



**ORDER  
OF  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
FOR THE YEARS 2023 – 24 AND 2024 – 25  
IN  
CASE NO: TP – 106 / 22-23**

**IN REGARD TO THE APPLICATION SUBMITTED BY THE  
DURGAPUR PROJECTS LIMITED FOR DETERMINATION OF TARIFF  
UNDER THE EIGHTH CONTROL PERIOD FOR THE YEARS 2023 – 24,  
2024 – 25 AND 2025 – 26**

**PRESENT:**

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

**DATE: 11.03.2024**



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

## 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 The Durgapur Projects Limited (hereinafter referred to as 'DPL') was a sanction holder under Section 28 of the Indian Electricity Act, 1910 and had become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 ie. the date of coming into force of the Act, for distribution of electricity in Durgapur area of West Bengal. Subsequently, in terms of the Government of West Bengal Notification No. 328/PO/O/C-IV/1E-60/13 (Part-VA) dated 26.12.2018 and order of this Commission in Case No. A-6/14 dated 31.12.2018, with effect from 01.01.2019 the entire distribution and transmission business and activities under the DPL along with all associated assets and liabilities are now transferred to the West Bengal State Electricity Distribution Company Limited (WBSEDCL) and the West Bengal State Electricity Transmission Company Limited (WBSETCL) respectively. In view of above notification of the Government of West Bengal and order of this Commission, DPL, a distribution licensee with embedded thermal generating station, becomes generating company since 01.01.2019.

1.3 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period shall be normally for a period of five ensuing years or such other period of number of ensuing years as may be decided by this Commission from time to time.

1.4 This Commission vide its order dated 31.08.2022 in case no. SM-31/22-23 decides



सत्यमेव जयते



that the 8th Control Period shall be for three years consisting of 2023-24, 2024-25 and 2025-26.

1.5 On 27.02.2023, DPL has submitted the petition for determination of tariff for the 8th Control Period consisting of the years 2023-24, 2024-25 and 2025-26 in three parts (Vol-I: Petition for Revenue requirement; Vol-II: Filled-in Formats of WBERC and Vol-III: Annual Reports for 2016-17 to 2021-22), in accordance with the Tariff Regulations, 2011 and Tariff Regulations, 2013 and as amended. After receiving the tariff petition for 8th Control Period of DPL, the same has been registered by this Commission in Case No: TP-106/22-23.

1.6 As approved by this Commission, DPL is next asked to publish the gist in the newspapers and also in the website of DPL as per provisions of the Tariff Regulations. The gist is, accordingly, published simultaneously on 29.04.2023 in the newspapers: (i) 'Ei Samay' (Bengali), (ii) 'The Telegraph' (English), (iii) 'Aajkal' (Bengali) and (iv) 'Bartaman' (Bengali). The gist along with the tariff application are also posted in the website of DPL. The publication invites the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of DPL for the 8th Control Period and requests for submission of suggestions, objections and comments, if any, on the tariff application to this Commission within 21 days from the date of publication.

1.7 No suggestion or objection or comment on the tariff application of DPL is received within the stipulated time.

1.8 Further, in view of notification of the fourth amendment to the Tariff Regulations, this Commission gives opportunity to all utilities for submitting supplementary petition. DPL vide their reply dated 12.04.2023 submits that DPL would not apply supplementary petition for determination of tariff for the 8th Control Period and conveyed that DPL would supply the required information if sought for by this Commission. Thus, this Commission decides to determine the tariff for 8th Control Period of DPL based on the already submitted petition, termed as 'tariff application for 2023-24, 2024-25 and 2025-26', considering the



सत्यमेव जयते



## Tariff Order of DPL for 2023-24 & 2024-25

provisions of the Tariff Regulations, as amended from time to time in the subsequent chapter.

1.9 Legal proceedings pending before the Hon'ble High Court at Calcutta: This Commission, in the past, passed different tariff orders for DPL from 2000-01 to 2019-20 in fourteen orders [five joint orders covering the years (1) 2000-01 and 2001-02, (2) 2002-03, 2003-04 and 2004-05, (3) 2011-12 and 2012-13, (4) 2014-15, 2015-16 and 2016-17 (5) 2018-19 (01.01.2019 to 31.03.2019) and 2019 - 2020 and nine single orders for the years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2013-14, 2017-18 and 2018-19 (01.04.2018 to 31.12.2018). DPL felt aggrieved by the tariff order dated 24.5.2004 determining its tariffs for the years 2000-01 and 2001-02 and filed a writ petition [W. P. No. 12108 (W) of 2004] and subsequent petition bearing No. AST 1019 of 2004 in the Hon'ble High Court at Calcutta challenging the order of this Commission dated 24.05.2004. The matter has been pending before the hon'ble High Court at Calcutta for final disposal. Again, DPL felt aggrieved by the order of this Commission dated 09.06.2004 and moved the Hon'ble High Court at Calcutta against the said tariff order [No. AST 1134 of 2004 and WP No. 14128 (W) of 2004]. The Hon'ble High Court by an order dated 15th July, 2004 has stayed the operation of one part of the tariff order of this Commission dated 09.06.2004 involving a question of refund to the consumers of DPL while the rest of the tariff order is, not interfered with. This matter is sub-judice before the Hon'ble High Court at Calcutta.



सत्यमेव जयते



## CHAPTER 2 CASE OF DPL

2.1 In its tariff application for the 8th control period comprising the financial years 2023-24, 2024-25 and 2025-26, DPL submits that presently, the total generating capacity of DPL is 550 MW consisting of Unit-VII (300 MW) and Unit-VIII (250 MW). DPL further submits that in compliance with the communication from this Commission vide its Order no. WBERC/B-3/5/5805 dated 20.07.2020, Unit-VI (110 MW) is considered as decommissioned w.e.f. 01.04.2019.

2.2 The petitioner highlights that the **Operating Parameters** and **Financial Parameters** set forth in the Tariff Regulations are not commensurate with the past performance of the generating station and are, therefore, unachievable. Further, it is submitted that adoption of these norms for the purpose of tariff determination for generating stations by this Commission would lead to financial difficulties for DPL in future and may impact the sustainability of the utility. DPL prays to this Commission to consider actual attainment of operating parameters as well as actual expenditure incurred while determining the variable and fixed charges for generating stations.

2.3 DPL projects the different operating parameters and financial parameters for the Base Year of 2022-23 as well as for the Ensuing Years of 2023-24, 2024-25 and 2025-26 on the basis of Audited financial statements of 2021-22.

2.4 DPL in their petition considers the **Operating Parameters** as per norms in the Tariff Regulations for 2023-24, 2024-25 and 2025-26 along with the major reasons for not achieving normative operating parameters as below:

a) The actual **Plant Availability Factor** (PAF) and **Plant Load Factor** (PLF) achieved by DPL in the past years are tabulated in Form: 1.1 and Form: 1.2 respectively. DPL submits that the PLF and PAF parameters specified in the Tariff Regulations are unachievable mainly on account of inadequate availability of coal owing to fund constraint,



सत्यमेव जयते



poor coal quality with high ash content of coal in achieving full load at times, forced outages, low system demand, adverse ambient conditions, etc.

b) The **Auxiliary Electricity Consumption** (AEC) is high due to design issues related to unit-VII, poor quality of coal etc. In addition, major part of DPL's available power are to be stepped down through 220/132 kV Auto Transformer and this transformer loss ultimately impacts the auxiliary loss of DPL from 01.01.2019.

c) The **Station Heat Rate** (SHR) of DPL is adversely impacted by the quality of coal being fed into the boilers, inappropriate plant design and oldage of plants. DPL points out the norms of SHR of CERC (Terms and Conditions of Tariff) Regulations, 2019.

d) The **Specific Oil Consumption** (SOC) is affected due to poor quality of coal, especially in the monsoon season and forced backdown of units of DPL as per the directions of ALDC / SLDC.

e) The **Transit and Handling Losses** (THL) on account of transportation of coal from the mine to generating station is beyond control of DPL. Coal wagons loaded at most of the ECL sidings remain water logged during monsoon seasons. Similarly, during dry season, spraying of water to suppress coal dust results in effective loss of coal.

The petitioner prays to this Commission to relax the norms specified in the Regulations and enable the Petitioner to recover the actual cost of generation as envisaged in the National Tariff Policy, Section 5.3 which states that 'The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration the latest technological advancements, fuel, vintage of equipment, nature of operations, level of service to be provided to consumers etc'.

2.5 DPL proposes gross generation of power during the 8th Control Period as noted below:



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Year	Gross Generation (MU)		
	Unit VII	Unit VIII	Total
2023-24	2102.04	1752.00	3854.04
2024-25	2102.04	1752.00	3854.04
2025-26	2102.04	1752.00	3854.04

2.6 In regard to the **Financial Parameters** (viz. **Variable Charges** and **Fixed Charges**) claimed by DPL under different heads of accounts during the years under the 8th control period as under:

2.6.1 **Variable Charges:** Rs.97412.40 Lakh, Rs.102713.94 Lakh and Rs.107810.72 Lakh are projected by DPL in respect of costs of Primary Fuel (Coal) and Secondary Fuel (Oil) for 2023-24, 2024-25 and 2025-26 respectively.

2.6.1.1 **Primary Fuel Cost:** DPL states that the cost of primary fuel, ie. Coal, for 2023-24, 2024-25 and 2025-26 are arrived at considering expected available quantity of coal from Trans Damodar Coal Mine (TDCM) of DPL in respective years and purchase of balance quantity of coal from Coal India Limited (CIL) sources through Fuel Supply Agreement (FSA). DPL submits that the fuel mix is based on the estimated availability of quality and quantity of coal from different sources ie. CIL subsidiaries and TDCM of DPL, during the 8th Control Period keeping in view the 'Least Cost Input Principle'. DPL also submits that their Annual Contracted Quantity (ACQ) are revised as 13.2 LMT from different coal subsidiaries of CIL and 6.0 LMT is projected from TDCM due to several hindrances. The prices of Coal, Oil and Railway Freight are considered, as stated by DPL, on the basis of latest notifications issued by the respective authorities.

2.6.1.2 The Gross Calorific Value (GCV) of coal is considered, as stated by DPL, as per the Tariff Regulations, to estimate the coal consumption for the base year of 2022-23 as well as for the ensuing years of 2023-24, 2024-25 and 2025-26. An annual escalation of 6.0%, 5.5% and 5.0% to combat the inflation for 2023-24, 2024-25 and 2025-26 respectively over the coal prices of the base year as notified by the Ministry of Coal are



सत्यमेव जयते



considered by DPL for the ensuing years.

**2.6.1.3 Secondary Fuel Cost:** The projected GCV of secondary fuel, ie. Oil and it's cost for the ensuing years are based on the latest notified prices.

**2.6.1.4 Average Variable Cost:** The average variable cost during the 8th Control Period are projected by DPL as **276.90** paise/kWh, **291.97** paise/kWh and **306.45** paise/kWh for 2023-24, 2024-25 and 2025-26 respectively.

**2.6.2 Fixed Charges:** DPL projects the Fixed Charges as Rs.**74953.81** Lakh, Rs.**76438.66** Lakh and Rs.**75518.08** Lakh for 2023-24, 2024-25 and 2025-26 respectively.

**2.6.2.1 Employee Expense:** DPL states that the employee cost of DPL is reduced as 330 employees redeployed in the other Government departments. Also, as advised by WBERC, DPL engaged one third party, viz. M/s Excellence Enhancement Centre (EEC) to study the apportionment of expenses of Common Service Department (Service Department and Central Workshop) attributable majorly for power business only. Accordingly, as recommended by EEC, DPL projects the employee cost considering such expense in respect of Common Service Department (Service Department and Central Workshop) during 2023-24, 2024-25 and 2025-26 as Rs.**11788.74** Lakh, Rs.**10886.20** Lakh and Rs.**11145.91** Lakh respectively.

**2.6.2.2 Operation & Maintenance Expense:** Though, DPL is yet to submit the petition for consideration of the expenses of Common Service Department attributable in the power business, DPL projects such expenses as Rs.**7850.97** Lakh, Rs.**8177.83** Lakh and Rs.**8524.29** Lakh for 2023-24, 2024-25 and 2025-26 respectively.

**2.6.2.3 Coal & Ash Handling Charge:** Apart from the expenses for excavation and/or transportation of fly ash, the coal and ash handling charges considering annual escalation factor of 6%, 5.5% and 5% are projected as Rs.**523.04** Lakh, Rs.**551.80** Lakh and Rs.**579.39** Lakh for 2023-24, 2024-25 and 2025-26 respectively considering Rs.**493.43** Lakh for the base year of 2022-23.





सत्यमेव जयते



2.6.2.4 **Water Charge:** DPL projects the water consumption on the basis of average rate of consumption for the last five years and the rate of Inter Plant Transfer (IPT) of raw water considered as Rs.18.00/KL for the 8th control period. The Water Charges for power generation as considered by DPL for Unit-VII and Unit-VIII are given below:

Year	Water Charges (Rs. in Lakh)	
	Unit VII	Unit VIII
2023-24	1324.51	1103.76
2024-25	1324.51	1103.76
2025-26	1324.51	1103.76

2.6.2.5 **Depreciation:** Considering Gross Fixed Assets (GFA) as in the Audited financial statements for 2021-22, and the depreciation rates and useful life of assets in terms of Tariff Regulations of WBERC, DPL projects the depreciation as Rs.12540.53 Lakh, Rs.12608.09 Lakh and Rs.12822.37 Lakh for 2023-24, 2024-25 and 2025-26 respectively.

2.6.2.6 **Advance Against Depreciation:** DPL projects the difference between actual amount of loan repayment and depreciation as the advance against depreciation.

2.6.2.7 **Interest on Loan Capital and Other Finance Charge:** DPL estimates the Interests on Loan Capital for the project loan only from WBIDFC and CEA amounting Rs.18990.85 Lakh, Rs.17539.70 Lakh and Rs.16040.12 Lakh and the Other Finance Charges amounting Rs.3160.20 Lakh, Rs.3334.01 Lakh and Rs.3517.39 Lakh for 2023-24, 2024-25 and 2025-26 respectively. DPL also states that the loan from Government of West Bengal (GoWB) has been converted into Equity and thus, no interest has been considered.

2.6.2.8 **Working Capital and Interest on Working Capital:** DPL estimates the interests on the working capital loan from West Bengal State Co-operative Bank (WBSCB) and other banks on normative basis as Rs.2214.62 Lakh, Rs.2316.06 Lakh and Rs.2399.40



सत्यमेव जयते



Lakh for 2023-24, 2024-25 and 2025-26 respectively and also, DPL requests WBERC to direct WBSEDCL to pay the MFCA bills resulting increase in working capital requirement.

**2.6.2.9 Return on Equity:** Considering the rate of Return on Equity (RoE) at 15.50%, DPL estimates the RoE as Rs. 11547.50 Lakh for each of the ensuing years of 8th Control Period and also, DPL requests WBERC to consider the debt-equity ratio as 80:20 in respect of the 8th Unit, capitalized with effect from 01.10.2014.

**2.6.2.10 Income Tax:** DPL projects the income tax component as per Minimum Alternate Tax (MAT) under Section of 115JB after adjustment of unabsorbed depreciation and carry forward of losses under Section 72 of the Income Tax Act, 1961.

**2.6.2.11 Reserve for Unforeseen Exigencies:** DPL does not claim in respect of the fund of Reserve for Unforeseen Exigencies (RUE) in this tariff petition of 8th Control Period. However, DPL says that such amount for RUE to be considered during truing up, if any.

**2.6.2.12 Non-Tariff Income:** The non-tariff income from interests on short term deposits with the banks, sale of fly ash, interest credit on depreciation, etc. are projected by DPL as Rs. **1900.00** Lakh for each of the ensuing years of 8th Control Period.

**2.6.2.13 Average Fixed Cost:** The average fixed costs during the 8th Control Period are projected by DPL as **213.05** paise/kWh, **217.27** paise/kWh and **216.25** paise/kWh for 2023-24, 2024-25 and 2025-26 respectively.

**2.6.3 Per Unit Generation Cost:** The overall per unit generation cost for DPL during the 8th Control Period are projected as **489.95** paise/kWh, **509.24** paise/kWh and **522.70** paise/kWh for 2023-24, 2024-25 and 2025-26 respectively detailed as follows.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Table: 2.1

Particulars	Amount Projected by DPL (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Plant Capacity (MW)	300	250	300	250	300	250
Plant Load Factor (PLF)	80%	80%	80%	80%	80%	80%
Unit Wise Gross Generation	2102.400	1752.000	2102.400	1752.000	2102.400	1752.000
Auxiliary Consumption (%)	8.5	9.0	8.5	9.0	8.5	9.0
Unit Wise Auxiliary Consumption	178.704	157.680	178.704	157.680	178.704	157.680
Unit Wise Ex-bus Generation	1923.696	1594.320	1923.696	1594.320	1923.696	1594.320
Fuel Costs (Oil + Coal)	52350.770	45061.630	55199.440	47514.500	57938.180	49872.540
Employees Cost	6429.21	5359.54	5940.99	4945.23	6079.56	5066.32
O&M Expenses	4282.34	3568.63	4460.63	3717.20	4649.59	3874.68
Coal & Ash Handling Cost	285.29	237.74	300.98	250.82	316.03	263.36
Water Charges	1324.51	1103.76	1324.51	1103.76	1324.51	1103.76
Depreciation	5395.42	7145.11	5422.51	7185.58	5531.89	7290.48
Return on Equity	6277.50	5270.00	6277.50	5270.00	6277.50	5270.00
Interest on Loan Capital	3984.90	15005.95	3680.40	13859.30	3365.74	12674.38
Other Finance Charges	70.28	3089.92	74.15	3259.86	78.23	3439.16
Interest on Working Capital	1028.39	1186.23	1062.64	1253.42	1111.05	1288.35
Advance Against Depreciation	0.00	5809.08	0.00	9073.63	0.00	8968.73
Gross Fixed Costs	29077.84	47775.96	28544.31	49918.80	28734.10	49239.22
Less: Non-Tariff Income	1036.36	863.64	1036.36	863.64	1036.36	863.64
Less: Interest Credit	0.00	0.00	0.00	124.45	0.00	0.00
Net Fixed Costs	28041.48	46912.32	27507.95	48930.71	27697.74	48375.58
Aggregate Revenue Requirement	80392.25	91973.95	82707.39	96445.21	85635.92	98248.12
Average Cost (Paisa/kWh)	489.95		509.24		522.69	



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

## CHAPTER 3 VARIABLE CHARGES

3.1 An examination of the projected fuel cost claimed by DPL for 2023-24, 2024-25 and 2025-26 of the 8<sup>th</sup> Control Period under different heads for its generating stations, viz. Unit-VII (300 MW) and Unit-VIII (250 MW) presently in operation are taken up in this chapter.

3.2 **Gross Generation with Normative PAF & PLF:** It is submitted that, DPL could not achieve the normative PAF and PLF specified in the Tariff Regulations, till the base year due to inadequate availability of coal for fund constraints, low grade of coal leading constraints in achieving full load capacity from the auxiliary equipments eg. Mills and Fans, forced outages, etc. Though, for the 8<sup>th</sup> Control Period DPL projects their generation considering normative PLF specified in the Tariff Regulations, they pray for relaxation of norms considering the difficulties faced by them. This Commission does not allow any relaxation of PLF norms and hence, admits the gross generation from Unit-VII and Unit-VIII of DPL for the 8<sup>th</sup> Control Period based on normative PLF detailed in the next paragraph.

3.3 **Auxiliary Consumption and Ex-bus Generation:** DPL submits that it cannot segregate unit wise 'Auxiliary Consumption' in some common areas like CHP, etc. and also, DPL is unable to optimize the running hours of load bearing equipment, the auxiliary consumption are high on account of the reasons such as design issues to Unit-VII, poor quality of coal, etc. DPL mentions that there is significant transformation loss which increased their auxiliary consumption since 01.01.2019. DPL however, considers the 'Auxiliary Consumption' norms specified in the Tariff Regulations, but prays before this Commission to consider the difficulties faced by them. This Commission here admits the allowable 'Auxiliary Consumption' and 'Ex-bus Generation' as per the norms specified in the Tariff Regulations, as shown below:



सत्यमेव जयते



Tariff Order of DPL for 2023-24 &amp; 2024-25

Table: 3.1

Particulars as Admitted	Gross Generation, Auxiliary Consumption & Ex-bus Generation (MU)					
	2023-24		2024-25		2025-26	
	Unit-VI	Unit-VIII	Unit-VI	Unit-VIII	Unit-VI	Unit-VIII
Plant Capacity (MW)	300	250	300	250	300	250
Plant Availability Factor (PAF)	85%	85%	85%	85%	85%	85%
Plant Load Factor	80%	80%	80%	80%	80%	80%
Unit Wise Gross Generation (MU)	2108.160	1756.800	2102.400	1752.000	2102.400	1752.000
Overall Gross Generation	3864.960		3854.400		3854.400	
Auxiliary Consumption (%)	8.5	9.0	8.5	9.0	8.5	9.0
Unit Wise Auxiliary Consumption (MU)	179.194	158.112	178.704	157.680	178.704	157.680
Unit Wise Ex-bus Generation	1928.966	1598.688	1923.696	1594.320	1923.696	1594.320
Overall Ex-bus Generation (MU)	3527.654		3518.016		3518.016	

**3.4 Station Heat Rate, Specific Oil Consumption and Transit & Handling Loss:** DPL considers the normative Station Heat rate (SHR), the normative Specific Oil Consumption (SOC) and the normative Transit & Handling Loss (THL) during the 8<sup>th</sup> Control Period as specified in the Tariff Regulations, while projecting the fuel cost. At the same time, DPL prays to allow some relaxation considering the difficulties faced by them as explained Paragraph: 2.4.

3.5 This Commission observes that, the normative parameters were finalized in the Tariff Regulations duly following the conditions of previous publication in terms of Sub-section: (3) of Section: 181 of the Electricity Act, 2003 and accordingly, reviewed in its latest edition of the Tariff Regulations (Fourth Amendment), 2023. Hence, this Commission considers to admit the 'Fuel Cost' based on normative rates as specified in Schedule 9A of the Tariff Regulations, as amended and calculates the 'Gross Heat requirement' and the 'Gross Oil Consumption' as below:



Table: 3.2

Particulars as Admitted	Station Heat Rate, Specific Oil Consumption and Transit & Handling Loss					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Station Heat Rate (kCal/kWh)	2345	2425	2345	2425	2345	2425
Gross Heat Requirement (Gcal)	4943635	4260240	4930128	4248600	4930128	4248600
Specific Oil Consumption (ml/kWh)	1.00	1.00	1.00	1.00	1.00	1.00
Gross Oil Consumption (kl)	2108.16	1756.80	2102.40	1752.00	2102.40	1752.00
Transit & Handling Loss of Coal (%)	0.50	0.50	0.50	0.50	0.50	0.50

3.6 Regarding excess specific oil consumption on account of any grid failure or forced outage at the instruction of SLDC, DPL shall submit the details along with their 'Fuel Cost Adjustment' (FCA) petition of the respective year along with supporting documents.

3.7 **Fuel Cost:** DPL projects the 'Fuel Cost' as follows:

Table: 3.3

Particulars	Cost of Fuel Projected by DPL (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Gross Heat Requirement (Gcal)	4930128	4248600	4930128	4248600	4930128	4248600
Heat from Oil (Gcal)	19626.00	16354.92	19626.00	16354.92	19626.00	16354.92
Heat from Coal (Gcal)	4910502	4232245	4910502	4232245	4910502	4232245
Average Cost of Oil (Rs/kl)	97089.99	97089.99	100973.59	100973.59	105012.53	105012.53
Cost of Oil (Rs. In Lakh)	2041.22	1701.02	2122.87	1769.06	2207.78	1839.82
Heat Value of Coal (kcal/kg)	3680	3680	3680	3680	3680	3680
Coal Consumption (+THL5%)	1341047	1155817	1341047	1155817	1341047	1155817
Average Cost of Coal (Rs/MT)	3751.51	3751.51	3957.84	3957.84	4155.74	4155.74
Cost of Coal (Rs. In Lakh)	50309.55	43360.61	53076.57	45745.44	55730.40	48032.72
Cost of Fuel (Rs. In Lakh)	52350.77	45061.63	55199.44	47514.50	57938.18	49872.54
	97412.40		102713.94		107810.72	
Variable Charges (Paise/kWh)	276.90		291.97		306.45	

Finally, DPL projects 'Variable Charges' as **276.90** paise/kWh, **291.97** paise/kWh and **306.45** paise/kWh for 2023-24, 2024-25 and 2025-26 respectively whereas, the same



were allowed as **210.88** paisa/kWh, **156.31** paisa/kWh and **157.50** paisa/kWh for 2020-21, 2021-22 and 2022-23 respectively in the Tariff Order for 7<sup>th</sup> Control Period. It is noted that DPL has already submitted FCA petition with the audited figures for 2020-21 and 2021-22, showing an adjustment of **+27** paisa/kWh and **+14** paisa/kWh for 2020-21 and 2021-22 respectively. So, this Commission decides to analyze the information in detail provided by DPL in the following paragraphs.

**3.7.1 Cost of Oil:** As proposed by DPL, this Commission admits the average 'GCV of Oil' as 9393 kcal/l for the 8<sup>th</sup> Control Period which resembles to the audited figure for 2022-23. The average price of oil projected by DPL as Rs.97089.99/kl, Rs.100973.59/kl and Rs.105012.53/kl for 2023-24, 2024-25 and 2025-26 respectively, whereas the same for 2021-22 & 2022-23 was Rs.60420.12/kl and Rs.84087.86/kl respectively as per Auditor's Certificate. However, the purchase rate of oil during the year 2022-23 was Rs.94884.82/kl as observed from the audited data submitted by DPL in their FPPCA petition for 2022-23. Having so much variations, this Commission considers the price of oil at Rs.94884.82/kl being the purchase rate oil during 2022-23 for all the three years 2023-24, 2024-25 and 2025-26. Any variation in price of oil can be adjusted through Monthly Fuel Cost Adjustment (MFCA) and Fuel Cost Adjustment (FCA) at the end of the year.

Table: 3.4

Admissible Average Cost of Oil (Rs/kl) for 8th control period	2023-24	2024-25	2025-26
	94884.82	94884.82	94884.82

This Commission admits the 'Cost of Oil' as below:

Table: 3.5

Particulars as Admitted	Required Heat from Primary Fuel (Gcal) & Cost of Oil (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Gross Heat Requirement (Gcal)	4943635	4260240	4930128	4248600	4930128	4248600
Gross Oil Consumption (kl)	2108.16	1756.80	2102.40	1752.00	2102.40	1752.00
GCV of Oil (kcal/l)	9393	9393	9393	9393	9393	9393
Heat from Oil (Gcal)	19801.95	16501.62	19747.84	16456.54	19747.84	16456.54
Heat from Primary Fuel (Gcal)	4923833	4243738	4910380	4232143	4910380	4232143
Average Price of Oil (Rs/kl)	94884.82	94884.82	94884.82	94884.82	94884.82	94884.82
Cost of Oil (Rs. In Lakh)	2000.32	1666.94	1994.86	1662.38	1994.86	1662.38



सत्यमेव जयते



**3.7.2 Cost of Biomass:** Ministry of Power, Government of India, vide letter No. 11/86/2017-Th11 dated 08.10.2021 has issued the "Revised Policy for Biomass Utilization for Power Generation through Co-firing in Coal Based Power Plants" wherein it is suggested that fluidized bed and pulverized coal units shall mandatorily endeavour to use 5-10% blend of biomass pellets, primarily of agro residue along with coal. As DPL has not projected any such biomass utilization, this Commission considers the biomass utilization of 5% for 2023-24 and 7% for both 2024-25 and 2025-26. It is observed that Price of Biomass pallets as projected by the other utilities varies from Rs 8030/MT to Rs 14500/MT and this Commission considers the price as Rs 10417 per MT being the average of those prices for all the three years 2023-24, 2024-25 and 2025-26. The heat value of bio mass pallets have considered as 4500 kCal/kg. Now, this Commission proceeds to compute the cost of biomass for the 8<sup>th</sup> control period as follows.

Table: 3.6

Particulars as Admitted	Required Heat from Primary Fuel (Gcal) & Cost of Biomass (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Gross Heat Requirement (Gcal)	4943635	4260240	4930128	4248600	4930128	4248600
Gross Oil Consumption (kl)	2108.16	1756.80	2102.40	1752.00	2102.40	1752.00
GCV of Oil (kcal/l)	9393	9393	9393	9393	9393	9393
Heat from Oil (Gcal)	19801.95	16501.62	19747.84	16456.54	19747.84	16456.54
Heat from Coal +Biomass (Gcal)	4923833	4243738	4910380	4232143	4910380	4232143
Biomass Consideration (%)	5%	5%	7%	7%	7%	7%
Heat from Biomass (Gcal)	246192	212187	343727	296250	343727	296250
GCV of Biomass (kcal/kg)	4500	4500	4500	4500	4500	4500
Quantity of Biomass (MT)	54709.26	47152.65	76383.69	65833.34	76383.69	65833.34
Price of Biomass (Rs./MT)	10417.00	10417.00	10417.00	10417.00	10417.00	10417.00
Cost of Biomass (Rs. In Lakh)	5699.06	4911.89	7956.89	6857.86	7956.89	6857.86
Heat from Coal (Gcal)	4677642	4031551	4566654	3935893	4566654	3935893

**3.7.3 Cost of Coal, Transport Cost & Handling, Sampling, etc:** DPL submits that the 'Cost of Coal' from CIL-Subsidiaries is considered on the basis of latest notifications by the Ministry of Coal, GoI and in case of TDCM (Trans Damodar Coal Mine), DPL considers as Rs.1882.83/MT for G9-Coal and Rs.1790.43/MT for G12-Coal. Finding some mismatches, this Commission decides to compute the cost of coal as follows:





सत्यमेव जयते



**3.7.3.1 Cost to Coal:** This Commission considers the following notifications of ROM/Basic Price and other statutory costs to derive the following admissible cost to coal only considering the quantity and mixing of coal as proposed by DPL for **2023-24**.

- i. Office Memorandum on 'Provisional National Coal Index for July'2023 with Base Year 2017-18' of Ministry of Coal, Gol Dated 04.09.2023.
  - Latest Representative Prices considered as **Premium** Prices of Coal.
- ii. Corrigendum No: BCCL/M&S/481 Dated 01.09.2023 & Modulated Notification No: BCCL/M&S/72 Dated 09.05.2023 of BCCL.
  - Latest Prices of **Coking** Coal from BCCL considered.
- iii. Corrigendum No: CIL/M&S/Pricing/102 Dated 30.05.2023 & Notification No: CIL/M&S/Pricing/100 Dated 30.05.2023 and of CIL.
  - Latest Prices of **Non-Coking** Coal from CIL considered.
- iv. Order No: 98-POW-13012(11)/5/2021-SECTION(POWER) Dated 08.06.2022 of DoP, GoWB & Letter No: File No. 54022/01/2014-CA-III Dated 27.06.2016 of Ministry of Coal, Gol.
  - Provides that **Rs. 100/MT** payable to DPL along with other statutory charges and incidental costs related to equivalent grade of ECL - Raniganj (WB).
- v. Notification No: CIL/M&S/Pricing: 733 Dated 30.07.2021 of CIL, considered for **Evacuation** Charge.
- vi. Notification No: CIL/S&M/GM/Pricing/2017/766 Dated 31.08.2017 of CIL, considered for **Sizing** Charge.
- vii. Notification No: CIL/S&M/GM(F)/Pricing/1124 Dated 12.012.2007 of CIL, considered for **Royalty & Cess**.
- viii. Other Statutory Charges are considered as applicable.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Table: 3.7 (1)

Source	Grade	Cost of Coal for 2023-24										
		ROM/Basic Price (CIL - Subsidiaries + TDCM)	Sizing/Crushing Charges	Evacuation Charge (CUF)	Royalty Charge (BCCL + MCL @14% of ROM & ECL + TDCM @Rs. 6.50/MT)	NMET@2% + DMF@30% for CIL-Subsidiaries / DMF@10% for TDCM of Royalty Charge	RE & PE Cess: ECL & TDCM (25%) / Bazaar Fee: BCCL (1%) of ROM	PWD & Road + AMBH: ECL & TDCM (Rs. 2/MT) & Management + COVID + Forest: BCCL (Rs. 68/MT) & Incidental Charges: TDCM (Rs. 47/MT)	GST (5%)	GST Compensation Cess	Admissible Cost to Coal (Without Transportation & Handling Charges)	Projected Cost to Coal (Without Transportation & Handling Charges)
		Rs/MT										
ECL	G3	3410.00	87.00	60.00	6.50	2.08	852.50	2.00	221.00	400.00	5041.08	5057.51
	G4	3250.00	87.00	60.00	6.50	2.08	812.50	2.00	211.00	400.00	4831.08	4867.57
	G5	2970.00	87.00	60.00	6.50	2.08	742.50	2.00	193.50	400.00	4463.58	4502.59
	G6	2510.00	87.00	60.00	6.50	2.08	627.50	2.00	164.75	400.00	3859.83	3903.41
	G7	2090.00	87.00	60.00	6.50	2.08	522.50	2.00	138.50	400.00	3308.58	3489.61
	G8	1590.00	87.00	60.00	6.50	2.08	397.50	2.00	107.25	400.00	2652.33	2907.88
BCCL	G5	2970.00	87.00	60.00	415.80	133.06	29.70	68.00	188.18	400.00	4351.73	4403.11
	G6	2510.00	87.00	60.00	351.40	112.45	25.10	68.00	160.70	400.00	3774.65	3844.09
	G7	2090.00	87.00	60.00	292.60	93.63	20.90	68.00	135.61	400.00	3247.74	3275.65
	G8	1590.00	87.00	60.00	222.60	71.23	15.90	68.00	105.74	400.00	2620.47	2662.61
	G9	1240.00	87.00	60.00	173.60	55.55	12.40	68.00	84.83	400.00	2181.38	2279.64
	W-III	3564.00	87.00	60.00	498.96	159.67	35.64	68.00	223.66	400.00	5096.93	4361.74
	W-IV	3187.00	87.00	60.00	446.18	142.78	31.87	68.00	201.14	400.00	4623.97	4196.58
	W-V	2586.00	87.00	60.00	362.04	115.85	25.86	68.00	165.24	400.00	3869.99	4015.01
	W-VI	2400.00	87.00	60.00	336.00	107.52	24.00	68.00	154.13	400.00	3636.65	3747.51
MCL	G13	827.00	87.00	60.00	115.78	37.05			56.34	400.00	1583.17	1826.00
	G14	758.00	87.00	60.00	106.12	33.96			52.25	400.00	1497.33	1759.48
TDCM	G9	100.00	87.00	60.00	6.50	2.08	310.00	49.00	30.73		645.31	1995.80
	G12	100.00	87.00	60.00	6.50	2.08	224.00	49.00	26.43		555.01	1897.86



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Table: 3.7 (2)

Source	Grade	Cost of Coal for 2023-24										
		ROM/Basic Price (CIL - Subsidiaries + TDCM)	Sizing/Crushing Charges	Evacuation Charge (CUF)	Royalty Charge (BCCL + MCL @14% of ROM & ECL + TDCM @Rs.6.50/MT)	NMET@2% + DMF@30% for CIL-Subsidiaries / DMF@10% for TDCM of Royalty Charge	RE & PE Cess: ECL & TDCM (25%) / Bazaar Fee: BCCL (1%) of ROM	PWD & Road + AMBH: ECL & TDCM (Rs.2/MT) & Management + COVID + Forest: BCCL (Rs.68/MT) & Incidental Charges: TDCM (Rs.47/MT)	GST (5%)	GST Compensation Cess	Admissible Cost to Coal (Without Transportation & Handling Charges)	Projected Cost to Coal (Without Transportation & Handling Charges)
Rs/MT												
PREM ECL	G4	5957.00	87.00	60.00	6.50	2.08	1489.25	2.00	380.19	400.00	8384.02	5643.66
PREM BCCL	W-IV	3064.00	87.00	60.00	428.96	137.27	30.64	68.00	193.79	400.00	4469.66	5054.56
PREM MCL	G14	1391.00	87.00	60.00	194.74	62.32			89.75	400.00	2284.81	2483.46

**3.7.3.2 Landed Cost of Coal:** Considering the minimum of 'Cost to Coal' in between the projected and the admissible values as above, this Commission proceeds to compute the 'Landed Cost of Coal' ie. considering 'Transportation Cost' and 'Cost of Sampling, Handling, etc.' for **2023-24** on the following considerations:

3.7.3.2.1 DPL projects the value of 'Effective Average GCV of Coal as Received' as **3680** kcal/kg for 2023-24, 2024-25 and 2025-26 in terms of Regulation: 5.8.4(1) of the Tariff Regulation, 2020. While scrutinizing the petition it is observed that, DPL considers 'GCV of Coal as Received' at much lower considering slippage of the respective coal grade than the minimum notified value by CIL. But this Commission finds it reasonable to compute the value of 'GCV of Coal as Received' considering the value at the average of the minimum and the maximum as notified GCV for the respective grade.



3.7.3.2.2 As per CERC notifications 'Annual Escalation Rates **Applicable for Payment** during the period 01.04.2021 to 30.09.2023 for Domestic Coal was 0% and for Transportation Charges was 0% (Up to 1000 km)' which differs in respect of the audited figures of DPL during 2020-21 and 2021-22. This Commission thus compares 'Cost of Coal', 'Transportation Cost' [without considering the 'Demurrage Charge' in terms of Regulation: 5.8.2 of the Tariff regulations, as amended] and 'Cost of Handling, Sampling, etc.' of the audited figures of 2020-21, 2021-22 and the unaudited figure of 2022-23 to the audited figures of 2019-20.

Table: 3.8

Head of Expenditure	2019-20	2020-21	2021-22	2022-23
		Audited		Unaudited
Weighted Average Landed Cost of Coal (Rs/MT)	3886.48	4098.53	3441.93	3591.17
Increase/Decrease for Coal (%)		5.46	(16.02)	4.34
Weighted Average of Transportation Charges (Rs/MT)	534.52	481.69	524.46	524.47
Increase/Decrease for Transport (%)		(9.88)	8.88	0.00
Average Cost of Handling, Sampling, Etc. (Rs/MT)	67.05	56.17	59.31	59.43
Increase/Decrease for Handling, Etc. (%)		(16.23)	5.60	0.20

3.7.3.2.3 In lieu of diversities above, this Commission decides to compute the 'Landed Cost of Coal' on the quantity of different coal grades from different available sources as projected by DPL, to recognize whether the 'Effective Average GCV of Coal as Received' and the 'Weighted Average Landed Cost of Coal as Received' are improved by allowing proposed coal mix considering the 'Least Cost Input Principle' based on 'Landed Cost per 1000 kcal of GCV of Coal as Received' up to the coal requirement for normative generation as per Regulation: 5.8.7 of Tariff Regulations, as amended. It is noted that all the 'Run-on-Mine' (**ROM**) / Basic rates based on the latest notifications of 2023, so this Commission does not consider any escalation of coal for 2023-24.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Table: 3.9

Source	Grade	As Admissible			2023-24				As Admissible for 2023-24				
		Admissible Input Cost to Coal (Without Transportation & Handling Charges)	Average Admissible GCV of Coal as Received	Rs/1000kcal (GCV of Coal as Received)	Quantum of Coal (Primary Fuel)	Increase in Quantum of Coal against Last Year	Transportation Cost/MT	Increase in Transportation Cost/MT against Last Year	Cost of Handling, Sampling, etc. per MT	Admissible Landed Cost/MT	Total Admissible Landed Cost (Rs. In Lakh)	Coal Quantity of Particular Grade & Source in respect of Total	Average Admissible GCV of Coal as Received
ECL	G3	5041.08	6550	0.770	1266.08	(97.35)	254.28	6.00	63.00	5358.36	67.84	0.05	3.34
	G4	4831.08	6250	0.773	50963.93	(66.16)	293.50	6.00	63.00	5187.58	2643.80	2.05	128.21
	G5	4463.58	5950	0.750	38804.32	(38.09)	291.95	6.00	63.00	4818.53	1869.80	1.56	92.93
	G6	3859.83	5650	0.683	64358.51	0.00	312.59	6.00	63.00	4235.42	2725.86	2.59	146.36
	G7	3308.58	5350	0.618	69362.63	258.23	262.60	6.00	63.00	3634.18	2520.77	2.79	149.37
	G8	2652.33	5050	0.525	137044.54	704.04	262.10	6.00	63.00	2977.43	4080.41	5.52	278.56
BCCL	G5	4351.73	5950	0.731	3178.91	(90.42)	466.99	6.00	63.00	4881.72	155.19	0.13	7.61
	G6	3774.65	5650	0.668	8397.06	(86.75)	453.80	6.00	63.00	4291.45	360.36	0.34	19.10
	G7	3247.74	5350	0.607	19686.42	320.07	453.80	6.00	63.00	3764.54	741.10	0.79	42.39
	G8	2620.47	5050	0.519	48212.27	487.08	457.60	6.00	63.00	3141.07	1514.38	1.94	98.00
	G9	2181.38	4750	0.459	40641.26	281.92	453.80	6.00	63.00	2698.18	1096.57	1.64	77.70
	W-III	4361.74	5050	0.864	6378.05	(94.00)	540.34	6.00	63.00	4965.08	316.68	0.26	12.96
	W-IV	4196.58	4450	0.943	239232.49	26.42	458.00	6.00	63.00	4717.58	11285.98	9.63	428.50
	W-V	3869.99	4200	0.921	124484.73	67.13	473.59	6.00	63.00	4406.58	5485.52	5.01	210.44
W-VI	3636.65	4050	0.898	63288.81	0.00	499.23	6.00	63.00	4198.88	2657.42	2.55	103.17	
MCL	G13	1583.17	3550	0.446	103602.33	(32.55)	1241.24	6.00	63.00	2887.41	2991.43	4.17	148.04
	G14	1497.33	3250	0.461	169097.67	41.98	1245.15	6.00	63.00	2805.48	4744.01	6.81	221.20
TDCM	G9	645.31	4750	0.136	249245.00	(17.88)	366.43	6.00	63.00	1074.74	2678.73	10.03	476.53
	G12	555.01	3850	0.144	350755.00	78.51	366.43	6.00	63.00	984.44	3452.97	14.12	543.55
PREM ECL	G4	5643.66	6250	0.903	100000.00		293.50		63.00	6000.16	6000.16	4.03	251.57
PREM BCCL	W-IV	4469.66	4450	1.004	200000.00	300.00	458.00	6.00	63.00	4990.66	9981.32	8.05	358.23
PREM MCL	G14	2284.81	3250	0.703	396443.00	437.41	1245.15	6.00	63.00	3592.96	14244.04	15.96	518.60
Aggregate				2484443.01	37.13	616.94				81614.32	100	4316.36	
Change in Weighted Average Admissible Transport Cost of Coal in respect of 2022-23, ie. Rs.524.47 (%)							17.63						
Weighted Average Admissible GCV of Coal as Received (kcal/kg)												4316.36	
Weighted Average Landed Cost of Coal as Received for 2023-24 (Rs/MT)												3285.01	



सत्यमेव जयते



3.7.3.2.4 It reveals that the overall 'Weighted Average Transport Cost' increased by 17.63% for 2023-24 due to change in quantum of the particular coal grade from a different source than in 2022-23 the 'Increase in Transport Cost/MT comparing to Last Year' by the particular grade remains 6.0% as projected by DPL. However, this Commission considers the principle as in Paragraph: 3.7.2.2.3.

3.7.3.2.5 This Commission now proceeds to compare the values of 'Weighted Average GCV of Coal as Received' and the 'Weighted Average Landed Cost of Coal as Received' as follows and thereby admits the most improved values of '**Weighted Average GCV of Coal as Received**' and the '**Weighted Average Landed Cost of Coal as Received**' as **4204.60** kcal/kg and Rs.**3285.01/MT** respectively for 2023-24 among the values as follows.

Table: 3.10

Particulars	2021-22	2022-23	2023-24	2023-24
	Audited	Unaudited	Projected	Admissible
Weighted Average GCV of Coal as Received (kcal/kg)	3833.00	3950.00	3800.00	4316.36
Weighted Average Landed Cost of Coal as Received (Rs/MT)	3441.93	3591.17	3751.51	3285.01
Effective Average GCV of Coal as Received by reducing by 120 kcal/kg in terms of Regulation: 5.8.4(1) of the Tariff Regulation, 2020				4196.36

3.7.3.2.6 As DPL projects the same value of 'Effective Average GCV of Coal as Received' as **3680** kcal/kg for each of the ensuing years in the 8<sup>th</sup> control period by keeping the same quantum of the particular coal grade from the particular source, so this Commission also considers the same 'Weighted Average GCV of Coal as Received' as **4316.36** kcal/kg for 2024-25 and 2025-26. Thus, by reducing by 120 kcal/kg in terms of Regulation: 5.8.4(1) of the Tariff Regulation, 2020, the '**Effective Average GCV of Coal as Received**' is finally considered by this Commission as **4196.36** kcal/kg (4316.36 kcal/kg - 120 kcal/kg) for each of 2023-24, 2024-25 and 2025-26.

3.7.3.2.7 DPL projects 'Weighted Average Landed Cost of Coal' as Rs.**3751.51/MT**, Rs.**3957.84/MT** and Rs.**4155.74/MT** respectively for 2023-24, 2024-25 and 2025-26, whereas this Commission considers the 'Weighted Average Landed Cost of Coal as Received' as Rs.**3285.01/MT** for 2023-24 as explained in Paragraph: 3.7.2.2.5 above. In terms of Regulation: 5.8.7 of the Tariff Regulations, it says:



“.... The price of each type of fuel for the first ensuing year shall be as per the latest declared price of such fuel received from the tariff applicant or from the declared price list of the coal company. The energy charge rate for subsequent years shall be computed considering the escalation rates notified by the CERC for **payment purpose** from time to time under competitive bidding guidelines.”

3.7.3.2.8 As already mentioned in Paragraph: 3.7.2.2.2, this Commission now peruses the notifications during 01.10.2019 to 30.09.2023 of CERC regarding the ‘Annual Escalation Rates **Applicable for Payment** for Domestic Coal & Transportation Charges (Up to 1000 km)’ and finds that no escalation at the most during 01.10.2019 to 30.09.2023 for the particulars concerned here.

Table: 3.11

Annual Escalation Rates for Payment (%)	Oct'19-Mar'20	Apr'20-Sep'20	Oct'20-Mar'21	Apr'21-Sep'21
Notification of CERC (Reference)	Eco-2/2019	Eco-1/2020	Eco-2/2020	Eco-1/2021
Escalation Rate for Domestic Coal	0.00	0.00	0.00	0.93
Transportation Charges (Up to 1000 km)	11.33	0.00	0.00	0.00
Annual Escalation Rates for Payment (%)	Oct'21-Mar'22	Apr'22-Sep'22	Oct'22-Mar'23	Apr'23-Sep'23
Notification of CERC (Reference)	Eco-2/2021	Eco-1/2022	Eco-2/2022	Eco-1/2023
Escalation Rate for Domestic Coal	0.00	0.00	0.00	0.00
Transportation Charges (Up to 1000 km)	0.00	0.00	0.00	0.00

3.7.3.2.9 Accordingly, this Commission does not consider any escalation in ‘Cost of Coal, Transportation Cost and Cost of Sampling, Handling, etc.’ and considers the same ‘Weighted Average Landed Cost of Coal as Received’ as Rs.**3285.01**/MT for 2024-25 and 2025-26 including 2023-24 to compute the quantum and the cost of coal to be required to derive ‘Variable Charge (paisa/kWh)’ for normative generation as hereunder:



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Table: 3.12

Particulars as Admitted	Variable Charges: Cost of Fuel (Oil + Biomass + Coal)					
	Gross Generation, Auxiliary Consumption & Ex-bus Generation (MU)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Plant Capacity (MW)	300	250	300	250	300	250
Plant Load Factor (PLF)	80%	80%	80%	80%	80%	80%
Gross Generation (MU)	2108.160	1756.800	2102.400	1752.000	2102.400	1752.000
Overall Generation (MU)	3864.960		3854.400		3854.400	
Auxiliary Consumption (%)	8.5	9.0	8.5	9.0	8.5	9.0
Auxiliary Consumption (MU)	179.194	158.112	178.704	157.680	178.704	157.680
Ex-bus Generation (MU)	1928.966	1598.688	1923.696	1594.320	1923.696	1594.320
Overall Ex-bus Generation	3527.654		3518.016		3518.016	
<b>SHR (kCal/kWh)</b>	2345	2425	2345	2425	2345	2425
Heat Requirement (Gcal)	4943635	4260240	4930128	4248600	4930128	4248600
<b>SOC (ml/kWh)</b>	1.00	1.00	1.00	1.00	1.00	1.00
Gross Oil Consumption (kl)	2108.16	1756.80	2102.40	1752.00	2102.40	1752.00
GCV of Oil (kcal/l)	9393	9393	9393	9393	9393	9393
Heat from Oil (Gcal)	19801.95	16501.62	19747.84	16456.54	19747.84	16456.54
Heat from Coal + Biomass	4923833	4243738	4910380	4232143	4910380	4232143
Average Price of Oil (Rs/kl)	94884.82	94884.82	94884.82	94884.82	94884.82	94884.82
Cost of Oil (Rs. In Lakh)	2000.32	1666.94	1994.86	1662.38	1994.86	1662.38
Biomass Consideration	5%	5%	7%	7%	7%	7%
Heat from Biomass (Gcal)	246192	212187	343727	296250	343727	296250
GCV of Biomass (kcal/kg)	4500	4500	4500	4500	4500	4500
Quantity of Biomass (MT)	54709.26	47152.65	76383.69	65833.34	76383.69	65833.34
Price of Biomass (Rs./MT)	10417.00	10417.00	10417.00	10417.00	10417.00	10417.00
Cost of Biomass (Rs. In La	5699.06	4911.89	7956.89	6857.86	7956.89	6857.86
Heat from Coal (Gcal)	4677642	4031551	4566654	3935893	4566654	3935893
Effective Average GCV of Coal as Received (kcal/kg)	4196.36	4196.36	4196.36	4196.36	4196.36	4196.36
Quantity of Coal (MT)	1114690.25	960725.83	1088241.61	937930.35	1088241.61	937930.35
<b>T &amp; H Loss (%)</b>	0.50	0.50	0.50	0.50	0.50	0.50
Total Quantity of Coal (MT)	1120263.70	965529.46	1093682.81	942620.01	1093682.81	942620.01
Considering 0.5% Loss in Transit & Handling of Coal						
Weighted Average Landed Cost of Coal (Rs/MT)	3285.01	3285.01	3285.01	3285.01	3285.01	3285.01
Cost of Coal (Rs. In Lakh)	36800.77	31717.74	35927.59	30965.16	35927.59	30965.16
Total Cost of Fuel (Rs. In Lakh)	44500.16	38296.57	45879.34	39485.40	45879.34	39485.40
Variable Charge (Paisa/kWh)	230.69	239.55	238.50	247.66	238.50	247.66

3.7.4 However, any variation in actual generation and fuel costs for 2023-24, 2024-25 and 2025-26 admitted in this order will be given due consideration by this Commission in the respective APR and/or FCA order as per the provisions of the Tariff Regulation.





## CHAPTER 4 FIXED CHARGES

4.1 In this chapter, this Commission makes prudent analysis of the projected fixed charges claimed by DPL for 2023-24, 2024-25 and 2025-26 under different heads below.

4.2 **Project Cost:** Presently DPL has two 'Coal Fired Thermal Generating Stations' viz. Unit-VII (300 MW), commissioned on **30.04.2008** & Unit-VIII (250 MW), commissioned on **01.10.2014**.

4.2.1 **Project Cost of Unit-VII (300 MW):** DPL is yet to submit all required documents and clarifications regarding project cost of unit-VII. Having pending such detailed submission, this Commission, during determination of Aggregate Revenue Requirements (ARR) for the 8th Control Period, has considered the project cost Rs.**135000.00** Lakh of Unit VII, as considered in the MYT order for 7<sup>th</sup> control period and also indicated by DPL in its MYT application for 8<sup>th</sup> control period, provisionally and taken the following decisions:

(i) The report as per Regulation: 2.8.1.4.13 of the Tariff Regulations has not yet been submitted by DPL. In terms of the aforesaid regulation, therefore, 5% of the provisional Project Cost, ie. Rs.**6750.00** Lakh is being reduced for the purpose of tariff determination at this stage.

(ii) Reduction of 5% of the provisional project cost as per clause (i) above would have effect on different fixed charge components viz. depreciation, interest, return on equity and reserve for unforeseen exigencies. This Commission during earlier Tariff Orders for the financial years 2011-12 to 2017-18, 2018-20 (Part-I), 2018-20 (Part-II), 2019-20 and 2020-23 had given direction to submit the final project cost as per provisions of Regulation: 2.8.5 of the Tariff Regulations. This Commission has seriously noted the issue and decides to continue with its decision taken in the earlier Tariff Orders, not to service any capital cost beyond 95% of the provisional project cost during 2023-24, 2024-25 and 2025-26.

4.2.2 **Project Cost of Unit-VIII (250 MW):** This Commission accorded 2nd Stage



सत्यमेव जयते



Investment Approval for Unit-VIII of DPL with an estimated project cost of Rs. **169968.00** Lakh. Accordingly, for the same reasons as stated in Paragraph: 4.2.1(i) above, 5% of the estimated project cost of Unit-VIII, amounting to Rs. **8498.40** Lakh, is taken reduced for the time being for determination of ARR for 2023-24, 2024-25 and 2025-26. During finalization of the project cost for Unit-VIII, if any amount is disallowed by this Commission, the same shall be adjusted with the reduced amount of Rs. **8498.40** Lakh and corresponding impact on tariff shall accordingly be adjusted in the APR.

4.2.3 In response to the letter vide No: MD/DPL/F-84/2020/36 dated 18.03.2020 of DPL regarding approval of decommissioning of Unit-VI by Government of West Bengal w.e.f. 01.04.2019, this Commission had intimated DPL vide a letter dated 27.07.2020 that no further depreciation of the assets of Unit-VI to be allowed as the related fixed assets are supposed to have depreciated up to the level of statutory limit of their residual value and employees engaged in Unit-VI to be redeployed suitably for function of Unit-VII and Unit-VIII. Accordingly, this Commission proceeds to determine the tariff for 2023-24, 2024-25 and 2025-26 considering Unit-VI as decommissioned w.e.f. 01.04.2019.

4.3 **Employees Cost:** Unlike previous petitions, DPL, in this Tariff Petition for 2023-24, 2024-25 and 2025-26, recognizes its expenditures of Service Department and Central Workshop under Power Plant, comprising of all regular employees of own establishment and all contractual employees working under regular establishment arriving at 1058, 973 and 902 for 2023-24, 2024-25 and 2025-26 respectively as per recommendation of the third party, ie. EEC as advised previously by this Commission and DPL is yet to file the petition for consideration of merging the expenditures of the Common Service Department (Service Department and Central Workshop) with the Power Plant to this Commission.

4.3.1 DPL also states that in January'2023, around 330 employees are redeployed in the other Government departments. The Employees Cost of DPL for previous Financial Years from 2019-20 to 2021-22, Base Year of 2022-23 and Ensuing Years of 2023-24, 2024-25 and 2025-26, submitted under Form: 1.12 and Form: 1.17 (h) of the tariff petitions are depicted below:



Table: 4.1

Employees No/Costs	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Power Plant							
Own + Contractual (No)	680	652	616	735	1058	973	902
Amount (Rs. In Lakh)	7350.03	7024.34	7623.79	7576.36	11788.75	10886.22	11145.88
Man/MW	1.24	1.19	1.12	1.34	Latest Norms to Consider		
Service Department							
Own + Contractual (No)	647	612	598	534	Recognized Under Power Plant		
Amount (Rs. In Lakh)	6389.02	5849.70	5935.68	5094.92			
Central Workshop							
Own Employees (No)	41	28	23	25	Recognized Under Power Plant		
Amount (Rs. In Lakh)	328.94	214.92	240.46	250.24			
Employee Cost (Power Plant + Service Department + Central Workshop)							
Total Employee (No)	1368	1292	1237	1294	1058	973	902
Total Cost (Rs. In Lakh)	14067.99	13088.96	13799.93	12921.52	11788.75	10886.22	11145.88

4.3.2 Considering the Operating Norms of Coal Fired Thermal Generating Station, ie. the ratio of Man/MW as 1.20:1 set out in the Schedule-9A of the Tariff Regulations (4th Amendment) and the previous trend of employee strength in respect of Common Service Department (Service Department and Central Workshop), this Commission proceeds to consider the number of employees engaged in respect of Power Plant as well as the share of Service Department and Central Workshop as follows:

Table: 4.2

No of Employees	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Power Plant							
Own + Contractual (No)	680	652	616	735	660	660	660
Ratio of Man/MW	1.24	1.19	1.12	1.34	1.20	1.20	1.20
Service Department							
Own + Contractual (No)	647	612	598	534	379	298	231
Central Workshop							
Own Employees (No)	41	28	23	25	19	15	11
Employees (Power Plant + Service Department + Central Workshop)							
Total Employee (No)	1368	1292	1237	1294	1058	973	902

4.3.3 This Commission now proceeds to determine the admissible Employees Cost for Power Plant on the principles mentioned below:

- The Basic Pay as approved in the Tariff Order for 2022-23 has been achieved commensurate with the number of employees and annual increment of 3% has been considered.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

- Dearness Allowance and Other Allowances as a percentage of Basic Pay in proportion to the claim in aggregate for Power Plant, Service Department and Central Workshop collectively by DPL for 2023-24, 2024-25 and 2025-26 have been considered.
- Statutory Retirement Benefits and Statutory Bonus / Ex-Gratia / LTC / Leave Salary and Leave Encashment etc. have been admitted in proportion to the collective claim for Power Plant, Service Department and Central Workshop by DPL, adjusted by number of employees admitted.

Table: 4.3

Projected Employees Cost for Power Plant + Service Department + Central Workshop by DPL (Rs. In Lakh)				
Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected		
No of Employees (Petition)	1294	1058	973	902
Basic Pay (Petition)	7518.19	6798.80	6436.70	6137.56
Dearness Allowance (Petition)	944.88	851.35	804.27	965.39
Other Allowances (Petition)	855.00	740.99	673.41	620.80
Statutory Bonus, Exgratia, LTC, Leave Encashment, Etc. (Petition)	2149.87	2164.68	1815.94	2134.02
Statutory Retirement Benefit (Petition)	1453.58	1232.93	1155.90	1288.11
Gross Employee Cost (Petition)	12921.52	11788.75	10886.22	11145.88
Admissible Employees Cost for Power Plant (Rs. In Lakh)				
Particulars	Tariff Order	Admissibility		
Basic Pay	4883.23	5107.11	5260.32	5418.13
Dearness Allowance	488.32	639.52	657.28	852.23
Other Allowances	830.02	556.62	550.34	548.03
Statutory Bonus, Exgratia, LTC, Leave Encashment, Etc.	1.81	1350.37	1231.78	1561.48
Statutory Retirement Benefit	1579.74	769.12	784.06	942.52
Gross Employee Cost	7783.12	8422.73	8483.78	9322.39
No of Employees (Normative)	650	660	660	660

4.3.4 Earlier, in the combined FPPCA and APR Order dated 16.02.2017 of DPL for 2013-14 [Case No: FPPCA-72/14-15 and APR-43/14-15], this Commission had admitted the share of Employees Costs in respect of the Service Department for Power Plant @56.18% and that of Central Workshop for Power Plant @17.00% after careful consideration of the reports of the Cost Auditor submitted by DPL. Accordingly, this Commission proceeds to determine the Employees' Costs for Service Department and Central Workshop for 2023-24, 2024-25 and 2025-26 considering the balance amount after the admissibility of Employees Cost for Power Plant as above and thereafter, the balance amount to be distributed as per above consideration of number of employees in respect of Service



सत्यमेव जयते



Department and Central Workshop. The detail as considered above are as follows:

Table: 4.4

No of Employees & Cost	2023-24	2024-25	2025-26
Projected Employees Cost (Power Plant + Service Department + Central Workshop) by DPL			
Total Employee (No)	1058	973	902
Employees' Costs (Rs. In Lakh)	11788.75	10886.22	11145.88
Admissible Employees Cost (Power Plant)			
Own + Contractual (No)	660	660	660
Employees Cost (Rs. In Lakh)	8422.73	8483.78	9322.39
Projected Employees Cost (Service Department)			
Own + Contractual (No)	379	298	231
Employees Cost (Rs. In Lakh)	3208.99	2290.36	1738.42
Admissible Employees Cost (Service Department) @56.18%			
Employees Cost (Rs. In Lakh)	1802.81	1286.73	976.65
Projected Employees Cost (Central Workshop)			
Own Employees (No)	19	15	11
Employees Cost (Rs. In Lakh)	157.03	112.08	85.07
Admissible Employees Cost (Central Workshop) @17.00%			
Employees Cost (Rs. In Lakh)	26.69	19.05	14.46
Admissible Employees Cost (Power Plant + Service Department + Central Workshop)			
Employees' Costs (Rs. In Lakh)	10252.24	9789.56	10313.50

4.3.5 This Commission now admits the Employees Cost of Power Plant, Service Department and Central Workshop to the generating Unit-VII and Unit-VIII separately in the allocation ratio proposed by DPL. The same is depicted in the table below:

Table: 4.5

Employees Cost (Rs. In Lakh)	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Admitted Employees Cost (Power Plant)						
Employees Cost (Rs. In Lakh)	4593.49	3829.24	4629.89	3853.89	5084.93	4237.46
Admitted Employees Cost (Service Department)						
Employees Cost (Rs. In Lakh)	983.20	819.62	702.21	584.52	532.72	443.93
Admitted Employees Cost (Central Workshop)						
Employees Cost (Rs. In Lakh)	14.56	12.14	10.40	8.66	7.89	6.57
Admissible Employees' Costs (Power Plant + Service Department + Central Workshop)						
Employees' Costs (Rs. In Lakh)	5591.24	4660.99	5342.50	4447.06	5625.53	4687.96
Total Employees Cost (Rs. In Lakh)	10252.24		9789.56		10313.50	



4.3.6 It is, however, necessary to mention that the Employee Cost are uncontrollable and therefore, are subject to adjustments in Annual Performance Review for 2023-24, 2024-25 & 2025-26. If there be any variation in the admitted amount, DPL shall furnish relevant information and supporting documents in this respect with the application for APR for the concerned year and the same will be considered for adjustment in APR to the extent it is found prudent by this Commission.

4.3.7 Along with the information and documents as mentioned above, DPL shall, in the application for APR for the concerned year, also furnish the information in the format given in Form: 1.17(h) of Annexure-1 to the Tariff Regulations, indicating details in respect of both own and contractual employees under regular establishments engaged in Unit-VII and Unit-VIII.

4.4 **Operation and Maintenance Expenses:** This Commission has fixed the norms of Operation & Maintenance (O&M) Expenses for a 'Coal Fired Thermal Generating Station' under operation in the Schedule-9A [A2] of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2023 and therefore the normative O&M Expenses for 2023-24, 2024-25 and 2025-26 are computed and furnished as below:

Table: 4.6

O&M Expenses	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Projected by DPL	4282.34	3568.63	4460.63	3717.20	4649.59	3874.68
Normative Operation & Maintenance Expenses of DPL						
Unit Size (MW)	300	250	300	250	300	250
Norms (Rs. In Lakh/MW)	12.00	9.39	12.45	9.75	12.92	10.12
O&M Expenses (Rs. In Lakh)	3600.00	2347.50	3735.00	2437.50	3876.00	2530.00

4.4.1 Accordingly, this Commission considers the 'O&M Expenses' including 'Coal and Ash Handling Expenses' on normative basis as per the Tariff Regulations, as amended.

4.5 **Water Charges:** DPL meets processed water supply requirements for its generating station by taking supply from its sister unit, 'Water Works'. DPL projects Rs. **2428.27** Lakh



per year against Water Charges for power generation in the 8<sup>th</sup> Control Period on the basis of average rate of consumption for the last five years, ie. Water Consumption@**3.50** kL/MWh which is within the limit specified by MOEF&CC and at the rate of Inter Plant Transfer (IPT) of processed water of Rs. 18.00/kl, as notified by the Department of Power, Government of West Bengal vide No: **812-POW-28011(11)/1/2023-SECTION (POWER) dated 09.06.2023.**

4.5.1 In line with the above, this Commission admits the water charges on the basis of the normative generation for 2023-24, 2024-25 and 2025-26 as follows:

Table: 4.7

Particulars	Admissibility Water Charges					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Gross Generation of Power (MU)	2108.16	1756.80	2102.40	1752.00	2102.40	1752.00
Proposed Water Consumption (ML)	7358.40	6132.00	7358.40	6132.00	7358.40	6132.00
Rate of Water Consumption (kL/MWh)	3.49	3.49	3.50	3.50	3.50	3.50
Rate of IPT of Processed Water/ML (Rs)	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
Water Charges (Rs. in Lakh)	1324.51	1103.76	1324.51	1103.76	1324.51	1103.76
Total (Rs. in Lakh)	2428.27		2428.27		2428.27	

4.5.2 However, the expenditure on water charges being uncontrollable in nature, on submission of APR petitions along with the actual expenditure vis-à-vis actual generation will be viewed separately by this Commission for adjustment of allowable water charges.

4.6 **Depreciation:** DPL submits that the depreciation is calculated as per the rates of depreciation and duration of useful life of different category of assets as laid down in the Annexure-A of the Tariff Regulations, 2011 and on the basis of historical costs of Gross Fixed Assets (GFA).

4.6.1 On detail scrutiny of Assets Register, Form: B, Form: 1.19(a), Form: 1.20(a) & Form: 1.20(b), it is observed that, DPL considers the capex addition of Rs.**2000.00** Lakh, Rs.**2200.00** Lakh and Rs.**2400.00** Lakh for 2023-24, 2024-25 and 2025-26 respectively.



सत्यमेव जयते



But, the way of funding of such investment is neither clearly mentioned in the petition, nor considered in the Form: C. In terms of the Regulation: 2.8.4.2 of the Tariff Regulations, where the Investment Approval is mandatory for any Renovation & Modernization Programme or Life Extension Programme or Replacement Programme. Under these circumstances, this Commission decides not to allow depreciation on this account in ARR stage. DPL is directed to take the Investment Approval in terms of Regulation: 2.8.4.2 of the Tariff Regulations and accordingly place their claim during truing up exercise for the respective year.

4.6.2 Now, it may be noted that this Commission vide Regulation 5.6.2 of the Tariff Regulations, 2023, has specified the depreciation permitted to be recovered on the value of fixed assets used in the business of a Generating Company and / or Licensee. Further, in terms of Regulation 5.6.2 (ii) of the Tariff Regulations, 2023, this Commission has specified the rates [Annexure – A(I)] and modalities of computing depreciation in case of the existing assets as on the cut-off date of 31st March 2022. Additionally, the Regulation 5.6.2 (vii) of the Tariff Regulations specifies that depreciation shall be recomputed at the time of Annual Performance Review (APR) based on Audited financial statements and documentary evidences of the assets capitalized by the petitioner, subject to prudent analysis by this Commission.

4.6.3 In addition to above and in line with the decision taken in Paragraph: 1.7 of this order, this Commission proceeds to determine the admissible depreciation as follows:

4.6.3.1 In case of DPL, the initial Project Cost of Unit-VII (300 MW) & Unit-VIII (250 MW) are considered as Rs. **135000.00** Lakh and Rs. **169968.00** Lakh respectively as explained in Paragraph: 4.2 of this order. Now, this Commission compiles the depreciations and AAD already admitted in different APR orders (2007-08 to 2017-18) and Tariff orders (2018-19 to 2022-23) to arrive at the cumulative depreciation and AAD up to 31.03.2022.





Table: 4.8

Year	Total Depreciation	Total AAD	Depreciation			AAD			
			Unit-I to Unit-VI	Unit-VII 30.04.2008	Unit-VIII 01.10.2024	Unit-I to Unit-VI	Unit-VII 30.04.2008	Unit-VIII 01.10.2024	
Admitted Depreciation & AAD as per APR Order & Tariff Order (Rs. In Lakh)									
2007-08	1696.83	1409.95	1169.30	527.53		1409.95			
2008-09	6066.85	0.00	1466.43	4600.42					
2009-10	6093.95	3122.13	1492.34	4601.61		1119.36	2002.77		
2010-11	6028.23	2826.75	1743.42	4284.81		817.52	2009.23		
2011-12	5682.62	3275.27	1686.73	3995.89		984.06	2291.21		
2012-13	5705.42	2329.07	1711.58	3993.84		142.86	2186.21		
2013-14	5817.40	990.81	1599.35	4218.05			990.81		
2014-15	6332.66	644.96	213.07	2949.42	3170.17		644.96		
2015-16	10380.28	0.00	847.50	3321.51	6211.27				
2016-17	10572.93	0.00	347.35	4295.08	5930.50				
2017-18	11382.16	0.00	0.00	4776.00	6606.16				
2018-19 (I)	8869.06	0.00	1124.22	3264.44	4480.40				
2018-19 (II)	2954.23	0.00	137.93	1187.07	1629.23				
2019-20	11474.39	0.00		4863.68	6610.71				
2020-21	11459.38	3238.46		4851.07	6608.31		0.00	3238.46	
2021-22	11459.38	7265.02		4851.07	6608.31		276.53	6988.49	
<b>Cumulative</b>	<b>121975.77</b>	<b>25102.42</b>	<b>13539.22</b>	<b>60581.49</b>	<b>47855.06</b>	<b>4473.75</b>	<b>10401.72</b>	<b>10226.95</b>	
<b>Cumulative Depreciation &amp; AAD up to 31.03.2022</b>							<b>70983.21</b>	<b>58082.01</b>	
2022-23	11459.38	7265.02		4851.07	6608.31		276.53	6988.49	
<b>Cumulative Depreciation &amp; AAD up to 31.03.2023</b>							<b>76110.81</b>	<b>71678.81</b>	

4.6.3.2 From the above table, this Commission observes the cumulative depreciation of Rs. **76110.81** Lakh and Rs. **71678.81** Lakh in respect of Unit-VII and Unit-VIII respectively as on 31.03. 2023. Further, this Commission observes the fixed assets are to be depreciated under 70%-Block as on 31.03.2023 for the 8<sup>th</sup> control period and the corresponding depreciation are to be considered at the specified rates as per the Tariff Regulations, as amended. Beyond 70% of the depreciable assets, the depreciation is considered as divided equally for the balance useful life considering total life of assets as set out in the Tariff Regulations, as amended.

4.6.3.3 This Commission also decides not to consider any addition of assets as explained in Paragraph: 4.6.1 of this order. As per provisions in the Tariff Regulations, this Commission allows depreciation up to maximum of 90% on the approved Project Cost. But herein, this Commission allows depreciation up to maximum of 90% on 95% of the



सत्यमेव जयते



capitalized cost of the provisional Project Cost of Unit-VII and Unit-VIII in terms of Regulation: 2.8.5 of the Tariff Regulations in view of the fact that the 'Investment Approvals' of DPL is not yet applied for.

4.6.3.4 This Commission does not allow any amount as fully depreciated asset in absence of the relevant information in the 'Fixed Asset Register', as submitted by DPL.

4.6.3.5 Further, this Commission observes that an amount of Rs. **6.94** Lakh on account of 'Land Development' appears under Unit-VII in the 'Fixed Asset Register', as submitted by DPL.

4.6.3.6 Now in absence of clear distinction of different category of assets, this Commission decides to classify the assets into the asset of civil class and other class which is the left-out balance of the total depreciable assets reduced by the asset of civil class in proportion to the respective original costs in the 'Fixed Asset Register' as submitted with the MYT petition for the 8<sup>th</sup> control period by DPL.

4.6.3.7 Depreciation@**3.34%** for the asset of civil class and depreciation@**5.28%** for the left-out balance as mentioned above of the depreciable GFA under 70% Block is considered for the 8<sup>th</sup> Control Period.

4.6.3.8 After the cumulative depreciation arrived up to 70% of the depreciable assets, the balance 20% (90% - 70%) is to be considered as divided equally for the balance useful life considering the total life of the assets as set out in the Tariff Regulations.

4.6.3.9 This Commission notes that the total depreciation is to be restricted up to 90% of the total depreciable assets but in case of DPL, the value of depreciable assets is limited to 95% on the capitalized value of the provisional Project Cost of Unit-VII and Unit-VIII in terms of Regulation: 2.8.5 of the Tariff Regulations where the 'Investment Approvals' are yet to be done.



सत्यमेव जयते



## Tariff Order of DPL for 2023-24 &amp; 2024-25

Table: 4.9

Particulars	Amount (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
	2008-04-30	2014-10-01	2008-04-30	2014-10-01	2008-04-30	2014-10-01
Initial Project Cost (GFA)	135000.00	169968.00	135000.00	169968.00	135000.00	169968.00
95% on Capitalized Value	128250.00	161469.60	128250.00	161469.60	128250.00	161469.60
Less: Freehold Land	6.94	0.00	6.94	0.00	6.94	0.00
Depreciable GFA	128243.06	161469.60	128243.06	161469.60	128243.06	161469.60
70% on Above	89770.14	113028.72	89770.14	113028.72	89770.14	113028.72
20% on Above	25648.61	32293.92	25648.61	32293.92	25648.61	32293.92
Considering Asset Life of 25 Yrs. Balance Useful	2023-03-31	2023-03-31	2024-03-31	2024-03-31	2025-03-31	2025-03-31
	10.00	16.50	9.00	15.50	8.00	14.50
Admissible GFA to be Depreciated at Opening	128243.06	161469.60	128243.06	161469.60	128243.06	161469.60
Depreciable Civil Assets as per Asset Register in Petition in respect of Concerned Unit	10428.31	29984.45	10428.31	29984.45	10428.31	29984.45
Total Depreciable Assets as per Asset Register in Petition in respect of Concerned Unit	141932.47	194502.39	141932.47	194502.39	141932.47	194502.39
Admissible Civil Assets to be Depreciated in Proportion at Opening	9422.50	24892.12	9422.50	24892.12	9422.50	24892.12
Admissible Balance Assets to be Depreciated in Proportion at Opening	118820.56	136577.48	118820.56	136577.48	118820.56	136577.48
Depreciation of Civil Assets@3.34%	314.71	831.40	314.71	831.40	314.71	831.40
Depreciation of Balance Assets@5.28%	6273.73	7211.29	6273.73	7211.29	6273.73	7211.29
Provisional Depreciation	6588.44	8042.69	6588.44	8042.69	6588.44	8042.69
Cumulative Depreciation up to Previous Year	76110.81	71678.81	82699.25	79721.50	89287.68	87764.19
Cumulative Depreciation up to Current Year	82699.25	79721.50	89287.68	87764.19	95876.12	95806.87
Admissible Depreciation	6588.44	8042.69	6588.44	8042.69	3206.08	8042.69
<b>Total Depreciation as Admissible</b>	<b>14631.12</b>		<b>14631.12</b>		<b>11248.76</b>	

4.6.3.10 Hence, this Commission admits the depreciation of Rs.14631.12 Lakh, Rs.14631.12 Lakh and Rs.11248.94 Lakh for 2023-24, 2024-25 and 2025-26 respectively for assets of DPL as worked out above.

4.6.4 DPL is directed to submit the Asset Register Summary duly certified by the Statutory Auditor as per Annexure-10 of the Tariff Regulations, as amended with the APR petition of



सत्यमेव जयते



the respective financial year.

**4.7 Advance Against Depreciation (AAD) & Interest Credit:** In the Tariff Regulations (Fourth Amendment), 2023 there is no provision of AAD and Interest Credit, so no amount is considered under this head in the 8<sup>th</sup> control period.

**4.8 Return on Equity:** This Commission has already notified in the Tariff Regulations (Fourth Amendment), 2023 that the Return on Equity (RoE) to consider @14.00% for the assets commissioned on and from 01.04.2024 of a Generating Company on the post tax basis. In case of DPL, the RoE @15.50% is considered as the assets are commissioned prior to 01.04.2024 and this Commission does not consider any asset addition in this 8<sup>th</sup> Control Period as explained at Paragraph: 4.6.1 above.

4.8.1 DPL considers the total equity received from the Government of West Bengal (GoWB) amounting to Rs. **40500.00** Lakh (Ratio of 30:70) and Rs. **34000.00** Lakh (Ratio of 20:80) respectively for Unit-VII & Unit-VIII as the admissible equity base. This Commission, also, considers the actual equity base of generating stations as per the sanction of Government of West Bengal for Unit-VII and Unit-VIII. It may be noted that one Long-Term Loan from GoWB, Rs. **39169.32** Lakh, is restructured into Equity within Authorized Capital of DPL to be reflected in 2022-23 as noted in the Audited financial statements of 2021-22. This Commission now proceeds to compute the Return on Equity (RoE) of DPL for 2023-24, 2024-25 and 2025-26.



Table: 4.10

Particulars	Amount (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Equity Base at Opening	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00
Admissible Equity Base at Opening	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00
Admissible Equity Base at Closing	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00
Average Admissible Equity Base	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00
Rate in %@ROE	15.50	15.50	15.50	15.50	15.50	15.50
Admissible RoE on Average Admissible Equity Base	6277.50	5270.00	6277.50	5270.00	6277.50	5270.00
Less@5% as in Paragraph: 4.6.3.2	313.88	263.50	313.88	263.50	313.88	263.50
Return on Equity as Admitted	5963.63	5006.50	5963.63	5006.50	5963.63	5006.50
Total Return on Equity as Admitted	10970.13		10970.13		10970.13	
Return on Equity as Claimed	6277.50	5270.00	6277.50	5270.00	6277.50	5270.00
Total Return on Equity as Claimed	11547.50		11547.50		11547.50	

4.8.2 The equity base admitted for allowing the Return on Equity (RoE) above is computed for the prospective years and therefore, adjustments subsequently shall apply on the basis of Audited Financial Statement at the time of Annual Performance Review for the concerned year.

4.9 **Interest on Loan Capital:** As stated by DPL, the earlier Long-Term Loans, one from GoWB is restructured into Equity within Authorized Capital of DPL to be reflected in the Audited financial statements for 2022-23 and the other from Power Finance Corporation Limited (PFCL) is fully paid in 2021-22, as both noted in the Audited financial statements of 2021-22.

4.9.1 One new Long-Term Loan of Rs. **2675.00** Lakh is received from West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC) as agreed and guaranteed 100% by GoWB as reflected in the Audited financial statements for 2021-22.



4.9.2 In addition to above, the loan from Central Electricity Authority (CEA) appears to be Long-Term Loan in nature as recognized in the Audited financial statements of 2021-22, is not considered by DPL for ascertaining the interest on this account.

4.9.3 So, DPL has considered the Interests on Loan Capital from WBIDFC only in the 'Summarized Revenue Requirement', ie. Form: E(B), while some more loan detail furnished in Form: C of this petition for the 8<sup>th</sup> Control Period.

4.9.4 This Commission now proceeds to determine the admissible Interest on Loan Capital in line with Regulation: 5.6.4.1 & Regulation: 5.6.4.2 of the Tariff Regulations, considering the following:

4.9.5 As explained at Paragraph: 4.6.1, this Commission does not consider any addition to the fixed assets in this 8<sup>th</sup> Control Period.

4.9.6 After deduction of the cumulative depreciation and AAD as on 31.03.2023 as calculated above in Paragraph: 4.6.3 from the Gross Normative Loan as on 1<sup>st</sup> April of the respective year, it is considered to compute the 'Interest on Loan Capital'.

4.9.7 Weighted average rate of interest for 2023-24, 2024-25 and 2025-26, is considered based on the information submitted by DPL in Form: C in the 8<sup>th</sup> Control Period.

4.9.8 As calculated in the following table, this Commission admits the 'Interest on Loan Capital' as Rs.**4643.52** Lakh, Rs.**3605.08** and Rs.**2774.53** Lakh of DPL for 2023-24, 2024-25 & 2025-26 respectively after restricting the loan amount up to the ratio (Debt : Equity) in respect of the allowable fixed cost to be capitalized as considered by this Commission.

4.9.9 Also, DPL is directed to submit all the detail of restructuring of Long-Term Loans with GoWB and WBIDFC and the detail of Long-Term Loan from CEA with the APRPetition for 2022-23.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

Table: 4.11

Particulars	Amount (Rs. In Lakh)							
	2022-23		2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Loan Capital from WBIDFC [Form: C]								
Original Loan Amount	56130.25	211369.75	56130.25	211369.75	56130.25	211369.75	56130.25	211369.75
Opening Balance	56130.25	211369.75	53308.05	200742.19	49377.39	185940.51	45446.74	171138.82
Repayment Due			3440.05	12954.19	4317.71	16259.21	4317.71	16259.21
Fresh Drawal								
Interest Paid	4062.45	15297.95	3984.90	15005.95	3680.40	13859.30	3365.74	12674.38
Closing Balance	56130.25	211369.75	49868.00	187788.00	45059.68	169681.30	41129.03	154879.61
Weighted Average Rate of Interest on Loan Capital (%)								
Rate of Interest (%)	7.24	7.24	7.72	7.72	7.79	7.79	7.78	7.78
Normative Interest on Loan Capital (Rs. In Lakh)								
Particulars	Amount (Rs. In Lakh)							
	2022-23		2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Initial Project Cost	135000.00	169968.00	135000.00	169968.00	135000.00	169968.00	135000.00	169968.00
Less: 5% on Above	128250.00	161469.60	128250.00	161469.60	128250.00	161469.60	128250.00	161469.60
Equity as Admitted	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00	40500.00	34000.00
Cumulative Depreciation up to 31.03.2023			76110.81	71678.81				
Opening Balance of Net Normative Loan			11639.19	55790.79	5050.75	47748.10	0.00	39705.41
Admissible Depreciation for 2023-24			6588.44	8042.69				
Admissible Depreciation for 2024-25 (Restricted to Loan Balance for Unit-V)					5050.75	8042.69		
Admissible Depreciation for 2025-26 (Restricted to Loan Balance for Unit-VII)							0.00	8042.69
Closing Balance of Net Normative Loan			5050.75	47748.10	0.00	39705.41	0.00	31662.73
Average Balance of Net Normative Loan			8344.97	51769.45	2525.38	43726.76	0.00	35684.07
Weighted Average Rate of Interest on Loan			7.72	7.72	7.79	7.79	7.78	7.78
Admissible Interest on Loan Capital			644.60	3998.92	196.84	3408.24	0.00	2774.53
Total Admissible Interest on Loan Capital				4643.52		3605.08		2774.53
Interest on Loan Capital Projected by DPL			3984.90	15005.95	3680.40	13859.30	3365.74	12674.38
Total Interest on Loan Capital Projected by DPL				18990.85		17539.70		16040.12

**4.10 Other Finance Charges:** As per Regulation: 5.6.4.2 (vii) of the Tariff Regulations, this Commission does not consider the other finance charges at this stage owing to no alteration in the loan capital. However, if any amount of the other finance charges allowable shall be dealt with at the truing up subject to prudent analysis.

**4.11 Income Tax:** DPL submits that if Income Tax is paid on the assessed profit, the same will be claimed to pass through APR Order of the relevant year and accordingly, no amount is admitted in respect of Income Tax for the 8<sup>th</sup> Control Period. DPL is however directed to submit a comprehensive statement incorporating the amounts of (i) income tax



provided in the annual reports and audited financial statements, (ii) income tax as assessed, (iii) income tax as paid and (iv) income tax as refunded, supported by documentary evidences vide assessment orders, copies of challans, copies of refund orders, etc. including year wise Auditors' Certificate with the APR petitions for 2023-24, 2024-25 and 2025-26. In this respect, the provisions in the Regulation: 5.13.1 and Regulation: 5.13.2 of the Tariff Regulations may be referred to.

**4.12 Reserve for Unforeseen Exigencies:** DPL does not project any amount for the 8<sup>th</sup> Control Period in line with the directions given in Para: 3.16.6 to 3.16.8 of the APR Order for 2012-13 in Case No: APR-40/13-14 and it stated that DPL will claim such expenses in its APR petition for the respective year, if any expenditure arises.

4.12.1 In terms of regulation 5.11 of the Tariff Regulations, the sums appropriated to the Reserve for Unforeseen Exigencies shall be invested prudently in securities in the manner specified in Regulation: 5.11.2 *ibid*. This Commission finds that as on 31.03.2022, the cumulative amount including interest on invested amounts as per Note: 2, Item: iv of the Audited Financial Statements of DPL stands at Rs. **10826.01** Lakh.

4.12.2 This Commission, therefore, decides not to allow any amount under this head to DPL for 2023-24, 2024-25 and 2025-26 and directs to maintain the directions as noted before.

**4.13 Interest on Working Capital:** The requirement of Working Capital is met from West Bengal State Co-operative Bank (WBSCB) and other banks as stated by DPL and DPL projects the claim for 'Interest on Working Capital' of Rs. **2214.62** Lakh, Rs. **2316.06** Lakh and Rs. **2399.40** Lakh for 2023-24, 2024-25 and 2025-26 respectively at Form: E(B) which differs to Rs. **2380.86** Lakh (Rs.1104.23 Lakh + Rs.1276.63 Lakh) at Form: 1.17(b) for 2025-26.

4.13.1 DPL further states that the 'Interest on Working Capital' is increased due to delay in Tariff Orders and non-payment of MFCA bills by WBSEDCL.





सत्यमेव जयते



4.13.2 This Commission, in the fourth amendment of Tariff Regulations, has specified the Working Capital requirements corresponding to normative annual plant availability factor in Regulations: 5.6.5.1 and thereby, 'Interest on Working Capital' is computed as followed.

4.13.3 The working capital requirement will be recalculated during truing up in terms of second proviso of clause (a) of Regulation: 5.6.5.1 of the Tariff Regulations, as amended.

4.13.4 This Commission in accordance with the Regulation 5.6.5.1 admits Interest on working capital to the extent of Rs.2941.74 Lakh, Rs.2996.06 Lakh and Rs.2965.78 Lakh respectively for 2023-24, 2024-25 and 2025-26 in the manner appearing in the Table 4.12



Table: 4.12

Particulars	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Costs of Primary Fuel Stock (For 20 Days)	2322.40	2001.62	2404.63	2072.49	2404.63	2072.49
Advance Payment of Primary Fuel (30 Days)	3483.59	3002.43	3606.94	3108.74	3606.94	3108.74
Costs of Secondary Fuel (2 Months)	333.39	277.82	332.48	277.06	332.48	277.06
Employee Costs (1 Month)	465.94	388.42	445.21	370.59	468.79	390.66
O&M Expenses (1 Month)	300.00	195.63	311.25	203.13	323.00	210.83
Water Charges (1 Month)	110.38	91.98	110.38	91.98	110.38	91.98
Costs of Spares (20% on O&M Expenses + Water Charges)	984.90	690.25	1011.90	708.25	1040.10	726.75
<b>Total Cost of Fuel</b>	<b>44500.16</b>	<b>38296.57</b>	<b>45879.34</b>	<b>39485.40</b>	<b>45879.34</b>	<b>39485.40</b>
Employees Cost	5591.24	4660.99	5342.50	4447.06	5625.53	4687.96
O&M Expenses	3600.00	2347.50	3735.00	2437.50	3876.00	2530.00
Water Charges	1324.51	1103.76	1324.51	1103.76	1324.51	1103.76
Depreciation	6588.44	8042.69	6588.44	8042.69	3206.08	8042.69
Return on Equity	5963.63	5006.50	5963.63	5006.50	5963.63	5006.50
Interest on Loan Capital	644.60	3998.92	196.84	3408.24	0.00	2774.53
Interest on Working Capital	1562.95	1378.79	1593.97	1402.09	1562.79	1402.99
Gross ARR	69775.54	64835.71	70624.23	65333.24	67437.88	65033.83
Less: Non-Tariff Incomes	1036.36	863.64	1036.36	863.64	1036.36	863.64
Net ARR	68739.18	63972.07	69587.87	64469.60	66401.52	64170.19
Receivables Equivalent to 45 Days (Capacity Charges + Energy Charges)	8451.54	7865.42	8555.89	7926.59	8164.12	7889.78
Working Capital Requirement	16452.13	14513.56	16778.67	14758.83	16450.44	14768.31
Interest @ SBIMCLR + 250 Basis Points	9.50	9.50	9.50	9.50	9.50	9.50
<b>Interest on Working Capital (Admissible)</b>	<b>1562.95</b>	<b>1378.79</b>	<b>1593.97</b>	<b>1402.09</b>	<b>1562.79</b>	<b>1402.99</b>
<b>Total as Admissible</b>		<b>2941.74</b>		<b>2996.06</b>		<b>2965.78</b>

4.14 **Non-Tariff Income:** DPL has projected Non-Tariff Incomes from interest on short term deposits with the banks, income from sale of fly ash, etc. for the 8<sup>th</sup> Control Period are as under.

Rs Lakh

Sl No	Particulars	2023-24 (Projected)		2024-25 (Projected)		2025-26 (Projected)	
		Unit VII	Unit VIII	Unit VII	Unit VIII	Unit VII	Unit VIII
1	Rent and other Allied Charges	149.67	124.73	149.67	124.73	149.67	124.73



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

2	Sale of Fly Ash	683.29	569.41	683.29	569.41	683.29	569.41
3	Training Fees	0.74	0.63	0.74	0.63	0.74	0.63
4	Other Misc Income	88.84	74.03	88.84	74.03	88.84	74.03
5	Transmission/ Wheeling Charge Penalty and Delay Fine	1.58	1.32	1.58	1.32	1.58	1.32
6	Vehicle Receipt – Excess Provision Written Back	4.64	3.87	4.64	3.87	4.64	3.87
7	Sale of Scrap	7.76	6.47	7.76	6.47	7.76	6.47
8	Interest from Deposit	85.60	71.33	85.60	71.33	85.60	71.33
9	Other General Receipts arising from and ancillary or incidental to the Electricity business	14.24	11.85	14.24	11.85	14.24	11.85
10	Total	1036.36	863.64	1036.36	863.64	1036.36	863.64

4.15 The claims are found to be reasonable in respect of audited figures during 01.01.2019 to 31.03.2022 and hence admitted as followed.

Table: 4.13

Particulars	Amount (Rs. In Lakh)							
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
	01/19-03/19 (Audited)		2019-20 (Audited)		2020-21 (Audited)		2021-22 (Audited)	
Unit Wise Non-Tariff Incomes	285.91	111.46	534.23	1007.03	735.33	846.93	739.57	1270.45
Overall Non-Tariff Incomes	397.37		1541.26		1582.26		2010.02	
Projected by DPL	2022-23 (Unaudited)		2023-24 (Projected)		2024-25 (Projected)		2025-26 (Projected)	
Unit Wise Non-Tariff Incomes	1368.43	533.35	1036.36	863.64	1036.36	863.64	1036.36	863.64
Overall Non-Tariff Incomes	1901.78		1900.00		1900.00		1900.00	
Non-Tariff Incomes as Admitted			1900.00		1900.00		1900.00	



सत्यमेव जयते



4.16 **Fixed Charges:** This Commission now compiles the components to find the 'Fixed Charges' as follows:

Table: 4.14

Particulars	Fixed Charges (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Amount (Rs. In Lakh)						
Total Cost of Fuel	44500.16	38296.57	45879.34	39485.40	45879.34	39485.40
Employees Cost	5591.24	4660.99	5342.50	4447.06	5625.53	4687.96
O&M Expenses	3600.00	2347.50	3735.00	2437.50	3876.00	2530.00
Water Charges	1324.51	1103.76	1324.51	1103.76	1324.51	1103.76
Depreciation	6588.44	8042.69	6588.44	8042.69	3206.08	8042.69
Return on Equity	5963.63	5006.50	5963.63	5006.50	5963.63	5006.50
Interest on Loan Capital	644.60	3998.92	196.84	3408.24	0.00	2774.53
Interest on Working Capital	<b>1562.95</b>	<b>1378.79</b>	<b>1593.97</b>	<b>1402.09</b>	<b>1562.79</b>	<b>1402.99</b>
Gross Fixed Costs	25275.38	26539.14	24744.89	25847.83	21558.54	25548.43
Less: Non-Tariff Income	1036.36	863.64	1036.36	863.64	1036.36	863.64
<b>Net Fixed Costs</b>	<b>24239.02</b>	<b>25675.50</b>	<b>23708.53</b>	<b>24984.19</b>	<b>20522.18</b>	<b>24684.79</b>



सत्यमेव जयते



## CHAPTER 5 SUMMARIZED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF FOR 2023-24, 2024-25 AND 2025-26

5.1 Based on the analyses and findings recorded in the foregoing chapters this Commission is now drawing the statements of Aggregate Revenue Requirements (ARR) for each of the 8<sup>th</sup> control period.

Table: 5.1

Particulars	Amount (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Net Variable Costs	44500.16	38296.57	45879.34	39485.40	45879.34	39485.40
Net Fixed Costs	24239.02	25675.50	23708.53	24984.19	20522.18	24684.79
Aggregate Revenue Requirement	68739.18	63972.07	69587.87	64469.60	66401.52	64170.19
Ex-bus Generation (MU)	1928.966	1598.688	1923.696	1594.320	1923.696	1594.320
Variable Cost (Paisa/kWh)	230.69	239.55	238.50	247.66	238.50	247.66
Fixed Cost (Paisa/kWh)	125.66	160.60	123.24	156.71	106.68	154.83
Average Cost (Paisa/kWh)	356.35	400.15	361.74	404.37	345.18	402.49

5.2 In terms of the Tariff Regulations, this Commission now ascertains the amount of revenue recoverable in respect of energy charges and capacity charges through tariff for the generating stations of DPL for 2023-24, 2024-25 and 2025-26 as following.

Table: 5.2

Particulars	Amount (Rs. In Lakh)					
	2023-24		2024-25		2025-26	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
<b>Projected by DPL</b>						
Net Variable Costs (Fuel)	52350.77	45061.63	55199.44	47514.50	57938.18	49872.54
Net Fixed Costs	28041.48	46912.32	27507.95	48930.71	27697.74	48375.58
<b>ARR</b>	80392.25	91973.95	82707.39	96445.21	85635.92	98248.12
	172366.20		179152.60		183884.04	
<b>Admitted by Commission</b>						
Net Variable Costs (Fuel)	44500.16	38296.57	45879.34	39485.40	45879.34	39485.40
Net Fixed Costs	24239.02	25675.50	23708.53	24984.19	20522.18	24684.79
<b>ARR</b>	68739.18	63972.07	69587.87	64469.60	66401.52	64170.19
	132711.25		134057.46		130571.71	



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

5.3 Here, the overall compilation of the tariffs in different parameters as admitted by this Commission against the projected by DPL in the 8<sup>th</sup> control period and the tariff of 2022-23 as admitted in the 7<sup>th</sup> control period by this Commission as following:

Table: 5.3

Particulars	Amount (Rs. In Lakh)							
	Tariff Order	Projected by DPL				Admitted for DPL		
	2022-23	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	
Fuel Costs (Oil + Coal)	55407.58	97412.40	102713.94	107810.72	82796.73	85364.74	85364.74	
Employees Cost	11946.43	11788.75	10886.22	11145.88	10252.24	9789.56	10313.50	
O&M Expenses	4848.00	7850.97	8177.83	8524.27	5947.50	6172.50	6406.00	
Coal & Ash Handling Cost	493.43	523.03	551.80	579.39	0.00	0.00	0.00	
Water Charges	1045.17	2428.27	2428.27	2428.27	2428.27	2428.27	2428.27	
Depreciation	11459.38	12540.53	12608.09	12822.37	14631.12	14631.12	11248.76	
Return on Equity	10970.12	11547.50	11547.50	11547.50	10970.13	10970.13	10970.13	
Interest on Loan Capital	15196.26	18990.85	17539.70	16040.12	4643.52	3605.08	2774.53	
Other Finance Charges	2748.00	3160.20	3334.01	3517.39	0.00	0.00	0.00	
Interest on Working Capital	641.79	2214.62	2316.06	2399.40	2941.74	2996.06	2965.78	
Advance Against Depreciation	7265.02	5809.08	9073.63	8968.73	0.00	0.00	0.00	
Gross Fixed Costs	66613.60	76853.80	78463.11	77973.32	51814.52	50592.72	47106.97	
Less: Non-Tariff Income	1901.78	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	
Less: Interest Credit	0.00	0.00	124.45	0.00	0.00	0.00	0.00	
Net Fixed Costs	64711.82	74953.80	76438.66	76073.32	49914.52	48692.72	45206.97	
Aggregate Revenue Requirement	120119.40	172366.20	179152.60	183884.04	132711.25	134057.46	130571.71	
Ex-bus Generation (MU)	3518.016	3518.016	3518.016	3518.016	3527.654	3518.016	3518.016	
Average Cost (Paisa/kWh)	341.44	489.95	509.24	522.69	376.20	381.06	371.15	



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## CHAPTER 6 TARIFF ORDER FOR 8<sup>TH</sup> CONTROL PERIOD

6.1 Based on the analyses and the decisions recorded in earlier chapters, this Commission, in accordance with the Tariff Regulations, determines the capacity charge and the energy charge for 2023-24 and 2024-25 in respect of generating station of DPL as shown in chapter 5. This Commission now issues orders as shown in the following paragraphs.

6.2 The annual capacity charge recoverable by DPL shall be on the following basis:

6.2.1 The annual capacity charge recoverable by DPL shall be on monthly basis depending on actual availability during the month with reference to the target normative annual availability subject to the conditions as laid down in Regulation: 6.11.4 of the Tariff Regulations, as amended from time to time.

6.2.2 The annual capacity charge is recoverable at the target normative annual availability as provided in following table:

Table: 6.1

Particulars	Amount (Rs. In Lakh)			
	2023-24		2024-25	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Capacity Charge	24239.02	25675.50	23708.53	24984.19
Normative Availability Factor	85%	85%	85%	85%

6.3 The energy charge recoverable against each unit of injection of energy under implemented schedule on injection shall be as follows:

Table: 6.2

Particulars	Energy Charges: Cost of Fuel			
	2023-24		2024-25	
	Unit-VII	Unit-VIII	Unit-VII	Unit-VIII
Total Cost of Fuel (Rs. In Lakh)	44500.16	38296.57	45879.34	39485.40
Energy Charge (Paisa/kWh)	230.69	239.55	238.50	247.66



सत्यमेव जयते



## Tariff Order of DPL for 2023-24 & 2024-25

6.4 DPL shall raise the energy charge bill based on this order from 1<sup>st</sup> day of the succeeding month of this order and capacity charge bill as per the energy accounting and availability clarified by State Load Despatch Centre (in short 'SLDC') in its monthly energy accounting statement.

6.5 The tariff for 2023-24 and 2024-25 shall be applicable from 01.04.2023 and 01.04.2024 respectively till further order of this Commission. Adjustments, if any, for over recovery / under recovery by DPL for the period from 01.04.2023 till the month of issue of this order, shall be made in the monthly bills by six (6) equal installments commencing from the month succeeding the month of issue of this order.

6.6 There will be no separate Monthly Fuel Cost Adjustment (MFCA) for DPL on and from 01.04.2023 to the month of issuance of this order. The MFCA realized by DPL during the period 01.04.2023 to the month of issuance of this order shall be made adjusted under over recovery / under recovery from the energy charges as mentioned in the paragraph above. DPL shall, however, be entitled to realize MFCA for any subsequent period after the issuance of this tariff order as per provision of the Tariff Regulations, as amended from time to time.

6.7 Availability of installed capacity for any of the units of DPL may be adjusted downward against enhanced performance of any of the other Units of DPL, which may register capacity availability over the target availability. In such event, recovery of capacity charge and energy charge and also the manner of adjustment of such charges shall be such as specified in Regulation: 2.8.6.7 of the Tariff Regulations.

6.8 Any matter, which has not been explicitly mentioned in this order, shall be guided by Regulation: 2.9.8 and Regulation: 2.9.9 of the Tariff Regulations.

6.9 For merit order despatch, SLDC / ALDC shall consider the energy charge of the generating units of DPL as determined in this tariff order as mentioned in Paragraph: 6.3 above prospectively. The merit order despatch will be applicable from the date of issue of this order. However, the MFCA declared after this tariff order will be added to the energy





सत्यमेव जयते



## Tariff Order of DPL for 2023-24 & 2024-25

charge for consideration of merit order despatch from the date of issue of the MFCA notification respectively.

6.10 DPL shall present to this Commission a gist of this order in accordance with Regulation: 2.9.6 of the Tariff Regulations within three (3) working days from the date of receipt of this order for approval of this Commission and on receipt of the approval shall publish the approved gist in terms of aforesaid regulation within six (6) working days from the date of receipt of the approval of this Commission.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

## CHAPTER 7 DIRECTIONS

7.1 This Commission has given some directions in different paragraphs in Chapter 3 and Chapter 4 of this order which are required to be complied. This Commission also gave directions under Chapter 7 of the Tariff order for 2020-21 and 2021-22 in respect of DPL. This Commission also gave directions from time to time. All these directions are required to be complied with by DPL.

7.2 Now, this Commission issues the following directions to DPL in the instant Tariff Order.

7.3 While submitting APR application of any year, DPL shall submit the certificates of the corresponding to the audited Financial Statements of the said year from the statutory auditor for the following parameters:

- a) List of expenditure arising on account of penalty, fine and compensation due to non-compliance of any statute or statutory order along with the reasons for each such type of penalty, fine and compensation separately.
- b) Copies of the auditor's certificate representing funding of all the terminal benefit funds along with report of Actuary.
- c) A statement certifying monthly deposit in different terminal benefit funds for the year for which APR is submitted.
- d) Details of manpower assigned to Unit-VII and Unit-VIII after decommissioning of Unit-VI.
- e) A reconciliation statement along with the APR petition showing the head-wise cost claimed in the APR petition vis-à-vis amount recognised in the Audited Financial Statements.

7.4 DPL was required to submit the project cost in respect of Unit-VII within 30.06.2015 but the same is yet to be submitted. The COD of Unit-VIII of DPL has been declared as 01.10.2014. Submission of final project cost in respect of Unit-VIII before this Commission in terms of Regulation: 2.8.1.4.13 is also pending. It is to be noted by DPL that the deductible amounts for last few years are cumulatively piling up.



सत्यमेव जयते



Tariff Order of DPL for 2023-24 & 2024-25

7.5 In Chapter-8 of Tariff order 2018-19 and 2019-20 (Part II), DPL has been directed to submit the proposals before this Commission for approval of original project cost with all required documents as per provisions of Regulation: 2.8.5 of the Tariff Regulations. It is noted that DPL is yet to submit the same. DPL is thus directed to submit the proposals for approval of original project cost in respect of Unit-VII and Unit-VIII with all required documents before this Commission within 6(six) months from the date of this order..

7.6 DPL shall take up matter of zero rating of GST with appropriate authority in light of captive mine being located also in the state of West Bengal and shall intimate the outcome to this Commission before filing of the APR petition for this period.

7.7 This Tariff Order is subject to the final outcome of the writ petition pending at the Hon'ble High Court of Calcutta.

Sd/-  
(PULAK KUMAR TEWARI)  
MEMBER

Sd/-  
(MALLELA VENKATESWARA RAO)  
CHAIRPERSON

Dated: 11.03.2024

Sd/-  
SECRETARY