



ORDER

OF

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEARS 2018 – 2019 AND 2019 – 2020

IN

CASE NO: TP – 76 / 18 – 19

IN REGARD TO THE MULTI YEAR TARIFF APPLICATION OF

HALDIA ENERGY LIMITED FOR DEDICATED

400 KV DOUBLE CIRCUIT LINE

UNDER SIXTH CONTROL PERIOD

FOR THE YEARS 2018 – 2019 AND 2019 - 2020

UNDER SECTION 64(3)(a) READ WITH SECTION

62(1) AND SECTION 62(3) OF THE ELECTRICITY ACT, 2003

DATE: 15.06.2022



CHAPTER - 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission"), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the "Act"), has been authorized in terms of 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 Haldia Energy Limited (hereinafter referred to as HEL), constituted under the Companies Act, 1956, is a generating company in terms of section 2(28) of the Act and is engaged in the business of generation of electricity within the State of West Bengal. HEL has a 2 x 300 MW generating station at Haldia, West Bengal and owns & operates an 89 km 400 kV double circuit dedicated transmission line emanating from its generating station switchyard to 400 kV Subhasgram substation of Power Grid Corporation Limited (PGCIL). Under a long-term power purchase agreement, power generated from the generating station is procured by CESC Limited, a distribution licensee. Hence, the Commission determines the generation tariff of HEL along with the transmission tariff of dedicated transmission line.
- 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 the Commission from time to time. The Commission vide its order dated 06.09.2017 in Case No. SM-18/17-18 decided that the sixth control period shall be for two years consisting of 2018 – 19 and 2019 - 20. The Commission considering the request of different utilities of the State, extended the date of filing of tariff petitions several times and finally directed to submit the tariff petition within 31.07.2019.



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- 1.4 HEL submitted the petition for determination of tariff of its dedicated transmission line for the sixth control period consisting of the year 2018 – 19 and 2019 – 20 on 18.06.2018 with no financial data as per the formats annexed to the Tariff Regulations. However, on direction of the Commission vide letter dated 27.11.2020, HEL re-submitted their revised tariff petition on 17.12.2020. The tariff petition submitted on 17.12.2020 was admitted by the Commission in case No.TP-76/18-19, with the direction to publish the gist of their tariff application, as approved by the Commission, in the newspapers and also in their website as per provisions of the Tariff Regulations. The gist was, accordingly, published simultaneously on 23.06.2021 in the newspapers – (1) Bartaman (Bengali), (2) Ei Samay (Bengali), (3) Sanmarg (Hindi) and (4) The Times of India (English). The gist along with the tariff application was also posted in the website of HEL. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of HEL for the sixth control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission within 21 days from the date of publication of the gist. Opportunities were also afforded to all to inspect the tariff petition and to take copies thereof.
- 1.5 No suggestions and objections on the aforementioned petition of HEL for determination of tariff of its dedicated transmission line for the sixth control period were received from any interested party, stakeholder and the member of the public till the last date of submission as above.



CHAPTER – 2

THE CASE OF THE HALDIA ENERGY LIMITED (TRANSMISSION)

- 2.1 HEL has constructed 2 x 300 MW Thermal Power Plant (Haldia Generating Station) at Baneswar Chak, Jhikurkhali, Haldia, Midnapore (East) along with the 400 KV Evacuation line for evacuation of power from Haldia Generating Station to the 400 KV Bus-bar of Power Grid Corporation Limited at Subhasgram substation. The length of the evacuation line is 89 kilometers out of which 3 km is river crossing. This line is a dedicated transmission line within the meaning of the Electricity Act, 2003. The whole power is proposed to be made available to the sole buyer, CESC Limited at the 400 KV Bus-bar of Power Grid's Subhasgram substation.
- 2.2 It has been stated that the instant application for Tariff for the financial year 2018 – 2019 and 2019 – 2020 under the sixth control period has been submitted for determination of transmission charges of the dedicated transmission system pursuant to the regulation 2.5.1 of the Tariff Regulations for determination of tariff.
- 2.3 HEL stated that the Commission has determined the final project cost for the evacuation system in its order dated 08.01.2020 against which HEL has preferred an appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL). HEL further submitted that the tariff petition has been submitted based on the project cost of Rs. 586.04 Crore as submitted by them before the APTEL instead of Rs. 540.36 Crore that has been approved by the Commission. HEL submitted that the capital cost considered for the evacuation system in the instant tariff petition is, therefore, without prejudice to and subject to the said appeal.
- 2.4 In view of the above, HEL has proposed proportionate adjustments in interest on loans relating to the Evacuation System, Return on Equity, Depreciation, Advance against Depreciation and in appropriated to Reserve for Unforeseen Exigencies, while computing the Aggregate Revenue Requirement for the sixth control period.
- 2.5 HEL further submitted that the instant tariff petition is based on the actual data since the period is already over.



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- 2.6 HEL has claimed the Aggregated Revenue Requirement for the years 2018 – 19 and 2019 – 20 as Rs. 11041.70 lakhs and Rs. 10852.80 lakhs respectively.
- 2.7 The element wise claim and its analysis has been given in subsequent chapters.



CHAPTER- 3 FIXED CHARGES

- 3.1 The Commission vide its order dated 08.01.2020 in Case No. OA-267/17 – 18 has approved the final project cost of construction of 400 kV Double Circuit (D/c) dedicated transmission line for evacuation of power from the generating station of HEL at Haldia to 400 kV Substation (S/s) at Subhasgram (PGCIL) [hereinafter referred as 'HEL Transmission System'] as Rs. 540.36 Crores against the claim of HEL of Rs. 594.80 Crores in terms of regulation 2.8.5.1 of the Tariff Regulations.
- 3.2 The Commission decides to determine admissible expenses for different ARR elements of HEL Transmission system for the years 2018 – 19 and 2019 – 20 based on the approved final project cost considering the provisions of Tariff Regulations vis-à-vis their claim.
- 3.3 **Employee Cost:**
- 3.3.1 HEL has claimed Rs. 60.90 lakh and Rs. 61.40 lakh on employee cost for 6 number of employees engaged in HEL Transmission System. The Commission observed that the employee number is well within the limit of Man/ CKM (0.35) specified in the Tariff Regulations. The Commission has admitted an amount of Rs. 55.97 lakh as employee cost for 6 numbers of employees in the Tariff Order of 2017 – 18. Accordingly, the Commission determines the allowable employee cost for 2018 – 19 and 2019 – 20 by giving inflation at Consumer Price Index rate as detailed in Table 3.3, over the employee cost admitted in 2017 – 18 vis-à-vis their claim on the employee cost. Thus, the employee cost has been admitted as below:

Table – 3.1

Employee Cost as Admitted in 2017 – 18	Inflation Rate	Admissible Employee Cost for 2018 - 19	Inflation Rate	Admissible Employee Cost for 2019 – 20	Claimed Employee Cost		Admitted Employee Cost	
(in Rs Lakhs)	(CPI)	(In Rs Lakhs)	(CPI)	(In Rs Lakhs)	2018 - 19	2019 - 20	2018 - 19	2019 - 20
(1)	(2)	(3) = (1) x (2)	(4)	(5) = (3) x (4)	(In Rs Lakhs)			
55.97	5.40%	58.99	7.54%	63.44	(6)	(7)	MIN (3), (6)	MIN (5), (7)
					60.90	61.40	58.99	61.40



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3.3.2 It is pertinent to mention that the employee costs are uncontrollable and therefore, are subject to adjustments in Annual Performance Review for the years 2018 – 19 and 2019 – 20. HEL is also directed to intimate the total CKM of transmission line vis-à-vis number of employees in their APR applications in order to ascertain the allowable man power for determination of employee cost as per schedule 9A of the Tariff Regulations.

3.4 Operation and Maintenance (O&M) Expenses:

3.4.1 In their application, HEL has submitted that the operation and maintenance of 89 Kms line including the river crossing segment of 3 kms, at significant height, poses several challenges and require advanced technology and deployment of skilled workforce for ensuring proper maintenance activities. HEL has claimed an amount of Rs. 1289.80 lakh and Rs. 1432.80 lakhs as Operation and Maintenance Expenses which includes expenses related to Repair and Maintenance, Administrative and General Expenses, Rates and Taxes, Insurance, Statutory Charges and Corporate Social Responsibility Charges for 2018 – 19 and 2019 -20 respectively as tabulated below:

Table - 3.2

Sl No	Particulars	Claimed (in Rs lakhs)	
		2018 – 19	2019 – 20
1	Repair and Maintenance Charges	976.50	1054.50
2	Administrative and General Expenses		
a	Other Administrative and General Expenses	94.60	123.60
b	Rent	0.00	0.00
c	Legal Charges	5.90	5.60
d	Auditors Fees	1.00	1.30
	Sub Total (Sum a to d)	101.50	130.50
3	Rates and Taxes	7.50	6.10
4	Insurance	109.90	123.60
5	Statutory Charges	7.70	25.00
6	CSR	86.70	93.10
7	Total Operation and Maintenance Expenses (1+2+3+4+5+6)	1289.80	1432.80

3.4.2 HEL has also claimed an amount of Rs. 86.70 lakh and Rs. 93.10 lakh as CSR for the years 2018 – 19 and 2019 – 20. The Commission considers that, the cost on account of Corporate Social Responsibility cannot be a pass through in ARR and



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such cost should be appropriated out of profit of the company and the Commission, therefore, does not admit any amount under CSR.

3.4.3 The Commission in the Tariff Order of 2017 – 18 has already determined the admissible Operation and Maintenance for HEL Transmission system, for the first time, with prudent analysis considering the actual expenses, allowable costs to state transmission utility and CERC norms for the respective voltage level.

3.4.4 Since, the benchmark of the O&M expenses has been set for the year 2017 – 18 and there is no change in the line length, the Commission finds it prudent to admit the Operation and Maintenance Expenses for 2018-19 and 2019-20 considering the average inflation rate of the respective years giving 60: 40 weightages to WPI: CPI over the admitted figures of 2017 – 18 as detailed below:

Table – 3.3

TREND OF INFLATION RATE	2018-19	2019-20
Average inflation rate as per WPI	4.26%	1.67%
Average inflation rate as per CPI	5.40%	7.54%
Average inflation rate as per WPI + CPI (60:40)	4.72%	4.02%

3.4.5 Based on the above, the admitted Operation and Maintenance Expenses is tabulated below:

Table – 3.4

Figures in Rs lakh

SI No	Particulars	Admitted in 2017 - 18	Admissible with 4.72% inflation	Admissible with 4.02% inflation	Admitted	
			2018 – 19	2019 - 20	2018 - 19	2019 - 20
1	Repair and Maintenance Charges	128.01	134.05	139.44	134.05	139.44
2	Administrative and General Expenses	115.37	120.82	125.68	120.82	125.68
A	Other A&G Expenses					
B	Rent					
C	Legal Charges					
D	Auditors Fees					
5	Rates and Taxes	3.02	3.16	3.29	3.16	3.29
6	Insurance	33.09	34.65	36.04	34.65	36.04
7	Statutory Charges	0.00	0.00	0.00	0.00	0.00
8	CSR	0.00	0.00	0.00	0.00	0.00
9	Total admitted Operation and Maintenance Expenses	279.49	292.68	304.45	292.68	304.45



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3.4.6 The admitted Operation and Maintenance Expenses as given in paragraph 3.4.6 above consists of 'Repair and Maintenance Expenses' including consumables, 'Administrative and General Expenses' which includes rent and lease charges, legal charges, auditors' expenses, consultancy charges, other expenses and 'Insurance' and 'Rates and Taxes'. The Insurance and Rates & Taxes being uncontrollable elements, are subject to truing up during Annual Performance Review following the provisions of WBERC Tariff Regulations. Actual expenses, if any, towards statutory charges will be allowed during truing up following the provisions of the Tariff Regulations.

3.5 Return on Equity:

3.5.1 The Commission in its order dated 08.01.2020 in Case No. OA-267/17 – 18 approved the final project of HEL Transmission system as Rs. 540.36 Crores against the claim of Rs. 594.80 Crores. HEL in its petition has claimed return on equity considering proportionate equity with a project cost of Rs. 586.04 crores as submitted by them before the APTEL. However, the Commission finds it prudent to allow the actual equity employed limited to 30% of the approved project cost in terms of the first proviso of regulation 5.4.2 of the Tariff Regulations. Accordingly, the admitted debt and equity vis-à-vis the claimed actuals are as below:

Table – 3.5

SI No	Particulars	Unit	Actual	Claim of HEL	Approved
1	Project Cost	Rs. Lakh	59480.00	58604.00	54036.00
2	Equity contribution	Rs. Lakh	15017.00	14795.80	15017.00
3	Capital borrowings	Rs. Lakh	44463.00	43808.20	39019.00
A	Equity %				27.79%
B	Debt %				72.21%

3.5.2 In view of the above, the admitted return on equity as per the provisions of the Tariff Regulations comes out as Rs. 15017 x 15.50% = Rs. **2327.64** Lakhs for each of the FY 2018 – 19 and 2019 - 20.

3.6 Interest on Borrowed Capital:

3.6.1 HEL has claimed an amount of Rs. 3562.10 lakh and Rs. 3384.00 lakh on interest on Borrowed Capital in the tariff petition for the years 2018 – 19 and 2019 – 20 respectively considering proportionate adjustment to the project cost claimed before



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APTEL. However, HEL has also submitted the actual loan and interest details under Form C which is tabulated as below:

Table – 3.6

SI No	Loan details (as per FORM C)	Units	2017-18	2018-19	2019-20
1	Opening loan	In Rs lakhs	41408.80	39578.70	37787.40
2	Effective loan repayment (after adjustment of loan refinancing)		1830.10	1791.30	1820.30
4	Closing loan		39578.70	37787.40	35967.10
6	Interest		3956.10	3616.00	3435.20
7	Average Rate of Interest	In %	9.77%	9.35%	9.32%

From the above, it is observed that HEL has restructured some of their loans to avail a lower rate of interest.

- 3.6.2 The Commission finds it prudent to allow the interest on capital borrowing for the years 2018-19 and 2019-20 in proportionate to the admissible loan amount vis-à-vis the actual debt as per table-3.5 above as detailed below:

Table – 3.7

SI No	Particulars	Figures in Rs lakh	
		Admitted	
		2018-19	2019-20
1	Actual Interest claimed (as in table 3.6)	3616.00	3435.20
2	Actual Capital borrowing (As per Table 3.5)	44463	44463
3	Admitted Capital borrowing (on Project Cost admitted)	39019	39019
4	Admissible Interest on loan (1) x (3) / (2)	3173.26	3014.60

- 3.6.3 The admissible interest payable on capital borrowing for the year 2018-19 and 2019-20 are subject to truing up in view of actual interest rate and repayments during APRs subject to refinancing of loan.

3.7 Other Finance Charges:

- 3.7.1 HEL has claimed an amount of Rs. 184.50 lakh and Rs. 63.00 lakh as 'Other Financing Charges' for the years 2018 – 19 and 2019 – 20. In view of restructuring of loans, the Commission admits the proposed amount of 'Other Financing Charges' for the years. However, HEL is directed to submit the specific details of their claim in APR petition for 2018 – 19 and 2019 – 20 for review of the expenses.



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3.8 Depreciation:

- 3.8.1 HEL has claimed Depreciation of Rs. 1516.10 lakh for each of the FY 2018 – 19 and 2019 – 20 at an average depreciation rate of 2.59% on capital cost of Rs. 58604.00 lakh. HEL has submitted asset addition, asset fully depreciated and retirement of any asset during the years as nil. It is observed that the depreciation rate considered by HEL is within the range of rates specified in Annexure -A of the Tariff Regulations. For determination of depreciation of 2018 – 19 and 2019 – 20, the Commission considers the average depreciation rate of 2.59% over the approved project cost as below:

Table – 3.8

SI No	Particulars	Unit	2018 – 19	2019 - 20
1	Approved project cost	Rs. lakh	54036.00	54036.00
2	Average depreciation rate	%	2.59	2.59
3	Admissible depreciation for the year	Rs. lakh	1399.53	1399.53

3.9 Advance Against Depreciation:

- 3.9.1 In terms of regulation 5.2.2 of the Tariff Regulations Advance Against Depreciation is payable where the allowable depreciation falls short of admissible loan repayment. Accordingly, the Commission determines the admissible Advance Against Depreciation for the year 2018 – 19 and 2019 – 20 as Rs. 172.45 lakh and 197.89 lakh as detailed below:

Table – 3.9

SI No	Particulars	Unit	2018-19	2019-20
1	Repayment based on actual loan [sl '2' of table 3.6]	Rs. lakh	1791.30	1820.30
2	Allowable repayment on admitted loan (prorated with admissible vis-à-vis actual loan considered in table -5)	Rs. lakh	1571.98	1597.42
3	1/10th of admitted loan in table-5	Rs. lakh	3901.90	3901.90
4	Permissible loan repayment [min of '2' and '3']	Rs. lakh	1571.98	1597.42
5	Admitted depreciation [sl no 3 of table -3.7]	Rs. lakh	1399.53	1399.53
6	Advance against Depreciation ['4' - '5']	Rs. lakh	172.45	197.89

3.10 Income Tax:

- 3.10.1 HEL has claimed Income Tax of Rs. 1157.90 lakh and Rs. 1229.50 lakh for 2018 – 19 and 2019 – 20 respectively. The Commission finds it prudent to compute the income tax payable on pre-tax basis over the admitted Return on Equity. For this



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purpose, the applicable Minimum Alternative Tax (MAT) rate inclusive of applicable surcharges and cess is considered, subject to adjustment on assessment of tax and payments made on the basis of actual tax liability in the APR for 2018 – 19 and 2019 – 20. Accordingly, the Commission admits Rs. 501.58 lakh and Rs. 406.69 lakh as admissible income tax for the year 2018 – 19 and 2019 – 20 respectively.

Table – 3.10

Particulars	Unit	2018 - 19	2019 – 20
Allowable Returns	Rs. Lakh	2327.64	2327.64
MAT (including Surcharge + Cess)	%	21.5488	17.472
Admissible Income Tax payable	Rs. lakh	501.58	406.69

- 3.10.2 HEL is directed to submit a comprehensive statement incorporating the amounts of (i) income tax provided in the annual reports and accounts, (ii) income tax assessed, (iii) income tax paid and (iv) income tax refunded, if any, supported by documentary evidences vide assessment orders, copies of challans, copies of refund orders year wise from the year 2014-2015 till date with their APR application for the years 2018-2019 and 2019 - 2020. In this respect, the provisions in the regulations 5.13.1 and 5.13.2 may be referred to.

3.11 Interest on Working Capital:

- 3.11.1 In terms of regulations 5.6.5.1 of the Tariff Regulations, as amended, working capital requirement of HEL shall be assessed on normative basis @ 18% on the base amount derived from the annual fixed charges reduced by the elements viz., depreciation, return on equity etc. as determined in the ARR. In line with the observation made by this Commission in Case No SM-3/21-22, the rate of interest is considered as the one-year Marginal Cost of Fund based Lending Rate (MCLR) of the State Bank of India as on 1st April of the year, preceding the year for which the tariff is proposed to be determined plus 350 basis point. Accordingly, the rate of interest comes to 11.50% (MCLR @ 8.00% as on 01.04.2017 plus 350 basis points). The amount of admissible interest on working capital for the year 2018-19 and 2019-20 are worked on normative basis as below:



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Table – 3.11

SI No	Particulars	2018 - 19	2018 - 19
	Working Capital:	Rs in lakh	Rs in lakh
A	Annual Fixed charges (excluding Interest on Working Capital)	8110.63	7775.20
B1	Less: Depreciation and AAD	1571.98	1597.42
B2	Less: Deferred Revenue Expenditure		
B3	Less: Return on Equity	2327.64	2327.64
B4	Less: Reserve for Unforeseen Exigencies		
B	Total deductions: (sum B1:B4)	3899.62	3925.06
C	Allowable Gross Sales for Working Capital (A-B)	4211.01	3850.14
D	Allowable Working Capital @18% on C	757.98	693.03
E	Interest at SBI MCLR as on 1 st April, 2017 plus 350 basis points	11.50%	11.50%
F	Interest on Working Capital (D*E)	87.17	79.70

3.11.2 The Commission admits Rs 81.17 lakh and Rs. 79.70 lakh as Interest on Working Capital for the years 2018 – 19 and 2019 – 20 respectively.

3.12 Interest on Temporary Accommodation:

- 3.12.1 HEL has claimed an amount of Rs. 210.60 lakh and Rs. 128.20 lakh as Interest on Temporary Accommodation for the years 2018 – 19 and 2019 – 20 respectively citing that HEL is realizing tariff that was determined for the year 2016 – 17 vide the Tariff Order dated 29.01.2016. Accordingly, HEL submitted that they are in requirement of temporary accommodation as applicable.
- 3.12.2 In terms of regulation 5.6.5.4 of the Tariff Regulations, the Commission may allow, if considered necessary, interest on temporary financial accommodation taken by a generating company or a licensee from any source to a reasonable extent due to unrealized arrears from the consumers/ beneficiaries.
- 3.12.3 Thus, the Commission does not consider any interest on temporary accommodation at the tariff determination stage and directs HEL to submit details of drawal of temporary accommodations, if any, in the APR petitions for the years 2018 – 19 and 2019 – 20. The Commission will examine necessity of such loan based on tariff gap during the years and will decide accordingly.



3.13 Permitted Incentives:

HEL has claimed an amount of Rs. 26.00 lakh and Rs. 13.90 lakh as Permitted Incentive for the years 2018 – 19 and 2019 – 20 respectively on account of higher annual availability as per Schedule 10 of the Tariff Regulations. The Commission does not consider any amount towards incentive for the years 2018 – 19 and 2019 – 20 at the tariff determination stage. The petitioner has the liberty to claim incentive for higher availability in terms of schedule-10 along with its APR petition along with supporting documents.

3.14 Special Allocation:

HEL has prayed for allowing Rs.146.50 lakhs as appropriation to Reserve for Unforeseen Exigencies for each of the years 2018 – 19 and 2019 – 20, which HEL will invest in permitted securities in terms of the Tariff Regulations. The Commission in line with the decision taken in the tariff order of HEL generating stations for 2018-19 and 2019-20 does not admit any amount under Reserve for Unforeseen Exigencies.

3.15 Other Income:

HEL has not submitted any amount for other income and therefore, the Commission has not considered any amount in this regard. It is to mention that Other Incomes arising during the period are subject to truing up in Annual Performance Review for the year 2018 – 19 and 2019 – 20.



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CHAPTER - 4

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF

4.1 Based on the analysis and findings recorded in the foregoing chapters, the statements of Aggregate Revenue Requirements are drawn separately for the year 2018 – 19 and 2019 – 20. Such summarized statements are given in the table below.

SI No.	Particulars	Claimed		Admitted	
		2018 - 19	2019 - 20	2018 - 19	2019 - 20
1	Employee Cost				
a	Salaries	48.80	53.50	58.99	61.40
b	Others	12.10	7.90		
2	O&M Expenses (Repair & Maintenance and Administrative & General Expenses)	1078.00	1185.00	254.87	265.12
3	Rates and Taxes	7.50	6.10	3.16	3.29
4	Insurance	109.90	123.60	34.65	36.04
5	Statutory Charges	7.70	25.00	0.00	0.00
6	CSR	86.70	93.10	0.00	0.00
7	Interest on Borrowed Capital	3562.10	3384.00	3173.26	3014.60
8	Interest on Temporary Accommodation	210.60	128.20	0.00	0.00
9	Foreign Exchange Rate Variation	0.00	0.00	0.00	0.00
10	Other Financing Charges	184.50	63.00	184.50	63.00
11	Interest on Transmission Users Security Deposit	0.00	0.00	0.00	0.00
12	Lease Rental	0.00	0.00	0.00	0.00
13	Depreciation	1516.10	1516.10	1399.53	1399.53
14	Advance Against Depreciation	226.00	254.60	172.45	197.89
15	Bad Debt	0.00	0.00	0.00	0.00
16	Intangible Asset Write Off	0.00	0.00	0.00	0.00
17	Tax	1157.90	1229.50	501.58	406.69
18	Return on Equity	2293.30	2293.30	2327.64	2327.64
19	Permitted Incentives	26.00	13.90	0.00	0.00
20	Special Allocation	146.50	146.50	0.00	0.00
21	Interest on Working Capital	148.80	125.50	87.17	79.70
22	Gross Aggregate Revenue Required (Sum 1 to 21)	10822.50	10648.80	8197.80	7854.90
23	Less: Income other than revenue from transmission of energy	0.00	0.00	0.00	0.00
24	Less: Benefits passed on to Transmission Users	0.00	0.00	0.00	0.00
25	Less: Interest Credit	0.00	0.00	0.00	0.00
26	Less: Others	0.00	0.00	0.00	0.00
27	Add: Adjustment for Transmission Charge (in terms of regulation 6.16.3 of the Tariff Regulation)	219.20	204.00	0.00	0.00
28	Net Aggregate Revenue Required (28 = 22-23-24-25-26+27)	11041.70	10852.80	8197.80	7854.90

4.2 The Commission is now to determine the rates for recovery of transmission charges from beneficiary(ies) of HEL Transmission system for the year 2018 – 19 and 2019 - 20 in the next chapter.



CHAPTER - 5 TARIFF ORDER

DETERMINATION OF THE RATE FOR RECOVERY OF TRANSMISSION CHARGES FOR THE YEAR

2018 – 19 AND 2019 - 20

- 5.1 In the previous chapter, the Commission has determined the Aggregate Revenue Requirement (ARR) for the years 2018 – 19 and 2019 – 20 for HEL Transmission System. The Commission is now to fix the rate for recovery of the same during the year 2018 – 19 and 2019 – 20 in accordance with the provisions of regulation 6.16 of the Tariff Regulations. It is, pertinent to mention here that HEL Transmission System has no variable cost to recover. Only fixed charges of Rs. 8197.80 lakh for 2018 – 19 and Rs. 7854.90 lakh for 2019 - 20, as admitted by the Commission in the Statement of Aggregate Revenue Requirement in chapter -4 is recoverable.
- 5.2 HEL Transmission system comprises 400 kV D/C transmission lines between HEL generating station and PGCIL Subhasgram 400 kV sub-station and associated bays, etc. The above lines are dedicated transmission lines to evacuate generation of HEL 2 x 300 MW power plant. Therefore, the contracted capacity for the purpose of recovery of transmission charge is considered as 600 MW.
- 5.3 The Commission now determines the unit rate of recovery of transmission charges in Rs. /MW/ month from the beneficiary (ies) considering the contracted capacity of 600 MW for 2018 – 19 and 2019 – 20 as below:

Transmission Charges for 2018 – 19		
i)	Recoverable ARR	Rs. 8197.80 lakh
ii)	Total contracted capacity	600 MW
iii)	Rate in Rs. /MW/month	Rs. 8197.80 lakh * 10 ⁵ / (600 MW x 12) = Rs. 113858/ MW/ month subject to adjustment as per regulation 6.16.5 of the Tariff Regulations.

Transmission Charges for 2019 – 20		
i)	Recoverable ARR	Rs. 7854.90 lakh
ii)	Total contracted capacity	600 MW
iii)	Rate in Rs. /MW/month	Rs. 7854.90 lakh * 10 ⁵ / (600 MW x 12) = Rs. 109096/ MW/ month subject to adjustment as per regulation 6.16.5 of the Tariff Regulations.



Tariff Order of Haldia Energy Limited (Transmission) for 2018 – 19 and 2019 - 20

HEL shall recover the transmission charges at the above rates from its beneficiary(ies) at the ratio of their contracted capacity (in MW) with the power plant.

- 5.4 The tariff for 2018 – 19 and 2019 – 20 shall be applicable from the billing month pertaining to April, 2018 and April, 2019 respectively and shall continue till further tariff order is issued. Adjustments, if any, for over recovery / under recovery for the period from 01.04.2018 to the month of issuance of this order from the system users shall be made in twelve (12) equal monthly installments. Such adjustment shall start from next month of issuance of this order.
- 5.5 HEL shall present to the Commission a gist of this order in accordance with the regulation 2.9.6 of the Tariff Regulations within three (3) working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in terms of the aforesaid regulation within four (4) working days from the date of receipt of the approval of the Commission.

Sd/-

**(PULAK KUMAR TEWARI)
MEMBER**

Sd/-

**(SUTIRTHA BHATTACHARYA)
CHAIRPERSON**

Dated: 15.06.2022

Sd/-

(SECRETARY)