems installed in the control system to ensure continuous data transfer. Similarly, Generator terminal bushing is critical spare of generator. It is long lead time item and takes month to manufacture new one in case of failure. Therefore, this expenditure is necessary for ensuring efficient and successful operation of the generating station and could not have been dispensed with.</p> <p>Other than above, some expenditures are proposed for procurement of the Relays for Electrical equipment support for avoiding unexpected outage considering the ageing of relays. Life of these relays is limited (8-10 years) and few of the installed relays are malfunctioned in recent periods. Therefore, existing relay may create the problem due to ageing and these relays are required for maintaining the system during emergency.</p>	<p>From the justifications submitted by the petitioner, it transpires that the item is slated to be procured to avoid major breakdown. As mentioned, the replacement of this component with long lead time of procurement is considered essential to maintain the norms of operational parameters. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered for capitalisation only "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalisation is not allowed.</p>
vi.	Turbine generator island	2.41	-	<p>Life of HVAC CT Fan Spare is approx. 05-08 years. Similarly, Life of actuator is approx. 08-10 years</p>	<p>From the justifications submitted by the petitioner, it transpires that the item is slated to be procured to avoid major</p>



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Sl. No.	Item of Add- Cap	Claimed (Rs. Crore)	Allowed (Rs. Crore)	Petitioner's justification	Observation of the Commission
				considering the wear and tear during the operations. Further, the same belongs to long lead item group which require long procurement time. Besides, the actuator is also a very critical part of the Turbine and in case of any failure of this part a major breakdown can happen for longer period of time. To avoid any such major breakdown, it is required to procure inventory for ensuring efficient and successful operation to the generating station.	breakdown. As mentioned, the replacement of this component with long lead time of procurement is considered essential to maintain the norms of operational parameters. However, it is also noted that as per the Regulation 5.2.7 (ii) of Tariff Regulation, 2011 such additional work/services should be considered for capitalisation only "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalisation is not allowed.
vi.	Workshop Laboratory	0.55	-	To ensure the quality of coal, some testing equipment is purchased by the Petitioner and expenditure towards the same has been claimed.	In absence of details of testing equipment proposed to be procured for ensuring the quality of coal, the same is not allowed.
	TOTAL	11.66	1.53		



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CHAPTER – 5 OPERATING NORMS, VARIABLE COST AND EXPENDITURE

5.1 An examination of the operating norms and the projected fuel cost claimed by the petitioner (APNRL) for the year 2022 – 2023 of seventh control period under different heads for the generating station has been taken up in this chapter.

5.2 Operating Norms:

The operating norms claimed / proposed by the petitioner are analyzed considering the principles specified in schedule 9D of the Tariff Regulations for new generating stations vis-à-vis admitted by the Commission are as below:

Table – 4: Admissible Operating Parameters

SI No	Operating parameters	Claimed	Admitted
1	Plant Availability Factor (PAF)	85%	The normative PAF is admitted as 85% following the provisions of paragraph A (5) of Schedule 9D of Tariff Regulations.
2	Plant Load factor (PLF)	85%	The Commission decides to admit normative PLF as 80%, similar to other thermal plants following the A (4) of Schedule 9D of Tariff Regulations
3	Auxiliary consumption	9%	This Commission admits normative auxiliary consumption rate at 9% as allowed in para A (3) of Schedule 9D of the Tariff Regulation, 2011 for thermal generating stations of 9% for 200 MW series with Induced Draft Cooling Tower.
4	Gross Station Heat rate	2387 kCal/kwh	The normative Gross Station Heat rate is determined as per the formula specified in para-A (1) (a) of Schedule 9D of Tariff Regulations as below: $GSHR = 1.065 \times \text{Design Heat rate}$ $= 1.065 \times 2241.06$ $= 2387 \text{ kCal / kWh}$
5	Secondary fuel oil consumption	1.0 ml/kwh	The normative secondary fuel oil consumption is admitted as 1.0 ml/kwh following the provisions of paragraph A (2)(a) of Schedule 9D of Tariff Regulations.



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5.3 Fuel Cost – Coal

Petitioner's submission

APNRL projected fuel cost for its generating station of Rs. 1107.59 crore for 2022 – 2023 in Form 1.11, 1.12 and in Form E(B).

In the tariff application for the year 2022 – 23, APNRL has proposed fuel cost on the basis of projected plant load factor and norms of auxiliary consumption rate, oil consumption rate, station heat rate and transit and handling losses of coal for determination by the Commission in this order. Proposing fuel cost for the year 2022-23, APNRL has projected price based on coal procured from CIL and other sources supported by the Invoice indicating rates, cess, duties, freight and other associated charges and also the recent bill of secondary fuel oil furnished in the instant petition. It has also been stated by APNRL that the extent of increase in fuel cost during the year 2022-23 cannot be accurately projected at present and can only be accounted for on actual basis, and as such, no increase in coal price has been projected. While proposing fuel cost for the year 2022-23, APNRL has considered the same cost as actual for last three consecutive months of previous year i.e., January 2022, February 2022, and March 2022 during the submission of the petition and the latest bill of secondary fuel oil furnished with the petition. APNRL submitted that at present, there is no regular long-term FSA or allotment of coal under the SHAKTI scheme for this PPA (PPA between APNRL and PTC, PSA between PTC and WBSEDCL through a back-to-back basis). APNRL further submits that post-de-allocation of coal block pursuant to Supreme Court judgment, APNRL has been relying on the coal available in the CIL-sponsored spot auctions and balance requirements from other open markets.

It has been further submitted by the petitioner that indigenous coal both procured from CIL and open market were used during FY: 2021-22. Regarding e-auction / open market purchases the petitioner has stated that the auction route driven by the demand is price sensitive and premium is payable as reserve price coal for e-auction from domestic collieries. Hence, other than spot auction etc. the fuel was arranged from market sources at competitive price.



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In the statement submitted under affidavit on 7.9.2023 duly certified by the Auditor, it is observed that out of total 1431125 MT of coal procured during FY: 2021-22, the Auction Coal was to tune of 1229140 MT (86%) and the Balance Coal was shown as 201985 MT (14%).

While different grades of coal (with varying GCV) have been mentioned in respect of Auction Coal sourced from CCL, BCCL and MCL during FY: 2021-22, however, grades of coal in respect of purchase of coal from open market (ACB, TATA and Others) have not been provided. Instead, the GCV of individual grade of coal as a whole has been furnished duly certified by the auditor. The Average Coal price and GCV of Coal, both Auction and Balance Coal (Coal from Open Market), used during FY: 2021-22 as submitted by the petitioner vide affidavit dated 7-9-2023, are as follows:

Table – 5: Auction Coal - As claimed

	Unit	CCL		BCCL	MCL		
		G-11	G-13	G-8	G-12	G-13	G-14
		19%	13%	2%	3%	32%	31%
Quantity received	MT	235644	158707	19841	36368	397233	381346
Amount charged by coal company	Rs./MT	1958.45	1693.55	2872.69	3151.65	1966.77	2003.63
Handling, sampling etc.	Rs./MT	18.89	19.50	4.16	51.22	68.05	52.44
Total		1977.34	1713.05	2876.85	3202.87	2034.82	2056.07
Transportation Cost							
Rail	Rs./MT	754.86	839.33	680.68	1173.61	932.59	915.69
Road	Rs./MT	190.88	226.16	188.31	154.73	270.37	237.44
Total	Rs./MT	945.74	1065.49	868.99	1328.34	1202.96	1153.13
Total Coal Cost	Rs./MT	2923.08	2778.54	3745.84	4531.21	3237.78	3209.20
GCV as received	kCal/Kg.	3137.49	3174.95	3481.02	3805.69	3072.54	2990.18

Table – 6: Balance Coal - Coal from Open Market – As claimed

	Unit	Others	ACB	TATA
Quantity received	MT	10751	11494	179740
Amount charged by coal company	Rs./MT	4295.54	997.50	2313.57
Handling, sampling etc.	Rs./MT	-	303.87	-
Total			1301.37	-



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	Unit	Others	ACB	TATA
Transportation Cost				
Rail	Rs./MT		1186.95	-
Road	Rs./MT	-	70.93	759.65
Total Coal Cost	Rs./MT	4295.54	2559.25	3073.22
GCV as received	kCal/Kg.	3190.64	2140.51	3399.55

5.4 Commission’s Analysis

From the submission of the petitioner, it is observed that in absence of any long-term FSA with CIL by way of allotment or SHAKTI scheme, petitioner entirely depends on e-auction coal and other market sources. The availability of quality and price of coal in e-auction market and open sources are quite volatile and depends upon demand supply scenario on real time basis. The Commission does not find it prudent to determine fuel cost based on such uncertain price & quality for entire coal quantum. Moreover, as the period has been over, the Commission decides to determine the fuel price based on CIL notified price and considering the coal mix and other costs as per the proposed coal mix from different e-auction grade of coal. Any variation of actual coal price vis-à-vis coal mix in real time shall be duly considered during annual Fuel and Power Purchase Cost Adjustment (FPPCA). The Commission further observes that, the petitioner has recently participated for coal under SHAKTI scheme to supply power to WBSEDCL and has accordingly amended its PPA on 29.02.2024. This will certainly reduce the applicable fuel cost.

Thus, the admissible weighted average coal price and heat value are as below:

Table – 7: Admissible Weighted Average Price and Heat Value of Coal

Particulars	Unit	CCL		BCCL	MCL		
		G-11	G-13	G-8	G-12	G-13	G-14
Coal mix	%	19%	13%	2%	3%	32%	31%
Mid Value of GCV	kCal/kg	4150	3550	5050	3850	3550	3250
Coal price							
Notified price by CIL	Rs./MT	974	835	1489	904	835	765
Handling, sampling etc.	Rs./MT	18.89	19.50	4.16	51.22	68.05	52.44
Royalty, sizing, GST, Cess etc.	Rs./MT	863	740	1320	802	740	678
Total Coal Price		1855.89	1594.5	2813.16	1757.22	1643.05	1495.44



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Particulars	Unit	CCL		BCCL	MCL		
		G-11	G-13	G-8	G-12	G-13	G-14
Transportation Cost							
Rail	Rs./MT	754.86	839.33	680.68	1173.61	932.59	915.69
Road	Rs./MT	190.88	226.16	188.31	154.73	270.37	237.44
TOTAL Transportation Cost	Rs./MT	945.74	1065.49	868.99	1328.34	1202.96	1153.13
TOTAL – Landed price	Rs./MT	2801.63	2659.99	3682.15	3085.56	2846.01	2648.57
Weighted avg cost of coal	Rs./MT	2776.10					
Weighted average GCV	kCal/Kg.	3610.00					

5.5 Average Price of Oil

APNRL has estimated average price of secondary oil as Rs. 99996.87 per K. Liter with heat value of 9350 kCal/liter for the year 2022-23 based on the recent oil purchase bills. APNRL has also submitted copies of the bills along with the petition. The Commission considers the same.

Table – 8: Price and Heat Value of Oil

Particulars	Unit	Projected by APNRL	Admitted by WBERC
		2022-23	2022-23
Average Price of Oil	Rs/KL	99996.87	99996.87
Heat Value of oil	Kcal/L	9350.00	9350.00

5.6 On the basis of above average price of coal and average price of oil and as per above heat value of fuel and normative parameters, the allowable fuel costs is computed as Rs. 75933.73 lakh against the claim of Rs. 110758.51 lakh. The detailed computations are shown in the tables at Annexure – 3A as enclosed to this chapter. In view of normative sent out generation energy charge rate are determined as below:

Table – 9: Energy Charge Rate

Sl. No.	Item	Unit	CLAIMED	ADMITTED
			2022-23	2022-23
1	PLF Considered	%	85	80
2	Total Fuel Cost	Rs. Lakhs	110,758.51	75933.73
3	Ex Bus generation	MU	3,658.96	3443.73
4	Energy Charge Rate	Paisa/kWh	302.70	220.50



ANNEXURE – 5A
COMPUTATION OF FUEL COST FOR THE YEAR 2022-23

Sl. No.	Item	Unit	CLAIMED	ADMITTED
			2022-23	2022-23
1	Gross Generation	MU	4,020.84	3784.32
	Aux rate	%	9.00	9.00
2	Auxiliary consumption	MU	361.88	340.59
3	Ex Bass generation (3=1-2)/	MU	3,658.96	3443.73
4	Station Heat Rate	Kcal/kWh	2,387.00	2,387.00
5	Total Heat Required (5=1x4)	M Kcal	9,597,745.08	90,33,171.84
6	Heat Value (GCV) of Oil	Kcal/Ltr.	9,350.00	9,350.00
7	Specific Oil Consumption	MI/kWh	1.00	1.00
8	Oil Consumption (8=1x7)	KL	4,020.84	3784.32
9	Average Price of Oil	Rs./KL	99,996.87	99,996.87
10	Cost of Oil [10=(8x9)/100000]	Rs. Lakhs	4,020.71	3784.20
11	Heat generated from Oil [11=(6x8)/1000]	M Kcal	37,594.85	35,383.39
12	Heat from Coal (12=5-11)	M Kcal	9,560,150.23	89,97,788.45
13	Heat Value of Coal	Kcal/Kg	3,157.07	3490.00
14	Coal Required [14= (12x1000) /13]	MT	3,028,170.82	25,78,162.88
15	Coal required considering Transit Loss @0.80%	MT	3,052,396.18	25,98,954.52
16	Weighted Average Price of Coal	Rs./MT	3,496.85	2,776.10
17	Cost of Coal [17=(15x16)/10000]	Rs. Lakhs	106,737.79	72,149.53
18	Total Fuel Cost (18=10+17)	Rs. Lakhs	110,758.51	75,933.73
19	Ex-Bus Energy Charge [(18/3) x 10]	Paisa/kWh	302.70	220.50



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CHAPTER - 6 FIXED COST

- 6.0 The analysis of the fixed charges projected by APNRL for the year 2022 – 2023 under seventh control period under the Multi Year Tariff approach under different heads of accounts has been taken up in this chapter considering the Capital Cost determined in Chapter-4.
- 6.1 **Debt Equity (DE) ratio**
- 6.1.1 The petitioner submitted that overall Debt/equity ratio of the project as on COD had been 73.24:26.76, with subsequent add-cap funded in the ratio of 70:30. Pursuant to the Strategic Debt Restructuring (SDR), Joint Lenders Forum (JLF) approved conversion of debt into equity, which has been approved by the Board of Directors of the petitioner company on 22.6.2016. Consequent upon the SDR, the DE ratio for FY: 2016-17 stood at 55.35:44.65. However, the petitioner has claimed DE ratio of 70:30 for FY: 2022-23 as per Tariff Regulation, 2011.
- 6.1.2 The petitioner has submitted Annual Accounts for FY: 2021-22. It is observed from the Balance Sheet as on 31.3.2022, the position of share capital (Issued, subscribed and fully paid-up) stood at Rs. 177.91 crore (with no free reserve), consequent upon the reduction in number of equity shares from 118,60,40,732 shares as on 31.3.2021 to 17,79,05,970 shares as on 31.03.2022.
- 6.1.3 Taking the allowable additional capitalization for Rs. 1.53 crore during 2022-23, the capital cost as on 31.3.2023 comes to Rs. 3280.54 crore. With no free reserve as on 31.3.2022 and 31.3.2023, entire funding of the asset value of Rs. 1.53 crore is considered through loan.
- 6.2 **Fixed Charges as per ARR**

As per the West Bengal Electricity Regulatory Commission (Terms and conditions for determination of Generation Tariff), Regulations, 2011, with subsequent amendments, the fixed charges in the ARR of the generating station comprises of the following elements:



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- Interest on borrowing
- Return on Equity
- Operation and Maintenance Expenses
- Employee cost
- Depreciation
- Interest on working capital
- Advance against Depreciation/ Interest Credit

In the following paragraphs, the petitioner has explained the rationale for calculating the fixed cost components. The observation of the Commission against each item is given as well:

6.2.1 Interest on borrowings

6.2.1.1 The petitioner at para 5.4 (Table-3) of the petition has shown Rs. 1315.45 crore as closing loan balance as on 31.3.2022. The petitioner also mentioned that as per Tariff Regulation, the actual loan balances as per Book of Accounts is considered. The petitioner has stated that in order to tide over the critical financial crisis leading to non-payment of repayable debt and interest thereof, the petitioner has resorted to Strategic Debt Restructuring (SDR) with conversion of loan into equity. As a result, considering claimed capital cost i.e. Rs. 3362.31 crore as on 31.3.2022, 70% of the same has been considered by the petitioner as gross opening loan amounting to Rs. 2353.62 (70% of 3362.31) crore.

6.2.1.2 The petitioner at para 5.5 of the petition has mentioned that as per Books of Accounts of the petitioner company, the outstanding interest bearing loan balances as on 31.3.2022 is to the tune of Rs. 1897.98 crore. However, the petitioner has considered cumulative repayment till 31.3.2022 amounting to Rs. 1038.17 crore, thus, for the purpose of tariff, the net opening loan of Rs. 1315.45 (2353.62-1038.17) crore as on 31.3.2023 has been taken into account by the petitioner. It is also observed that the petitioner has not submitted the position of repayment of loan, but instead considered depreciation as repayment. Based on the average loan of Rs. 1263.94 crore, Rs. 113.76 crore has been claimed by the petitioner towards interest



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on borrowings @9%, calculated after adjustment of cumulative repayment and proportionate add-cap till 31.3.2023.

6.2.1.3 Against the above claim of the petitioner, the outstanding loan as on 1.4.2014 is worked out as Rs. 2299.93 crore applying debt equity ratio as on COD as claimed by the petitioner on cash capital cost. The outstanding loan as worked out below is considered by the Commission considering loan addition at same ratio on the admissible asset addition and liabilities discharged during the years as considered under chapter-4 of this order. For repayment of loan, one tenth of the opening balance of loan for each financial year commencing from FY: 2014-15 to FY: 2021-22 has been considered by the Commission. For the year 2022-23, as discussed in paragraph 6.1.3 entire capital addition is considered through loan. Thus, year-wise total opening and closing balance as also repayments of loan are as follows:

Table – 10: Year-wise Opening and Closing position of Loan from FY: 2014-15 to FY: 2021-22 (Rs. Lakh)

DEBT	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Position of Debt - Opening	229993	213458	191917	172897	156466	141342	127972	115589	104742
Add: During the year	6464	-195	171	860	522	764	414	712	153
Less : Repayment (one tenth of opening loan)	22999	21346	19192	17290	15647	14134	12797	11559	10474
Closing Balance	213458	191917	172897	156466	141342	127972	115589	104742	94421

6.2.1.4 The lender wise details of weighted rate of interest projected by the petitioner during the FY 2022-23 are depicted in the table below:

Table – 11: Weighted average Interest rate for FY 2022-23

SL NO.	Source	Weighted Average Interest Rate
1	Edelweiss Asset Reconstruction Co. Ltd.	9.00%
2	Life Insurance Corporation	9.00%
Weighted Average		9.00%

6.2.1.5 In addition, the petitioner has submitted Form 'C'- Loan details considering weighted average rate of interest of 9% as above. Accordingly, the weighted average rate of interest of 9% is considered for the purpose of tariff.



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6.2.1.6 The interest on loan as allowed in the tariff is calculated as follows:

Table – 12: Interest on Loan allowed for FY: 2022-23 - Rs. Lakh

Net opening loan as on 1.4.2022	104742.00
Add: Loan addition due to add-cap	153.00
Less: Repayment during FY: 2022-23	10474.00
Closing Loan as on 31.3.2023	94421.00
Average Loan $[(\text{Opening} + \text{Closing})/2]$	99581.00
Rate of Interest	9%
Interest on Loan (IOL)	8962.32

6.2.1.7 APNRL in its APR petition shall furnish details of year-wise actual loan draw along with repayment of principal excluding interest due and interest actually paid, penal interest, if any, from COD till 31.3.2023 duly certified by the auditor.

6.2.2 Return on Equity

The petitioner has considered Rs. 1008.69 crore as opening equity for FY: 2022-23, which is 30% of capital cost considered for tariff amounting to Rs. 3362.31 crore as on 31.3.2022. However, the provisional Balance Sheet as on 31.3.2023 submitted along with the petition shows that actual equity as on 31.3.2023 stood at Rs. 17791 lakh with Other Equity (Free Reserves) at (-) Rs. 924.57 crore. Thus, no free reserve is available which can be considered as equity. Accordingly, ROE is to be calculated considering Equity Capital as per Books only.

The first proviso of Regulation 5.4.2 of Tariff Regulation, 2011 states that “where actual equity employed is less than 30%, the actual equity shall be considered for determination of return on equity in tariff computation.”

Accordingly, in line with the above regulatory provision, the actual equity as shown in the Balance Sheet of the Company amounting to Rs. 17791 lakh as on 31.3.2022 has taken as closing balance of equity for FY: 2021-22. With no addition to equity during FY: 2022-23, the position of equity as on 31.3.2023 stands at Rs. 17791 lakh. Thus, the Return of Equity of Rs. 2757.61(17791 x 15.5%) lakh is allowed in FY: 2022-23.



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6.2.3 Operation and Maintenance (O&M) Expenses

6.2.3.1 As per the Tariff Regulations, the O&M expenses comprises of:

- Repair and Maintenance Expenses (R & M)
- Administrative and General expenses, which further comprises of:
 - Rent and lease charge for asset
 - Legal Charges
 - Auditor's expense
 - Other charges

6.2.3.2 The WBERC Tariff Regulations, 2011, does not provide specific norms of O&M for new stations. However, as per Para 7 of schedule 9D, the Hon'ble Commission will examine the submission subject to the ceiling of such expenses as determined for Sagardighi Thermal Power Station (2 X 300 MW) for the relevant year. The respective regulation is reproduced herein below:

"7) Operation and Maintenance (O&M) Expenses

The normative O&M expenses of a new coal fired thermal generating stations as a whole or part of it or of an already existing coal fired thermal generating stations due to addition of any new unit, which is/are not covered in Schedule-9A, the normative O&M expenses shall be as may be determined by the Commission, on consideration of facts and figures submitted to it, subject to a ceiling that may be provided for Sagardighi Thermal Power Station for that relevant year and also subject to other conditions under these regulations." (Emphasis Supplied)

6.2.3.3 APNRL has claimed O&M expense for 2022-23 as Rs. 7425.00 lakh by applying an annual hybrid inflation of 9.85% over and above the actual O&M expense of Rs. 6759 lakh incurred by them in the year 2021-22. Since the tariff for the station is to be determined for the first time by this Commission, APNRL requested the Commission to consider the actual O&M cost as per books of accounts for FY 2021-22 as the base year expenses. It is submitted that, in terms of the Tariff Regulations, the petitioner has excluded the expenditure for contractual manpower from audited O&M expenses of Rs. 1294 lakh in 2021-22 to arrive at the base O&M expense of 6759 lakh.



The Commission's view on O & M Expenses

6.2.3.4 The submission of the petitioner has been examined. It is also noted that as per Serial no. 7 of schedule 9D, the Commission shall examine the submission subject to the ceiling of such expenses as determined for Sagardighi Thermal Power Station (2x300) – Stage 1. Vide order dated 26.7.2022 in Case No. TP-95/20-21, O&M expenses amounting to Rs. 5596.40 lakh has been allowed for FY: 2022-23 in respect of Sagardighi Thermal Power Station. Accordingly, the following O&M expenses have been allowed to the petitioner for FY: 2022-23.

Table – 13: O&M Expense Allowed for FY 2022-23

Particulars	Rs. Lakh
Normative O&M Sagardighi Thermal Power Station (2x300 MW) – Stage 1.	5596.00
Prorated O&M expense admissible for (2x270 MW) plant	5037.00
O&M Expense claimed by APRNL	7425.00
O&M Cost allowed	5037.00

6.2.4 Employee Cost

6.2.4.1 The petitioner has submitted details of employee cost in the prescribed Form – 1.17(h) duly certified by the Auditor. From the books of account for FY 2021-22 for the Petitioner, the annual growth rate of employee cost from FY 21 to FY 22 has been ~10.72%. The details of employee cost for FY 2020-21 and FY 2021-22 is shown below:

Table – 14: Details of Employee Cost for FY 2020-21 and 2021-22 – Rs Lakh

Particulars	FY 2020-21	FY 2021-22
Salaries and Wages	2838.00	3135.00
Bonus/ex-gratia	0.00	0.00
Contribution to PF & Other funds	79.00	95.00
Welfare Expenses	0.00	0.00
Total (Own Employee)	2917.00	3230.00

6.2.4.2 The petitioner has used the escalation of 10.72% $((EC(FY22)-EC(FY 21))/EC(FY21))$ over the employee cost of FY 2021-22 for projection of employee cost for FY 2022-



23. The breakup of Employee expenses claimed for 2022-23 by the petitioner including own employees and contractual manpower cost are as below:

Table – 151: Projected Employee cost for FY 2022-23

Particulars	UoM	FY 2022-23
Salaries and Wages	Rs. Lakh	3471.00
Bonus/ex-gratia	Rs. Lakh	0.00
Contribution to PF & Other funds	Rs. Lakh	105.00
Welfare Expenses	Rs. Lakh	0.00
Total (Own Employee)	Rs. Lakh	3576.00
Contractual Manpower Cost	Rs. Lakh	1433.00
Total	Rs. Lakh	5009.00
Employee for APNRL (As per 1.3 Man/MW)	Nos	702
Employee cost for APNRL	INR. Lakhs/Man	7.14

6.2.4.3 The petitioner vide supplementary affidavit dated 19.9.2023 has submitted revised statement duly certified by the auditor incorporating the total number and cost in respect of own employees and employees on contract from FY: 2017-18 to 2022-23, which are as follows:

Table – 16: Employee Cost from FY 2017-18 to FY 2022-23

Particulars	UoM	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Number of Employees (Own)	No.	407	434	438	432	438	435
Number of Employees (Own)	No.	278	273	273	276	276	277
Number of Employees – TOTAL	No.	685	707	711	708	714	712
Total own employee cost	Rs. Lakh	2014.55	2397.01	2801.66	2917.02	3229.80	3538.76
Total contractual employee cost	Rs. Lakh	893.81	996.08	1063.65	1256.89	1293.60	1456.00
Own employee cost per employee	Rs. Lakh	4.95	5.52	6.40	6.75	7.37	8.14
Contractual employee cost per employee	Rs. Lakh	3.22	3.65	3.90	4.55	4.69	5.26

The Commission's view on Employee Expenses

6.2.4.4 As per Para 8 of Schedule 9D of the WBERC Tariff, Regulation, 2011, the Man/MW ratio for new generating unit is provided a ceiling of 1.3. Thus, maximum number of manpower admissible becomes 702 number which includes own employee as well as contractual manpower under regular establishment. The Commission decides to



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reduce the excess manpower from contractual employees to match the overall limit specified in terms of the Tariff Regulations. Thus, 435 number of own employee and 267 number of contractual manpower is considered.

6.2.4.5 To determine the employee cost admissible for 2022-23, CPI inflation of 6.10% (CPI Industrial Worker for 2022 – 23 as per Annual Report of RBI) is applied over the actual per employee cost incurred in 2021-22 for both own employee and contractual manpower. Further in terms of Tariff Regulations, director's fees is also added to the admissible employee cost. Accordingly, the employee cost for 2022-23 is admitted as below:

Table – 17: Employee Cost: Claimed vis-à-vis allowed during FY 2022-23

Particulars	UoM	FY: 2021-22	FY: 2022-23	
			Claimed	Allowed
Number of Employees (Own)	No.	438	435	435
Number of Employees (Contractual)	No.	276	277	267
Number of Employees – T O T A L	No.	714	712	702
Own employee cost per employee	Rs. Lakh	7.37	8.14	7.82
Contractual employee cost per employee	Rs. Lakh	4.69	5.26	4.98
Total own employee cost	Rs. Lakh	3229.80	3538.76	3401.70
Total contractual employee cost	Rs. Lakh	1293.60	1456.00	1329.66
Director's Sitting Fees	Rs. Lakh	-	-	21.00
Total Cost (Own + Contractual)	Rs. Lakh	4523.40	4994.76	4752.36

6.2.5 Depreciation

6.2.5.1 For the purpose of the present petition, the Petitioner has considered the capitalised cost as on 01.04.2022 for computation of depreciation as per WBERC MYT, Regulation, 2011.

6.2.5.2 As observed, the Petitioner in the instant petition has considered the captalised cost as on 1.4.2022 for computation of depreciation, after classifying the assets as per the depreciation schedule of the Tariff Regulations and has applied the rates prescribed therein to work out the depreciation. Based on the claim of the petitioner, the depreciation has been allowed considering capital cost as approved by this Commission as on 31.3.2022 and asset addition admitted for the year 2022-23. The depreciation so allowed has been shown below:



Table – 18: Depreciation allowed for FY 2022-23 – Rs. Lakh

Sl. No.	Particulars	FY: 2022-23
1.	Projected depreciation claimed in the petition	11938.00
2.	Projected asset for depreciation as claimed	340953.00
3.	Projected rate of depreciation claimed	3.50%
4.	Approved project cost as on 1.4.2022	327901.00
5.	Admissible asset addition during 2022-23	153.00
6.	Approved project cost as on 31.03.2023	328054.00
7.	Admissible depreciation for the year [Avg ((4) & (6)) x (3)]	11484.00

6.2.5.3 Hence, as against the claim of the petitioner for Rs. 11938 Lakh, the depreciation allowed for the purpose of tariff is Rs. 11484 Lakh.

6.2.6 Interest on working capital

6.2.6.1 As per WBERC MYT, Regulations, 2011, the interest on working capital shall be allowed on normative basis, on the working capital base determined as per regulation 5.6.5 of the Tariff Regulations.

6.2.6.2 Further, in line with the observation made by this Hon'ble Commission in Case No. SM-30/21-22, the rate of interest is considered as one-year Marginal cost of Fund based Lending Rate (MCLR) of the State Bank of India as on 1st April of the year, preceding the year for which the tariff is proposed to be determined plus 350 basis point. Accordingly, the interest rate comes to 10.5% (MCLR @7% as on 01-04-2021 plus 350 basis point).

6.2.6.3 In view of the above, the admissible interest on working capital for the year 2022-23 comes to Rs. 1056.06 lakh against claimed amount of Rs. 1481.00 lakh.

Table – 19: Interest on Working Capital for FY 2022-23

Sl No.	Particulars	(Rs. Lakh)	
		FY 2022-23	
		Claimed	Allowed
1	Annual Fixed Charge	170362.00	114819.18
2	Less: Depreciation	11938.00	11484.00
3	Less: Deferred revenue expenditure	0.00	0.00



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Sl No.	Particulars	FY 2022-23	
		Claimed	Allowed
4	Less: ROE	15689.00	2757.61
5	Less: Bad and doubtful debt	852.00	0.00
6	Less: Reserve for unforeseen exigencies	852.00	0.00
7	Allowable gross sales for working capital	141031.00	100577.57
8	Allowable working capital 10% of (7)	14103.00	10057.76
9	Rate of Interest	10.50%	10.50%
10	Interest on Working Capital	1481.00	1056.06

6.2.7 Advance against Depreciation / Interest Credit on depreciation

6.2.7.1 As per the regulation 5.5.2 WBERC MYT, Regulation, 2011, if the depreciation falls short of actual amount of loan repayment, then such short fall be allowed as an advance against Depreciation and such advance against depreciation shall be fixed to the 1/10th of the principal amount of original approved loans minus the amount of depreciation allowable under the regulation. Similarly, when the amount of depreciation is more than the amount of loan repayment an interest credit at the rate of weighted average cost of debt for the corresponding year needs to be adjusted on such excess depreciation charged.

6.2.7.2 The Commission has admitted depreciation of Rs 11484 lakh for FY 2022-23 . The Commission has also considered repayment of loan for Rs 10474 lakh for the year 2022-23 @ 1/10th of admissible loan. Thus, with rate of interest of 9% on the loan, the interest credit works out to Rs.90.90 lakh for 2022-23.

6.3 Other Charges

Other Charges comprises of:

- Water Charges
- Coal & Ash handling Expenses (Including Ash Transportation)
- Rent, Tax Levies etc.
- Insurance
- CSR
- Bad debt
- Reserve for unforeseen exigencies



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6.3.1 Water Charges

- 6.3.1.1 The petitioner in the petition has claimed the water charges for FY: 2022-23 as per the books of account for FY: 2021-22 and the same is subject to change as per demand raised by the WRD, State of Jharkhand in future. Annual escalation of 7.50% as provided by the Jharkhand Water Department Regulation, notification dated 01-04-2011 has been considered by the petitioner to derive the charges for FY: 2022-23. As stated by the Petitioner, since the matter is sub-judice before the Hon'ble Jharkhand High Court, therefore the Petitioner craves liberty to claim the expenditure as per books of account and in case there is any liability accruing out of the judgment, the Petitioner submits that he may be allowed to adjust the expenditure to the extent approved by the competent court. Accordingly, the Petitioner is claiming Rs. 22.82 Crore for the FY 2022-23 towards water charges.
- 6.3.1.2 WBSEDCL in their reply dated 7-6-2023 has contended that since no supporting documents viz. Government of Jharkhand order have been attached with the claim, hence the rate of Rs. 6.50 per KL allowed to DPL in order dated 16.7.2021 in Case No. TP-93/2020-21 may be allowed.
- 6.3.1.3 The matter has since been examined by the Commission. The petitioner vide letter dated 23.8.2023 has also been asked to submit the requisite information in this regard.
- 6.3.1.4 In reply the petitioner vide affidavit dated 7.9.2023 has inter alia submitted that payment of water charges based on the revised quantity of 17.6 MCM multiplied by the dam water rates applicable on an annual basis is made. It is further stated by the petitioner that in FY: 2022-23 against Rs. 45.26 crore calculated following billing method applied by Water Resources Department (WRD) of Govt. of Jharkhand, the amount accounted for by the petitioner in the Books of Accounts is Rs. 22.63 crore duly certified by the Auditor.
- 6.3.1.5 Further the petitioner vide affidavit dated 19.9.2023 has submitted the auditor's certificate from FY: 2018-19 to 2022-23 showing annual consumption of water as per billing method applied by WRD, Govt of Jharkhand and as considered by the petitioner which is half of the quantum billed by WRD. With regard to rate per cubic



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meter, the petitioner has applied 7.5% escalation over FY: 2021-22 of Rs. 11.97 per cubic meter. It is also seen from the monthly water charges bill for the month of February 2023 that the withdrawal of water was 593.684 MG. The water consumption bill for month of February, 2023 was Rs. 347.25 Lakh at the rate of Rs. 58492 per MG. In addition, Rs. 363 crore was paid on account of arrear payment and penalty, details of which are not elaborated in the said affidavit dated 19.9.2023.

- 6.3.1.6 As per Ministry of Environment and Forest & Climate Change (MoEF&CC) notification the thermal power station not located in the coastal region and not using sea water, shall achieve specific water consumption of 2.5 M³/MWh. Considering that the capacity of the power plant is 540 (270x2) MW, the specific water consumption per annum comes to 16.56 million Cubic Meter (MCM), which is 4586 million Gallon (MG). The rate applied by the Water Resources Department, Govt. of Jharkhand vide bill dated 19.4.2023 for the month of March 2023 annexed by the petitioner under affidavit dated 19.9.2023, is Rs. 58492 per MG. Thus, the annualized amount of water charges based on specific water consumption for the plant as per MOEF&CC notification comes to Rs. 2682 (Rs. 58492 per MG x 4586 MG) Lakh.
- 6.3.1.7 Based on the above discussion and keeping in view the disputes which inter alia includes sources of water (dam or river), actual consumption of water vis-à-vis contracted quantum of water, Rs. 22.63 crore (based on dam rate) based on the Auditor's certificate submitted vide affidavit dated 6.9.2023, is allowed for FY: 2022-23.
- 6.3.1.8 The petitioner is directed to submit the complete documentary evidences together with actual payment (with separate mention of penalty amount, if any) made to the WRD, GoJ in APR application duly certified by the Auditor, showing liability position separately. In addition, actual consumption of water vis-à-vis consumption of water as per MOE&F norms may also be indicated in the APR application.

Table – 20: Water charges claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
Water Charges	2282.00	2263.00



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6.3.2 Coal & Ash handling expenses (Including Ash Transportation)

- 6.3.2.1 The petitioner has submitted that as per the books of account for FY 2021-22, the Coal & Ash handling expenses (Including Ash Transportation) incurred was Rs. 24.25 Crore duly certified by the Auditor, which comprises of Rs. 19.35 crore and Rs. 4.90 crore on account of Ash Handling (including ash Transportation) Cost and Coal Handling expenses respectively.
- 6.3.2.2 The petitioner has further stated that the additional capital expenditure being incurred on account of Ash transportation from the generating stations of the Petitioner Company to the end user of ash, pursuant to the Notification dated 3.11.2009 and Notification dated 25.1.2016 issued by the Ministry of Environment, Forest & Climate Change (in short 'MOEF & CC') has already been recognized as a 'change in law' event by the Central Commission.
- 6.3.2.3 Vide letter dated 16.8.2023, the petitioner was asked to submit details of coal and ash handling expenses together with actuals for FY: 2017-18 to 2021-22 duly certified by the Auditor. In reply, petitioner vide affidavit dated 7.9.2023 has submitted that due to various reasons the coal handling expenses during FY: 2021-22 has gone up to Rs. 4.90 crore from Rs. 2.26 crore in FY: 2020-21 as certified by the Auditor. Based on the Auditor's certificate for FY: 2021-22, Rs. 4.90 crore is allowed on account of coal handling for FY: 2022-23, subject to true –up.
- 6.3.2.4 With regard to Ash Handling expenses, while quoting the MOEF notifications on 'Utilization of ash by thermal power stations', WBSEDCL in their comment dated 7-6-2023 has mentioned that the petitioner shall disclose all details regarding utilization and transportation of fly ash including distance of transportation, quantum of ash and rate of transportation of fly ash to be discovered only through competitive bidding etc. WBSEDCL also wanted the petitioner to submit documentary evidences in support of the claim.
- 6.3.2.5 In reply to the Commission's letter dated 16-8-2023 with regard to submission of details for Ash Handling expenses, the petitioner has submitted Auditor's certificate showing details of quantum (MT), distance and expenses from FY: 2017-18 to 2021-22 vide letter dated 7-9-2023. However, it is observed from the statement duly



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certified by the Auditor that the Ash Handling expenses (including ash transportation) per MT were Rs. 188.50, Rs. 215.08, Rs. 161.82, Rs. 58.53 and Rs. 303.75 during FY: 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 respectively. While there were ash transportation between 100 and 300 km during the FY: 2017-18 to 2019-20, but during FY: 2020-21 and 2021-22, the ash transportation was restricted to 100 km as certified by the Auditor. As per the numbers given in the Auditor's certificates from FY: 2017-18 to 2021-22, it is observed that the per MT cost of ash transportation in the FY: 2020-21 and 2021-22 were Rs. 58.53 and Rs. 303.75 respectively. These two numbers being extreme, it is prudent to take the numbers of FY: 2017-18, 2018-19 and 2019-20 for deriving the average transportation cost per MT to allow ash transportation cost for FY: 2022-23 on projected basis. Accordingly, taking Rs. 191.38 per MT being the average ash transportation cost for FY: 2017-18 to 2019-20, and applying CPI of 6.10% applicable for FY: 2022-23, the ash transportation cost for FY: 2022-23 comes to Rs. 203.05 per MT (Rs. 191.38 + 6.10% of Rs. 191.38). With average ash transportation for FY: 2017-18 to 2019-20 being 1160865 MT, the ash transportation cost for FY: 2022-23 comes Rs. 2357 lakh.

- 6.3.2.6 The total coal and ash handling expenses (including ash transportation) calculated above for FY: 2022-23 as Rs. 2847 (2357+490) lakh against Rs. 2549 lakh claimed by the petitioner. Accordingly, the claim of the petitioner for Rs. 2549 lakh towards coal and ash handling expenses (including ash transportation) is allowed on projected basis for FY: 2022-23, subject to submission of detailed information and documentary evidences duly certified by the Auditor at the time of true up.

Table – 21: Coal and Ash Handling Expenses claimed vis-à-vis allowed- Rs. Lakh

Particulars	Claimed	Allowed
Coal and Ash Handling Expenses	2549.00	2549.00

- 6.3.2.7 APNRL is directed to maintain a separate account for ash utilization and submit the details of the revenue generated from sale of ash duly certified by auditors.



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6.3.3 Rent rates & Tax Levies etc.

- 6.3.3.1 In terms of provisions of WBERC Regulations, rent rates & taxes are recognized as separate item of cost and categorized the same as uncontrollable. The Petitioner has claimed the expenses towards rent rates & tax levies based on the expenditure incurred as per the books of account for FY 2021-22 i.e. Rs. 2.10 Crore.
- 6.3.3.2 The petitioner has further submitted that the Hon'ble Commission has used the annual escalation as an average inflation rate giving weightage of 60:40 to WPI CPI, vide order no. TP-95/20-21 dated. 08-10-2021. Therefore, the Petitioner has used the escalation of 9.85% over the expenditure incurred in FY 2021-22 to derive the expenditure for FY 2022-23 i.e., Rs. 2.30 Crore.
- 6.3.3.3 Against the above submission of the petitioner, the escalation factor based on weightage of 60:40 to WPI:CPI for FY: 2022-23 is allowed, which is calculated as 10.24% (WPI: 13%, CPI-IW: 6.1%). The same is thus allowed as escalation factor as a consistent approach for allowing the expenditure on account of Rent, rates and Tax Levies for FY: 2022-23. Accordingly, against Rs. 2.32 (Rs. 2.10+ 10.24% of Rs. 2.10) crore as calculated, the claim of the petitioner for Rs. 2.30 is allowed under this head for FY: 2022-23, subject to true-up.

Table – 22: Rent, rates and Tax Levies claimed vis-à-vis allowed:

Particulars	Claimed (Rs. Lakh)	Allowed (Rs. Lakh)
Rent, rates and Taxes	230.00	230.00

6.3.4 Insurance

- 6.3.4.1 The Petitioner is claiming Rs. 3.13 Crore for the FY 2022-23 towards insurance. The aforesaid expense is estimated considering the Y-o-Y escalation of 9.85% over the amount as per the books of account for FY 2021-22 i.e., Rs. 2.85 Crore. Hence, the Hon'ble Commission is requested to allow Rs. 3.13 Crore against the Insurance.



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6.3.4.2 Accordingly, the Commission while allowing the insurance cost for FY: 2022-23 considers an escalation of 8.08%, which is based on 60:40 of WPI: CPI of 2022 – 23 [WPI = 9.40% and CPI = 6.10%]. After applying the escalation factor of 8.08% over the audited expenditure of Rs. 2.85 crore for FY: 2021-22, the insurance cost comes to Rs. 3.08 crore subject to true-up and submission of documentary evidences. in support of price discovered through transparent bidding.

Table – 23: Insurance claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
Insurance	313.00	308.00

6.3.4.3 The petitioner is directed to furnish the documentary evidences in support of transparent bidding at the time of true up.

6.3.5 Corporate Social Responsibility (CSR)

6.3.5.1 The Petitioner is claiming Rs. 28 lakh for the FY 2022-23 towards CSR. The aforesaid expense is estimated considering the Y-o-Y escalation of 9.85% over the amount as per the books of account for FY 2021-22 i.e., Rs. 0.27 Crore. Hence, the Commission is requested to allow Rs. 30 lakh against the CSR activity.

6.3.5.2 The Commission takes a serious note regarding the said claim of CSR expenses in Tariff determination stage when such expenditure shall have to be met from the profits of the company. The Commission cautions the petitioner that claiming of CSR expenses in Tariff/APR shall attract penal action in the forthcoming filings.

Table – 24: CSR claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
CSR	30.00	0.00

6.3.6 Bad Debt

6.3.6.1 The Petitioner has worked out the bad debt as 0.5% of ARR for the FY 2022-23 i.e., Rs. 8.52 Crore and the same is requested to be allowed in the tariff.

6.3.6.2 The regulation 5.10.1 states that bad debt is to be allowed @0.5% of the annual gross sale value of power at the end of current year, hence, the same should be



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allowed at the time of APR only subject to write off in the books of accounts. Thus, the claim of the petitioner amounting to Rs. 8.52 crore is not allowed at this stage.

Table – 25: Bad Debts claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
Bad Debt	852.00	0.00

6.3.7 Reserve for Unforeseen Exigencies

6.3.7.1 The Petitioner has worked out the reserve for unforeseen exigencies as 0.25% of GFA at the beginning of FY 2022-23. The opening GFA at the beginning of FY 2022-23 as calculated by the petitioner is Rs. 3409.53 Crore, hence the claim for expense towards the reserves for unforeseen exigencies for FY 2022-23 comes to Rs. 852 lakh.

6.3.7.2 The above claim of the petitioner has been analyzed. It is observed that no reserve is created on account of Reserve for Exigencies with matching investment. Hence, the same is not allowed in tariff.

Table – 26: Reserve for unforeseen exigencies claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
Reserve for unforeseen exigencies	852.00	0.00

6.3.8 Filing Charges

6.3.8.1 The petitioner has claimed Rs. 10 lakh on account of petition filing charges. The same has been allowed.

Table – 27: Filing Charges claimed vis-à-vis allowed – Rs. Lakh

Particulars	Claimed	Allowed
Filing Charges	10.00	10.00

6.3.9 Details of the aforementioned charges claimed and allowed are shown below:

Table – 28: Other charges for FY 2022-23 - (Rs. Lakh)



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SI No	Particulars	Claim	Allowed
1	Water Charges	2282.00	2263.00
2	2a. Ash handling Expenses	2034.00	2059.00
	2b. Coal Handling expenses	515.00	490.00
	Total of Coal & Ash handling expense	2549.00	2549.00
3	Rent, Tax Levies etc.	230.00	230.00
4	Insurance	313.00	308.00
5	Filing Charges	10.00	10.00
6	CSR	30.00	-
7	Financing Charges	0.00	-
8	Bad Debt	852.00	-
9	Reserve for Unforeseen Exigencies	852.00	-
	TOTAL	9667.00	5360.00

6.3.10 Other Income

The petitioner at Form 1.12 – Expenditure- Cost of energy from generation has shown that an amount of Rs. 433 lakh has been deducted from fixed charges in FY: 2022-23 under the head other income. In addition, in the subsequent submission dated 30.6.2023, the details of such claim has been furnished duly certified by the Auditor. Accordingly, Rs. 433 lakh is deducted from total fixed charges as allowed in tariff for FY: 2022-23.

6.3.11 Flue Gas De-sulphurisation (FGD)

6.3.11.1 Following the provision of Environment (Protection) Amendment Rules, 2015 dated 7.12.2015 issued by MoEF & CC, GoI, there is need for modification of emission control system by installing the FGD system in the power plant of the petitioner. It is prayed that the additional cost for installation of FGD system which will be submitted at APR stage may be considered by the Commission.

6.3.11.2 The issue of additional cost for FGD system as of now is premature, which shall be considered once the detailed claim is submitted before the Commission.

6.3.12 Reimbursement of Fees and Charges payable to Eastern Regional Load Despatch Centre (ERLDC)

6.3.12.1 Quoting the Regulation 4.16 of WBERC Tariff Regulation 2011, petitioner submitted that all statutory levies imposed by State/Central Govt. shall be extra and shall not be part of the tariff as determined under the Regulation. Accordingly, proposed to



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allow realization of proportionate ERLDC fees and charges based on 100 MW of power supply to WBSEDCL on monthly basis.

6.3.12.2 APNRL is directed to claim the actual amount of ERLDC charge and any other statutory charges/ levies except any penalty, in its APR petition along with documentary evidence. The same will be considered during truing up.

6.4 Summary of Annual Fixed Charges

Based on the above discussions, the Annual Fixed Charges for FY 2022-23 comes to Rs 38885.45 Lakh as against the claimed amount of Rs 59603.00 lakh as shown below:

Table - 29: Annual Fixed Charges claimed vis-à-vis allowed during FY 2022-23- Rs. Lakh

SI No	Particulars	Claimed	Allowed
1	Operation and Maintenance Cost	7425.00	5037.00
2	Employee Cost	5009.00	4752.36
3	Water Charges	2282.00	2263.00
4	Coal & Ash handling Expenses	2549.00	2549.00
5	Rent, Tax Levies etc.	230.00	230.00
6	Insurance	313.00	308.00
7	Filing Charges	10.00	10.00
8	Depreciation	11938.00	11484.00
9	Interest on loan	11376.00	8962.32
10	Advanced against depreciation	0.00	0.00
11	Return on equity	15689.00	2757.61
12	Interest on working capital	1481.00	1056.06
13	CSR	30.00	0.00
14	Bad debt	852.00	0.00
15	Reserve for unforeseen exigencies	852.00	0.00
16	Financing Charges	0.00	0.00
17	Gross Fixed Charges (Sum 1 to 16)	60036.00	39409.35
18	Less: Interest Credit	0.00	90.90
19	Less: Other Income	433.00	433.00
20	Net Fixed Charges (20 = 17 - 18 - 19)	59603.00	38885.45



CHAPTER - 7 TARIFF ORDER

- 7.0 In this chapter, the tariff applicable for selling power to WBSEDCL via PTC which is to be worked out for net capacity of 100 MW power indicating Capacity Charge, Energy Charge, PSA/PPA clause along with Commission's relevant order is referred.
- 7.1 Admissible ARR for the APNRL 540 MW power plant considering the admissible fuel cost and fixed cost comes to Rs. 114819.18 lakh as below:

Table - 30: ARR of the Generating Station- Rs. Lakh

Particulars	Claimed	Allowed
Fuel Cost (Table 9)	110758.51	75933.73
Fixed Cost (Table 29)	59603.00	38885.45
Aggregate Revenue Requirement	170361.51	114819.18

7.2 Capacity Charge:

- 7.2.1 For deriving 100 MW share of AFC for WBSEDCL, the petitioner has considered 432.43 MW as available capacity for calculation of fixed charges, after deducting auxiliary consumption of 9% and JUVNL share of sale of 12% power at variable cost, which is as given below:

Table - 31: Available Capacity – as claimed

Particulars	Values
Total Capacity (MW)	540
Aux. Consumption (9%)	48.6
Capacity Available (MW)	491.4
JBVNL 12% Power at Variable rate only	58.97
Capacity for FC	432.43



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- 7.2.2 The Commission observes that as per the PPA, 'contracted capacity' means a net off 100 MW to be made available by the seller (APNRL) at the delivery point. Thus, the capacity charge shall be prorated at a ratio of 100 : 491.40 (Sent Out capacity after adjusting normative auxiliary consumption.)
- 7.2.3 In view of the admitted Annual Capacity Charge of Rs. 38885.45 Lakh, capacity charge for 100 MW share of WBSEDCL at normative PAF of 85% for the year 2022-23 comes to Rs. 7913.20 lakh. APNRL shall recover the capacity charge from WBSEDCL in line with the provision of regulation 6.11.4 of the Tariff Regulations based on the availability duly certified by appropriate load despatch center.
- 7.3 **Energy Charge:**
- 7.3.1 Energy charge shall be recovered at a rate of 220.50 paisa/kwh on the scheduled energy certified by SLDC. APRNL shall recover any variation in fuel cost through Monthly Fuel Cost Adjustment (MFCA) Formula specified in the Tariff Regulations.
- 7.3.2 APRNL shall submit all details of fuel cost as specified under the Tariff Regulations to the WBSEDCL along with its monthly bill.
- 7.4 The tariff shall be effective from 01.04.2022 and continue till further order of the Commission. However, any over/ under recovery during the year 2022-23 shall be considered for adjustment during Annual Performance Review.
- 7.5 For merit order despatch SLDC/ALDC shall consider the energy charge of the generating stations of APNRL as determined in this tariff order in paragraph 7.4 above prospectively along with applicable MFCA, if any, from the next day of issue of this order. APRNL and WBSEDCL shall provide the detail of energy charge rate and the MFCA to the SLDC for merit order despatch.
- 7.6 APNRL 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.



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- 7.7 APNRL is directed to submit the FPPCA and APR petition for the year 2022 – 23 within three months from the date of issuance of this order.
- 7.8 The petition is thus disposed of.

**Sd/-
(PULAK KUMAR TEWARI)
MEMBER**

**Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON**

Dated: 06.06.2024

**Sd/-
SECRETARY**