



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

FOR THE YEARS 2018 – 2019 AND 2019 – 2020

IN

CASE NO: TP – 77 / 18 - 19

IN RE THE TARIFF APPLICATION OF CESC LIMITED

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: 03.02.2022



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

CHAPTER - 1

INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission"), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the "Act"), has been authorized in terms of the section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 CESC Limited, a Company under the Companies Act, 1956, is a distribution licensee in the State of West Bengal for supply of electricity in Kolkata and some areas in the districts of Howrah, Hooghly, North 24 Parganas and South 24 Parganas of the State. It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the Act.
- 1.3 West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 has come into effect from 29th April, 2011. The said Tariff Regulations, 2011 was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012 in the extra ordinary edition of The Kolkata Gazette dated 27th August, 2012 and was further amended by notification in The Kolkata Gazette dated 30th July, 2013 and notification in The Kolkata Gazette dated 22nd January, 2020.

West Bengal Electricity Regulatory Commission



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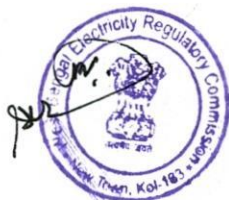


Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

1.4 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period 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 order dated 19.07.2013 in Case No. SM-7/13-14 decided the fourth control period consisting of three ensuing years and the tenure of the fourth control period was for the years 2014 – 2015 to 2016 – 2017. It was also decided by the Commission vide his order dated 04.05.2016 in Case No. SM-13/16-17 that the fifth control period shall also be consisting of three ensuing years for the period from 2017 – 2018 to 2019 – 2020. But, after careful consideration of all relevant factors, decided vide its order dated 14.12.2016 in Case No. SM-15/16-17 that the fifth control period shall be for one year and consist of 2017 – 2018 only. CESC accordingly submitted the petition for determination of tariff for the fifth control period consisting of the year 2017 – 2018 on 30th December, 2016 and the Commission passed its tariff order for the year 2017 – 2018 on 04.07.2018 in case no. TP – 72 / 16 – 17. 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 – 2019 and 2019 – 2020 and vide its order dated 21.02.2018 in file no B-11/21 decided that the last date for filing of tariff petition for the sixth control period shall be 30.06.2018.

1.5 In terms of the Tariff Regulations and subsequent suo-moto orders of the Commission as aforesaid, the tariff application for the sixth control period consisting of the years 2018 – 2019 and 2019 – 2020 under the Multi Year Tariff (MYT) framework was required to be submitted by CESC Limited by 30.06.2018. The effective date of the sixth control period is 1st April, 2018.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 1.6 Accordingly, CESC Limited, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the years 2018 – 2019 and 2019 – 2020 under the sixth control period and submitted the same to the Commission on 29.06.2018. This tariff application was admitted by the Commission and was numbered as TP-77/18-19.
- 1.7 After receiving the tariff petition for 2018 – 2019 and 2019 – 2020 of CESC Limited, the Commission on scrutiny observed that some of the documents are required as per regulation 2.5.2 and some forms as prescribed in different annexures as per regulation 2.7.2 of the Tariff Regulations, were not submitted along with tariff application. Accordingly, CESC Limited was requested to submit all those documents / forms vide Commission's letter no. WBERC/TP-77/18-19/4570 dated 28.08.2019. In reply, CESC Limited submitted the requisite data / information vide their letter no. CORP:SERV:2361 dated 30.09.2019 in specified format.
- 1.8 CESC Limited was thereafter directed by the Commission vide its letter no. WBERC/TP-77/18-19/5332 dated 28.01.2020 to publish, as required under section 64(2) of the Act, the gist of the tariff application as approved by the Commission in their website and newspapers as specified in the Tariff Regulations. The gist was, accordingly, published simultaneously on 01.02.2020 in the 'Bartaman' (Bengali), the 'Khabar 365 Din' (Bengali), the 'Dainik Vishwamitra' (Hindi) and 'The Telegraph' (English). The gist along with the tariff petition was also posted in the website of CESC Limited. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of CESC Limited for the sixth control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission within 28.02.2020. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 1.9 The suggestions, objections and comments on the aforementioned application of CESC Limited for determination of tariff for the sixth control period were received only from All Bengal Electricity Consumer Association (ABECA) and Ganatantrik Nagarik Samity, Howrah within the specified time limit and the same have been recorded in a summarized form in Chapter 3 of the instant order.
- 1.10 The Commission determines the tariff in accordance with the Electricity Act, 2003 and the Tariff Regulations framed thereunder and for this purpose, the Commission has estimated the expenditure for 2017 – 2018 to arrive at the estimated expenditure / cost under different heads for the years 2018 – 2019 and 2019 – 2020.
- 1.11 The estimation made for 2017 – 2018 by the Commission in this order shall not be construed by CESC Limited as admission of at least such estimated amount in APR for 2017 – 2018. On the other hand, if in APR any deduction is made then as a conclusion from such decision one shall not expect that the impact of such deduction is to be continued in the sixth control period as this will tantamount to imposing a penalty of infinite nature or double penalty for the same inefficiency.

West Bengal Electricity Regulatory Commission

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

CHAPTER - 2 THE CASE OF CESC LIMITED

- 2.1 CESC Limited (in short 'applicant') has submitted the application for determination of Annual Revenue Requirements (ARR) and tariffs for the sixth control period, covering the years 2018 – 2019 and 2019 – 2020, in accordance with the Tariff Regulations read with the orders issued by the Commission in Files No. SM-18/17-18 dated 06.09.2017, B-11/21 dated 22.09.2017 and B-11/21 dated 21.02.2018. The applicant has projected the ARR and tariff for 2018 – 2019 and 2019 – 2020 and has prayed for allowing the same. The applicant has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 CESC Limited has prayed for an average tariff of 832 paise per unit and 851 paise per unit for the years 2018 – 2019 and 2019 – 2020 respectively which is higher than the average tariff of 702.47 paise per unit allowed by the Commission for 2017 – 2018 plus Monthly Variable Cost Adjustment of 29 paise per unit at the time of publication of its gist for tariff petition for 2018 – 2019 and 2019 – 2020. The applicant claimed that the average cost has been derived based on projected sales to own consumers of 10089 MU for 2018 – 2019 and 10440 MU for 2019 – 2020. The applicant has claimed that there has been sharp increases in prices of both primary and secondary fuel and that the Company, notwithstanding such steep rise in fuel costs coupled with inflationary pressure, is able to contain its prayer to a reasonable level due to several efficiency measures undertaken by it in line with the Commission's directions.
- 2.3 It has been submitted that average tariff of CESC Limited is much lower than those prevailing in other cities in India. It is also submitted that with the rising fuel

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- cost, increase in input cost, insistent inflationary pressure and need to enhance energy security and reliability, it is no longer feasible to operate at such tariff.
- 2.4 CESC Limited submits that the tasks being performed by a distribution licensee have been rendered significantly difficult by an ever-increasing customer expectation and the statutory obligation of a distribution licensee for providing universal service. The present consumer base of CESC Limited, as stated, is about 32 lakh and 55% of this consumer base contributes less than 10% of their energy sale.
- 2.5 It has been submitted by CESC Limited that regulated licensees are statutorily required to provide critical services under hostile circumstances. They should be in a position to finance their ongoing operations including essential repairs and maintenance. CESC Limited has sought to illustrate through charts that even in the face of a high inflationary trend over last several years, its average tariff has not been increased significantly during that period.
- 2.6 CESC Limited has submitted their performance on the basis of achieved PLF. As per performance graph depicted in the petition, CESC Limited has attempted to establish that they have attained the maximum possible efficiency level and sustaining the present level of excellence is a challenge for them. Though the Commission stipulated stringent standards of performance of distribution licensees in its Regulations, the company is committed to adhere to the standards set by the Commission.
- 2.7 CESC Limited has informed that the company does not receive any external subsidy from any agency.
- 2.8 It has been claimed that CESC Limited's Plant Availability is one of the best in the country. Its planned maintenance is done in such a way that downtime is reduced to a very significant extent and thus, it is claimed, it has allowed

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

generation to take place at a high Plant Load Factor whenever there is demand. It has been stated that the Company operates its pulverized fuel fired power stations viz. Budge Budge, Southern and Titagarh at a higher merit order dispatch schedule thereby achieving optimization of fuel consumption and generation efficiency. It has also been claimed that generation has been planned assuming capacity utilization governed by – a) availability of generating plant, b) adequacy of demand and pattern of load, particularly diurnal and seasonal variations of a city system like Kolkata, c) availability of required quality of fuel and constraints of fuel transportation, d) constraints of ash removal, e) economic dispatch schedule considering peaking load / radial load / agreement issues, f) price discovery in short-term market, g) energy security plant, etc. and requirement of planned maintenance. Despite the highly fluctuating day and night demand as also seasonal demand, the Company is already operating at high levels of PLF / PAF and the Company feels it deserves incentives for maintaining a high operating level.

- 2.9.1 On the front of distribution loss, CESC Limited submits that theft of electricity is the main contributor to such loss. It is also submitted that energy audit at distribution transformer level is being continued. A number of loss prone areas have been identified and authorities are kept apprised. The sensitive nature of most of such areas precludes administrative and judicial supports being forthcoming.
- 2.9.2 It is also the submission of CESC Limited that higher the proportion of low voltage sales, higher is the distribution loss on account of technical reason. It is also submitted that proportion of sales of electricity to high voltage consumers has been steadily going down in CESC's area from 51% in the year 1993-94 to 31% in the year 2016-17. This factor, as stated, has adverse impact on CESC's distribution loss, which is entirely beyond their control.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 2.9.3 CESC Limited, as stated, has taken all possible technical interventions as well as public awareness campaign in dealing with the pilferage menace and has achieved progressive improvement in the last few years.
- 2.10 CESC Limited submits that its dispatch schedule maximized its own generation to the extent feasible and cost effective. The generation of New Cossipore generating station, as submitted by CESC Limited, has been ceased to be operational from 2014 in accordance with the direction of CEA and phasing out of Titagarh generating is presently under consideration as per the communication of CEA dated 6th May, 2014. The company tied up with Haldia Engineering Limited (HEL) for long term power purchase agreement to the extent of 600 MW of gross capacity to ensure uninterrupted power supply to the consumers. CESC Limited has also stated to reduce consumption of coal at high price by substituting generation with purchased power, particularly during lean period to the extent cost becomes attractive. CESC Limited has also stated that various sources of power is selected in such a way that the same works out to be the most economic one under the given circumstances. CESC Limited has also endeavoured to procure power from other renewable and cogeneration sources through diligent efforts.
- 2.11.1 CESC Limited has described how it has estimated sales, i.e. by application of CAGR of past period (i.e., Financial Year 2004 to Financial Year 2017) for all categories of consumers. For stable categories of sales, a period of reference has been selected appropriately to minimize impact of unusual variations. For new consumer classes, it has used respective periods of stable sales for analysis or has estimated on the basis of available consumption trend. For sale to HT Industrial consumers it has used present consumption trend of existing consumers using CAGR method. Pointing out that it is very difficult to assess future sales, it suggests that any variation from recovery of fixed costs permitted in the tariff order

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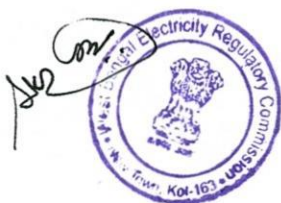


Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

on account of variation of sales volume data should be adjusted through a suitable mechanism based on actual sales data when available at a future date.

- 2.11.2 Through a number of charts, CESC Limited has presented forecasts about how the long term growth rate of LT domestic sales achieved so far is expected to be sustained, how growth in the LT commercial and industrial segments are expected to be positive, thereby leading to a positive growth of the total LT sales, how long term steady growth in HT commercial sales is expected, how the HT public water works sales is expected to be on the rise, how HT sales to Metro Railways show a positive growth trend, how the overall trend of HT industrial sales is likely to be neutral, and how the overall outlook in HT sales reflects a positive trend.
- 2.12 CESC Limited has stated the consumer services provided by them like emergency attending team, 24 hour call centre, electronic intimation of bill, multiple payment options, mobile application with several facilities, consumer awareness on safety, power consumption, power theft, grievance redressal, etc.
- 2.13 CESC Limited has stated the steps it has taken on safety matters in each of its generating stations as also in the distribution wing.
- 2.14.1 CESC Limited submits that it has estimated the fuel cost on the basis of the generation plan as projected in the instant tariff application and the estimate is based on the norms set by the Commission in the Tariff Regulations. CESC Limited has referred to a Notification, issued by the Ministry of Environment & Forests, requiring use of coal with limited ash content in urban areas. It has submitted that the Tariff Regulations also recognize the need to comply with environmental standards. It is also submitted by the company that it would not be possible to ensure reliability of supply of energy on a regular basis, if adequate coal is not supplied by Coal India's subsidiaries which are powerful Government monopolies.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

2.14.2 CESC Limited has submitted that for maintaining reliable supply of power adequate quantity of fuel stock is required. But stock is critical for maintaining a high PLF level and it would be difficult for them to sustain PLF at a high level unless it is given a guaranteed coal supply stream. There has been a sharp increase in coal price and further additional charges are payable under FSA. Further, additional cess and duties have been introduced and enhanced. Oil prices are also highly volatile and have exhibited sharp rises. The projected costs of fuel are based on the latest Notification, issued by the Coal India Ltd., the prevailing oil price and the Regulations framed by the Commission in this behalf. As per CESC Limited, quality of coal supplied by CIL is very poor. There has also been a change in the sampling system. Third party sampling has been phased out and replaced by sampling and testing only at the loading end. CESC has signed a tripartite agreement for such sampling and analysis of coal by CSIR – CIMFR, but the sampling and analysis is yet to commence due to lack of requisite infrastructure / manpower at majority of the locations. It is also submitted that in absence of Coal Regulator, CIL and its subsidiaries enjoy the monopoly of catering need of coal to the domestic users resulting in sharp rises in the cost of coal during the last few years.

2.15 Maintenance of generation at a high PLF, CESC Limited has submitted, involves removal of a high volume of ash. In the opinion of the licensee, this calls for use of a judicious mix of coal and a comprehensive approach towards ash management including washing of coal.

On the issue of repairs and maintenance in generation plants, the applicant has tried to make out a case of incurrence of additional maintenance costs, because CESC Limited is committed to the maintenance of a high PAF level and also because its plants are ageing and require enhanced maintenance so as to continue to function efficiently.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

According to the Company, it also strictly adheres to a comprehensive preventive maintenance schedule which it itself has developed, covering the entire gamut of its generating plant and distribution network. The tariff applicant pleads that such appropriate repairs serve the interest of the consumers. CESC has submitted that since rise in O&M expenses, especially repairs and maintenance, is linked to minimum wages notification as well as wage negotiation with the contractors, the company may be constrained to pray for certain dispensations from the Commission in this regard during the APR stage, with due justification and necessary details. It is also submitted that with ageing of company's generating stations and simultaneous load growth, necessity of bringing economic power from outside assumes importance in the context of power procurement.

- 2.16 CESC Limited has submitted that the demand pattern in CESC Limited's licensed area is widely varying pattern at a range between 2000 MW, (peak summer) and 450 MW (lean winter). Since the demand profile is beyond the control of the licensee, a gap between plant availability factor and plant load factor is inevitable.
- 2.17 CESC Limited has also submitted that Intra-State ABT is in operation in the State in accordance with the directions of the Commission and the relevant Regulations. Due to intra-state ABT operation, some quota of Unscheduled Interchange (UI) of energy from state grid is inevitable which cannot be assessed beforehand.
- 2.18 CESC Limited has submitted that with the inflationary pressure persisting, interest rate is still hovering on the higher side. For the purpose of projection and estimates, interest rate has been assumed at hundred basis points lower than SBI PLR.
- 2.19 CESC Limited has stated to estimate capital expenditure in line with Regulations and following certain objectives like security of supply, downtime reduction,

West Bengal Electricity Regulatory Commission

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- prevention of frequent failures, overloading reduction, controlling load shedding and distribution loss, catering to ever increasing load growth, attaining redundancy for network and associated facilities, providing safety to operating personnel, meeting pollution control norms, optimal utilization of distribution assets, etc.
- 2.20 CESC Limited has furnished item wise summarized reports on the directives issued by the Commission as applicable.
- 2.21 CESC Limited has submitted that it has made exhaustive effort in procuring power from co-generation and renewable energy sources and has also submitted a report regarding compliance status of renewable and co-generation obligation, along with the instant tariff application. The company has effected net metering arrangement for roof-top solar PV power plant in its distribution system at some places in and around Kolkata.
- 2.22 CESC Limited has appended to the instant tariff application a report on energy audit measures undertaken by it. CESC Limited has also submitted reports on safety and occupational health hazard.
- 2.23 CESC Limited has submitted a report along with the instant tariff application giving details of its efforts to reduce emission and meet environmental responsibilities.
- 2.24 CESC Limited submits that it has furnished, in accordance with the Tariff Regulations, all relevant information and supporting materials in specified forms, but it simultaneously undertakes to make available such other or further information, particulars and documents as may be considered appropriate and called for by the Commission.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 2.25 It has been submitted that in the event any rebates / incentives are allowed in the tariff structure, and/or if new tariff categories/classes are introduced, then the same may be allowed in such a manner that the net revenue requirements as may be determined by the Commission are fully protected and the Company is able to collect the same in its entirety.
- 2.26 CESC Limited has also stated that it has presented, in the instant tariff application, a tariff structure on a pro-rata basis as per the existing structure and that further differentiation in terms of section 62(3) of the Act may be made by the Commission as may be deemed appropriate.
- 2.27 The applicant has, in conclusion, prayed for (a) confirmation of the Aggregate Revenue Requirements for 2018 – 2019 and 2019 – 2020 as contained in Annexure - 1 of the tariff application and granting of commensurate tariff increase in accordance with the Tariff Regulations; (b) allowing additional amounts in the Aggregate Revenue Requirement for any increase in power purchase cost from HEL beyond what has been considered in the petition; (c) allowing appropriate adjustments towards fuel and power purchase cost adjustment and annual performance review of earlier year(s); (d) allowing additional amounts towards development fund as deemed appropriate by the Commission; (e) Granting commensurate wheeling charge on the basis of approved revenue requirement for distribution in accordance with the Regulations; (f) confirming the capital expenditure proposed as contained in the Annexure – I read with the perspective plan; (g) early disposal of the application as the business of Commission would permit and (h) passing of such further order or orders as the Commission may deem fit and proper.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

CHAPTER – 3 OBJECTIONS, COMMENTS, ETC.

- 3.1 Suggestions, objections and comments on the tariff application of CESC Limited for the sixth control period covering the years 2018 – 2019 and 2019 – 2020 received within 28.02.2020 i.e., the due date, from the person as are mentioned in paragraph 1.9 of Chapter-1. The main points of the suggestions, objections and comments etc. are summarized in the following paragraphs in this chapter. The Commission's views on the relevant objections, comments etc. are also recorded in this Chapter.
- 3.2 The submissions and the relevant issues pertaining to tariff determination of the sixth control period made by All Bengal Electricity Consumers' Association (hereafter referred as ABECA) are as follows against which commission's views are given.
- i) ABECA objected that CESC Limited is charging extra tariff of 29.00 paise per unit on the plea of MVCA since 2016 – 2017 which has frustrated the tariff determination of the Commission for 2016 – 2017 and 2017 – 2018. The fate of taking extra 29.00 paise per unit is not explained in the tariff petition of CESC Limited, although the audit for the years 2016 – 2017 and 2017 – 2018 is already over. On such ground, the tariff proposal off CESC Limited should not be accepted by the Commission.
 - ii) ABECA has raised their objection in regard to enhancement of tariff from 702.47 paise per unit in 2017 – 2018 to 832.00 paise per unit in 2018 – 2019 with justification that tariff of electricity in other States is much lower than that of West Bengal. According to ABECA, the enhancement of tariff, as claimed by CESC Limited is not reasonable and justified and therefore they opposed the enhancement in tariff of the CESC Limited for

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

the year 2018 – 2019. Moreover, WBSEDCL has proposed to reduce the tariff by 3.00 paise per unit for the years 2018 – 2019 and 2019 – 2020 in comparison to the tariff for the year 2017 – 2018. This signifies that when WBSEDCL, having a larger distribution area than CESC Limited, can reduce the tariff, there is no justification of enhancing the tariff in case of CESC Limited.

- iii) ABECA submitted that the Commission in its tariff order dated 04.07.2018 for the year 2017 – 2018 directed CESC Limited to reduce the distribution cost by Re. 1.00 per unit, transmission loss by 4% and to bring down the commercial loss below 2% which lead to reduction in tariff. Therefore, as per ABECA, the tariff should be reduced by 50% instead of any increase thereof.
- iv) ABECA has denied the reasons, as mentioned by CESC Limited in their tariff petition for 2018 – 2019, for price hike with counter justification as follows:
 - a) It appears from the tariff order of the Commission for the year 2017 – 2018 that the average coal price at Budge Budge generating stations and Southern generating station for the coal grades G4 to G8 has been allowed to Rs. 4811.30 per tonne, Rs 4350.85 per ton, Rs. 3089.80 per ton, Rs. 2703.40 and Rs. 2608.36 per ton respectively instead of Rs. 3000.00 per tonne, Rs. 2737.00 per tonne, Rs. 2317.00 per tonne, Rs. 1926.00 per tonne and Rs. 1465.00 per tonne respectively, as per the notification of Coal India Limited dated 8th January, 2018 in 2016 – 2017. So, it may be construed that CESC Limited has taken extra money from the consumers on account of coal which should be refunded to the consumers and question of hike in tariff does not arise.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- b) The additional amount of 29.00 paise per unit as is being charged by CESC Limited on account of MVCA is not logical and tenable as the cost of coal has been drastically reduced as per the notification issued by the Coal India Limited vide dated 8th January, 2018.
- c) The logic of increased activities due to increased number of consumers is not tenable as the increased number of consumers lead to increase in income and profit thereby reduces the cost of supply.
- d) The price of industrial goods is on the lower side due to Government's stimulus as well as reduction in interest rate against the borrowed capital leads to reduction in tariff. Thus, the proposal of CESC Limited towards hike in tariff is not logical and tenable.
- e) The logic of increased fuel cost is also not tenable. Better quality of coal at 25% reduced rate could have been obtained from the coal block allotted to CESC Limited by the Government of India, but CESC Limited has failed to utilize the same judiciously. Hence, the plea of coal price hike cannot be a reasonable ground for hike in tariff rate, as claimed by CESC Limited.
- f) The reason of increase in freight, taxes, etc, as claimed by CESC Limited, is not tenable as they have not given any details thereof.

In view of above, according to ABECA, tariff hike on the ground of coal, interest on borrowed capital, freight, taxes, etc. is not reasonable and justified.

The Commission has taken a note of the above objections and shall consider the same while determining the Aggregate Revenue

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Requirement (ARR) and tariff for CESC Limited for the year 2018 – 2019 and 2019 – 2020.

- v) ABECA raised objection against the claim of CESC Limited for enhancement in the ARR for the years 2018 – 2019 and 2019 – 2020 to the tune of 6.89% and 10.6% respectively. The claim of CESC Limited is not logical and tenable since there has not been any increase in power ingredients, rather it has been decreased.

The Commission noted the comments.

- vi) According to ABECA, considering the quantity of energy sale as proposed by CESC Limited during the years 2018 – 2019 and 2019 – 2020, CESC Limited will be earning extra amount of Rs. 64798.00 lakh and Rs. 57564.00 lakh during the years 2018 – 2019 and 2019 – 2020 respectively based on the rate of energy at 832.00 paise per unit and 851.00 paise per unit as proposed by CESC Limited for the years 2018 – 2019 and 2019 – 2020 respectively, which is not tenable.

The Commission has noted the comments and shall take care at the time of determination of ARR.

- vii) ABECA raised objection to the proposal of CESC Limited to allow CESC increase in power purchase cost from HEL, if any. According to ABECA, power should be purchased from the open market on lowest price bid basis.

The contention is noted.

- viii) ABECA opposed the creation of development fund as proposed by CESC Limited as it is beyond the provisions of the Electricity Act, 2003.

West Bengal Electricity Regulatory Commission





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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

The contention is noted.

- ix) According to ABECA, the sales projection as made by CESC Limited is contradictory and not acceptable to ABECA. The sales projection should be made based on the actual sales done during the previous year as per the audited accounts.

The contention is noted.

- x) ABECA has raised certain issues on PLF percentage projected by CESC Limited.

In this context, the Commission's view is that normative PLF for each generating station of CESC Limited is set in the Tariff Regulations of the Commissions and the Commission follow the same while preparing the tariff order.

- xi) ABECA submitted that reduction in distribution loss, in turn, reduces the electricity tariff. According to ABECA, as per tariff petition, the distribution loss of 11.1% in 2016 – 2017 is increased to the extent of 14.3% for the years 2018 – 2019 and 2019 – 2020 registering an increase of 3.2% in respect of 2017 – 2018. This increased distribution loss leads to unnecessary increase in tariff of electricity which is not reasonable and justified. Hence, ABECA opposed the tariff hike proposal of CESC Limited. In this context, ABECA has referred the tariff order dated 04.07.2018 of the Commission wherein CESC Limited was directed to reduce the technical loss to 4% for cities and commercial loss below 2%.

The Commission noted the contents. The norms of distribution / ATC loss have been specified for each distribution licensees in the Tariff

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Regulations of the Commission. The Commission only follows the norms while determining tariff for any licensee.

- xii) According to ABECA, while the cost of coal is reduced to a great extent in comparison to the price in 2016 – 2017, then how the total generation cost of each generating station is projected high? In this regard, ABECA has submitted a comparative price of Coal India Limited dated 8th January, 2018 and the chart as appears in the tariff order of the Commission dated 04.07.2018.

The contention is noted by the Commission.

- xiii) ABECA raised objections regarding capital expenditure as this expenditure does not help reducing the cost of supply and tariff.

The Commission has taken a note of it.

- 3.3 Ganatantrik Nagarik Samity, Howrah (GNS in short) has submitted a number of suggestions and has simultaneously raised quite a few objections to the instant tariff application of CESC Limited.

- i) GNS finds that CESC Limited does not undertake any environmental awareness programme among the members of the public and GNS suggests that the distribution licensee should be directed to do so. Thermal power projects are the main contributors to global warming and depletion of ozone layer. The consumers should be made aware of the fact and asked to reduce power consumption and wastage of electricity. CESC Limited should extensively undertake afforestation programmes and other environmental projects.

The Commission has noted the contention.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- ii) GNS proposes that the consumers should be given incentives for consuming less power. The benchmark consumption of each domestic and commercial consumer can be derived through a suitable and transparent process based on average consumption of last three years. Thereafter, whoever consumes less power in a month should be given an incentive in tariff on a graded scale.

While the Commission has noted the point, considering the number of practical problems of its implementation such as consumer specific continuous monitoring on each billing cycle and the resultant burden on the utility's information system, the Commission decides to retain the existing slab system as the same helps to achieve the same objective.

- iii) GNS has opined that CESC Limited should be directed to procure power from renewable energy sources. The cost of procurement from renewable energy sources and other costs for promoting renewable power should be levied as 'Green Energy Charge' to the consumers and shown separately in the consumers' bills to create consumer awareness. CESC may be directed to arrange renewable power generation. However, use of REC to meet RPO is not advocated by GNS as the same is merely spending consumers' money without matching generation.

The Commission noted the content.

- iv) GNS is of the opinion that the Commission should direct CESC Limited to set up their own renewable and non-conventional power generation unit. Since CESC Limited has also prayed for allowing expensive power procurement from renewable and non-conventional sources, it will definitely be a better proposition for them to set up their own units for renewable power generation. In this respect, GNS also appreciates procurement of

West Bengal Electricity Regulatory Commission





सत्यमेव जयते



Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

power from cogeneration sources within the price cap specified by the Commission as the lowest cost option of cheaper renewable power. GNS does not recommend purchase of REC to meet RPO obligation as this is a paper transaction and does not help environmental concerns.

The Commission observes that its existing regulation covers the issue as suggested by GNS.

- v) GNS has stated that CESC Limited has effected net metering arrangements in a few places for energy injected from solar roof-top photovoltaic power plants in its distribution area. Such procurement of energy, as a separate transaction, should be encouraged and recognized towards RPO.

The Commission has noted the issue that energy generated from such solar roof-top photovoltaic power plants shall be considered both on the consumption side and as input energy from renewable sources while determining the RPO obligations, in terms of the Electricity Act, 2003 and the relevant regulations.

- vi) GNS stated that the New Cossipore Plant of the company is incurring higher cost as well as causing higher pollution. It is necessary in the consumers' interest that a time bound plan for closure of New Cossipore is now taken up immediately. Further, GNS appreciated the order of the MoEF&CC for installation of FGD as per specified guidelines and time in such stations as are causing higher pollution including smaller units and of older vintage. The Commission should consider assessment of time and resources giving due time for implementation so that norms can be achieved which is really the purpose of the notification.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

In this context, the Commission has provided its direction in the appropriate chapter.

- vii) GNS has stated that CESC Limited has claimed to be in the process of 'creating a reliable, robust system with a view to ensure better energy security, create adequate reserve margin and provide world class service to the consumers of its licensed area.' GNS finds that CESC is indeed providing good service, both through technology and its consumer-oriented approach for which expenditure should be allowed. The network cost should also be allowed after prudence check. GNS has no objection in allowing incentives where good work has been done and the norms of the Commission is bettered.

The contention of GNS is noted.

- viii) GNS suggested that CESC Limited should be asked to export power outside its area during low demand periods to utilize its generation potential. Any positive contribution earned from such export would also benefit the consumers of the licensee.

The Commission has noted the contention of GNS and would like to state that the Commission acts on this issue based on the Regulations of the Commission.

- ix) According to GNS many of the consumers are forced to arrange for alternative power sources like own generators, invertors and solar power in case of shortage in supply. GNS further pointed out that the alternative sources of power are costly, even going up to Rs. 12 to Rs. 14 per unit. GNS is of the opinion that as CESC Limited's duty is to cater to the total need of all the consumers within their jurisdiction, CESC Limited should be directed to procure power from other sources so long as such power is

West Bengal Electricity Regulatory Commission





सत्यमेव जयते



Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

cheaper than the cost of alternative power. As per GNS, load shedding is not acceptable by the consumers who would prefer to pay the just cost of power.

The Commission has noted the comments made.

- x) As per GNS, the country is reeling from the effect of inflation. The common man is badly affected. Coal prices for many grades have been doubled by public sector giants. Oil prices are ever-increasing. The Central Commission has proposed maximum ABT Tariff at Rs.24 per unit. CESC Limited has proposed substantial increase in tariff. The Commission should grant tariff increase only for genuine reasons.

The Commission has noted the contention of GNS.

- xi) Unprecedented rise in fuel prices means huge accumulation of arrears. MVCA mechanism is now provided in the Commission's Regulations. This mechanism should be allowed to be continued, subject to annual FPPCA, as it eases downstream recovery from the consumers. MVCA precludes unnecessary burden of working capital, which can be kept at reasonable levels.

The contention of GNS is noted.

- xii) GNS has a number of suggestions to give on how to protect the embedded consumers, particularly the small ones, from the adverse effects of exit of larger consumers from the ambit of the distribution licensee. In the first place, according to GNS, cross subsidy surcharge as well as additional surcharge provided for in the Act, must be levied on the outgoing consumers.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- xiii) Such outgoing consumers shall have to pay appropriate wheeling charges for using the distribution system. All expenses related to T & D system should be levied on them as per the Commission's Regulations. Receipts from wheeling charges should be deducted from the gross revenue requirement of the licensee in order to reduce the burden on the embedded consumers.
- xiv) In the opinion of GNS, outgoing big consumers would add to the costs in more than one way. When such an existing consumer avails of an open access for only a part of its load, while drawing the remaining load from the distribution licensee, the tariff of such a consumer for the load drawn from the distribution licensee should not be equated with the tariff applicable to the embedded consumers. In the opinion of GNS, such a consumer should be put in a separate sub-category and have a separate tariff which should be higher than the tariff applicable to the embedded consumers. Further the over drawal charges for such an open access customer should also be seriously reviewed and a two-part mechanism is needed.
- xv) Supply of back-up power to an open access customer should occupy the last position in the despatch schedule so as to ensure that the demand of the embedded consumers is met first. No ordinary consumer should suffer power cut on this account. According to GNS, there should also be a separate category of tariff for back-up power. Present Temporary Supply Charge, as per GNS, cannot address this nature of drawal and the demand charge for back-up power should be at least three times the demand charge levied on other consumers because of the demand risk put on the distribution system by back-up power. In addition, there should be appropriate demand charge for actual drawal. Further, in the opinion of GNS, any over drawal of the contracted amount of back-up power should be levied an over-drawal charge which should be at least four times the

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

demand charge levied on the relevant category of non-open access consumers. Proceeds from such charges should go to reduce the revenue required to be met by the embedded consumers.

- xvi) Pointing out that a large number of consumers are opting for captive generation, GNS alleges that these industries are using highly polluting fuels. Since the Act is supposed to promote efficient and environmentally benign policies, GNS suggests that captive generation using high pollutants need to be discouraged.

The Commission noted the contentions of GNS mentioned in paragraphs (XII) to (XVI) above

- xvii) According to GNS, maintenance of the distribution system and investment therein should merit serious consideration by CESC Limited.

The Commission noted the contention.

- xviii) GNS suggested that the consumers should not suffer for the delay in determination of tariff for two years which have already gone by. According to GNS, while deduction of prudent costs is unhealthy for the viability of the sector, it is recommended to go for easy arrears to recover dues, if any. Interest of the stakeholders should be balanced by the Commission.

Noted the contention of GNS.

- 3.4 The Commission, therefore, is passing the instant tariff order for CESC Limited for the years 2018 – 2019 and 2019 – 2020 without giving any hearing to either the tariff petitioner or any of the objectors or anyone but after duly taking into consideration all suggestions and objections received from the public in response

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

to the advertisements published in newspapers inviting suggestions and objections on the petition filed by CESC Limited,

West Bengal Electricity Regulatory Commission





CHAPTER - 4 SALES, ENERGY BALANCE & VARIABLE COST

4.1 CESC Limited is a distribution licensee having three (3) generating stations of its own. A substantial part of its energy requirement is met out of its own generation and the balance is met by purchase from other agencies. The proper assessment of the sales during the year for which the tariff is to be determined on prospective basis is of prime importance. The Commission is, therefore, taking up first the examination of sales projection of CESC Limited.

4.2 Sales Projection

4.2.1 While projecting sales, CESC Limited has stated that the estimation of sub-category-wise demand has been done through Geometric Mean Analysis (Compounded Annual Growth Rate) for all categories of consumers. For stable categories of sales, a reference of previous trend has been used. The applicant has submitted the break-up of category-wise actual consumptions from 2013-14 to 2016-17, estimated consumptions for 2017-18 and the projections for 2018-19 and 2019-20. It has also shown sales of its power to WBSEDCL in a very limited way. CESC Limited also consumes power in its own premises. CESC Limited has projected growth rate of sale to own consumers on the compounded growth rate methodology for the period from 1995 – 1996 to 2016 – 2017. Accordingly, projected figures of supply are as follows:

Figures in MU

Sl. No.	Category of Supply	Projected for 2018-19	Projected for 2019-20
1	Sale to Consumers	10089	10440
2	Sale to WBSEDCL	40	40
3	Consumption in own Premises	40	40
4	Total (1 + 2 + 3)	10169	10520





4.3 Sources of Energy:

4.3.1 The Commission now examines the sources of energy requirements of CESC Ltd to meet its supply obligations to its consumers and to effect the projected quantum of export. As mentioned earlier, a substantial part of its total energy requirement is met out of ex-bus generations from its own power stations. The quantum of ex-bus generation that will be available to CESC Ltd., will depend on capacity utilization of the plants and the rates of auxiliary energy consumption therein. Balance energy required is proposed to be purchased mainly from Haldia Energy Limited (in short 'HEL') through long term arrangement, a small quantum from renewable and co-generation sources and a significant quantum from short term arrangement / power exchange, termed as 'supplemental'.

4.4 Sent Out from Own Generating Station:

4.4.1 CESC Limited projected the generation at Southern generating station at lower level than that was achieved during the year 2016 – 2017. CESC Limited has not given any written clarification in their submission for such decreased trend and projection for generation at Southern generating station. ABCEA, however, has pointed out the low PLF projection by CESC Limited for Southern generating station. For energy availability from own sources, Commission has not accepted the projection of CESC Limited regarding Southern generating stations. The Commission considers the generation at Southern generating station at a normative PLF of 80% during the year 2018-19 and 2019-20 instead of 18.0% and 18.1% projected by CESC Limited. The Commission has considered the generation from Budge Budge generating station during the year 2018-19 and 2019-20 at a PLF of 87.37% and 87.59% respectively as projected by CESC Limited. The Commission does not consider any generation at Titagarh generating station for the year 2018-19 and 2019-20. The Commission has allowed auxiliary energy consumptions at the rates as per norms as specified in





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

the Tariff Regulations. Accordingly, admitted generation, auxiliary energy consumptions and net sent out energy from each generating station of CESC Limited are given below:

(MU)

Generation by Generating Stations of CESC Limited in MU for 2018-2019 and 2019-2020						
Power Station	As proposed			As Admitted		
	Generation	Aux	Net	Generation	Aux	Net
2018-2019						
Budge Budge (750 MW capacity)	5740	517	5223	5740.21	516.62	5223.59
Southern (135 MW capacity)	213	19	194	946.08	85.15	860.93
Titagarh	0	0	0	0	0	0
Total	5953	536	5417	6686.29	601.77	6084.52
2019-2020						
Budge Budge (750 MW capacity)	5770	519	5251	5770.43	519.34	5251.09
Southern (135 MW capacity)	214	19	195	948.67	85.38	863.29
Titagarh	0	0	0	0	0	0
Total	5984	538	5446	6719.1	604.72	6114.38

4.5 Distribution Loss:

4.5.1 The Commission has allowed distribution loss as per norms specified in the Tariff Regulations against sale of energy to consumers and WBSEDCL in radial mode and also for consumptions in its own premises as projected by CESC Limited. Accordingly, the distribution loss for 2018 – 2019 and 2019 – 2020 as admitted by the Commission is shown in the following table:

Distribution Loss for 2018 – 2019 and 2019 - 2020				
Particulars	Proposed		Admitted	
	2018-19	2019-20	2018-19	2019-20
Sales and Own consumption (MU)	10169	10520	10169	10520
Normative Distribution Loss (%)	14.3	14.3	14.3	14.3
Loss (MU)	1697	1755	1697	1755

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

4.6 Purchase of Power:

4.6.1 CESC Limited has projected 3803 MU and 3835 MU purchase of power from HEL for 2018 – 2019 and 2019 – 2020. The Commission finds that the Ex-Bus Energy charges of HEL for 2018 – 2019 and 2019 – 2020, in the tariff order of HEL for sixth control period, are less than the admitted rate of power to be purchased from supplementary sources. Thus, the Commission considers 4250.70 MU and 4010.37 MU, the admitted Ex-Bus Energy of HEL in tariff order of HEL for sixth control period as the quantum of purchase from HEL for 2018 – 2019 and 2019 – 2020 respectively. CESC Limited has projected purchase of power from co-generation sources through electricity trader at a level of 108 MU each for the year 2018 – 2019 and 2019 – 2020 and the same is admitted by the Commission. This should not be construed as giving clearance by WBERC of meeting the obligation on purchase from renewable and co-generation sources of energy in full. The power purchase quantum against supplementary purchase from other sources including solar during the year 2018 – 2019 and 2019 – 2020 has been considered by CESC Limited at a level of 2538 MU and 2886 MU. Considering availability of the quantum of power from own sources, for the years 2018 – 2019 and 2019 – 2020, the Commission admits 5 MU from solar and 1417.78 MU and 2037.25 MU of power to be purchased from supplementary sources, viz., energy exchange and traders etc.

4.6.2 While the energy balance is drawn, it is considered that CESC Limited will adopt economic despatching schedule / merit order despatch in terms of the Tariff Regulations and other relevant Regulations. Surplus energy is required to be appropriately sold out / banking / swap to the persons other than consumers and licensee in order to bring down the consumer's tariff. The Commission will review the matter while truing up during the APR of concerned years.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 4.6.3 The purchase of energy from different sources, as projected by CESC Limited and as admitted by the Commission based on the availability from own generation are given below:

(MU)

Power Purchase for 2018 – 2019 and 2019 – 2020				
Particulars	Proposed		Admitted	
	2018-19	2019-20	2018-19	2019-20
Haldia Energy Limited	3803	3835	4250.70	4010.37
Co-generation	108	108	108.00	108.00
Solar	5	5	5.00	5.00
From other sources	2533	2881	1417.78	2037.25
Total	6449	6829	5781.48	6160.62

4.7 Energy Balance:

- 4.7.1 On the basis of the analyses done in the foregoing paragraphs, the Commission admits the following Energy Balance for CESC Limited for the year 2018 – 2019 and 2019 – 2020:

ENERGY BALANCING FOR CESC LIMITED				
Sl. No	Particulars	UNIT	2018-19	2019-20
1	Generation from Existing Units	MU	6686.29	6719.10
2	Aux Energy Consumption of existing units	MU	601.77	604.72
3	Ex-bus Generation [(3) = (1) – (2)]	MU	6084.52	6114.38
4	Energy Purchased from WBSEDCL	MU	0.00	0.00
5	Energy Purchased from HEL	MU	4250.70	4010.37
6	Supplementary Energy Purchase and purchase from Solar and co-generation	MU	1530.78	2150.25
7	Energy at input of CESC [(3) to (6)]	MU	11866.00	12275.00
8	Unit Sold To Consumers	MU	10089.00	10440.00
9	Unit Sold to WBSEDCL in radial mode	MU	40.00	40.00
10	Unit Utilized in Own Premises	MU	40.00	40.00

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

11	Target Norms of Distribution loss	%	14.30	14.30
12	Normative T & D loss on (8+9+10) as per rate of (11)	MU	1697.00	1755.00

4.8 Fuel Cost:

4.8.1 An examination of the projected fuel cost claimed by CESC Limited for the ensuing year 2018 – 2019 and 2019 – 2020 of the sixth control period under different heads for its power station has been taken up in this paragraph.

4.8.2 Fuel cost for different power stations of CESC Limited presently in operation as per its projection comes as under:

Fuel Cost in Rs. in Lakh		
Power Station	2018-19	2019-20
Budge Budge	140295.00	148927.00
Southern	6106.00	6123.00

4.8.3 In the tariff application for the sixth control period, CESC Limited has proposed fuel cost on the basis of norms of plant load factor, auxiliary energy consumption rate, oil consumption rate, station heat rate and transit and handling losses of coal as specified in Schedule 9A of the Tariff Regulations. While proposing fuel cost for the year 2018 – 2019 and 2019 – 2020 under the sixth control period, CESC Limited has envisaged price increase in average price of coal due to significant increase of different components of price of coal but average price of oil is kept almost same in its projections for 2018 – 2019 and 2019 – 2020.

4.8.4 The Commission has adopted the procedure for calculation of the fuel cost in accordance with normative parameters applicable to CESC Limited as specified in the Tariff Regulations and allowed fuel cost to CESC Limited as mentioned in subsequent paragraphs.

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

4.8.5 While determining the average price of coal and average price of oil for the year 2018 – 2019 and 2019 – 2020 of the sixth control period, the Commission has noted that CESC Limited has projected cost of coal based on the grade wise price of coal as per Notification of Coal India Limited (CIL) issued upto 8th January, 2018 including other applicable notifications for indigenous coal, latest available prices for imported coal and present price trend for oil. A number of statutory levies have been made applicable prevailing as on 1st June, 2018. Related charges are also factored in terms of present Fuel Supply Agreement (FSA).

ABECA has objected [Sl. No (iv)-a of Chapter-3] the Cost of coal for Southern mentioned in Tariff Order for the year 2017 – 2018 with reference to notification of Coal India Limited dated 8th January, 2018 provided in Vol-9 of this tariff petition for 2018 – 2019 and 2019 – 2020, which notifies the Basic price of coal. The Commission finds that the components of cost of coal other than Basic notified price like – Sizing charges, Average Incidental Charges, Royalty, MMDR, RE Cess, PE Cess, Evacuation Facility Charge, Washery Recovery Charge, PWD Road Cess, AMBH / VUP / MADA, GST, GST compensation Cess were added with notified Basic Charges prevalent during that period for determination of cost of coal. These components are also projected in present petition in Form-D(3) of Vol-3 with supporting Notifications in Vol-9 and admitted as applicable. If any differential amount on this head is to be recovered from the petitioner it will be done through APR/FPPCA as per Tariff regulations.

The Commission noted that the price considered by CESC Limited for estimating the statutory tax, duties, Royalties, levy etc for captive ROM coal corresponds to G11 grade of coal from CIL as per CIL notification. However, CESC has considered the basic price of Rs 660.39/MT for arriving at the total coal cost excluding transportation cost. CESC Limited has stated that [p-294 and 296 of Vol-

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

3 of the petition] this basic price of Rs 660.39/MT and the additional premium of Rs 370/MT have been netted off from fuel cost guided by statutory norms and tariff order of the Commission dated 28.10.2016. The Commission, observes that as per guidelines given in the order issued by Ministry of Coal, Government of India vide No 13016/9/2014-CA-III dated 26.12.2014 and the information given vide their letter No 54022/01/2014-CA-III dated 27.06.2016, the fixed reserve price of Rs 100 per ton shall be the only input cost of coal from auctioned captive mines of CESC Ltd and shall be considered as passed through in computation of energy charge. All the statutory royalties and cess are governed as per extant rules i.e at the CIL notified price. Coal transportation, washery charge and crushing charges are also to be passed through. Thus, the non-eligible components of price of coal i.e Basic Price, here Rs 660.39 /MT, and Additional Premium of Rs 370 /MT are not to be considered in source wise coal cost itself rather netting off in Fuel Cost calculation, as proposed by CESC in their petition.

- 4.8.6 The Commission thus considers Rs 100 per ton as input price of coal from captive mines for computation of energy charge. The Commission also admits the submitted price in Rs/MT for other statutory levies/cess payable as well as coal transportation, washery charges and crushing charges of captive coal as proposed by CESC Limited at this stage subject to truing up during FPPCA as per provision of the Tariff Regulations. For GST on captive coal, order of the Commission dated 28.10.2016 is continued. In view of the above, price of G-11 Grade captive coal for CESC is worked out as shown in the Table below:

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

(Rs/MT)

Source	Basic	Sizing	Average Incidental Charges	Royalty	MMDR	R.E. Cess	P. E. Cess	Evacuation Facility Charge	Washery Recovery Charge	PWD Road Cess	AMBH / VUP / MADA	GST	GST compensation Cess	Total
CESC Captive ROM	100	87	123.52	2.5	0.3	191	47.75	50	0	1	1	30.20	0	634.27

For Captive Washed coal, no break up of projected cost of Rs 2971.73 /MT is provided by CESC Ltd in Form D (3) for 2018-19 and 2019-20. However, this is mentioned that washed coal has been estimated at current level of yield (70%) and washing Cost is Rs 382/MT. The cost of Captive washed coal is determined @ Rs 1288.11 /MT with 70% yield and washing cost @Rs 382/MT over Captive ROM cost of Rs 634.27/MT ($634.27 \div 0.70 + 382$). CESC Limited is silent in the petition regarding adjustment from the revenue earned from sale of washery rejects. CESC Limited shall submit all the related documents including tax deposited i.r.o extracted coal from captive mines during the FPPCA petition for the respective years. CESC Limited shall submit actual yields with supporting documents during FPPCA petitions for the years 2018 – 2019 and 2019 – 2020.

- 4.8.7 The Commission has considered the price of coal as per the CIL notifications as mentioned in paragraph 4.8.5 above including other applicable subsequent notifications with all necessary charges, levies, duties and cess etc. to arrive at the average price of coal for the years 2018 – 2019 and 2019 – 2020. However, any major variation in fuel price in subsequent period should be adjusted through

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Monthly Variable Cost Adjustment (MVCA) as per provision made in the Tariff Regulations.

- 4.8.8 From the submitted Form D(2) to Annexure – I of the Tariff Regulations for Southern generating station, the Commission noted that average transportation charges for the coal to be sourced from ECL is Rs. 868.00 per M.T for the years 2018 – 2019 and 2019 – 2020. The projected Rail freight is same as ECL rail freight of Budge Budge (Rs 700.0/MT). In addition to Demurrage charge of Rs 2.0 per MT and KOPT Charge of Rs 98.0 per MT, Security Charge @Rs 68.0/MT are also projected. The Commission, admits projected cost components of coal transportation except security charges in absence of clarity on cost and justification of incurring such cost. Accordingly, the average cost of transportation of coal for Southern generating station is admitted at a level of Rs. 800.00 per M.T for both the years 2018 – 2019 and 2019 – 2020.

CESC has projected Rs 957 per MT and Rs 998 per MT for 2018 – 2019 and 2019 – 2020 respectively for coal transportation cost of Budge Budge. In addition to the Rail freight, projected on the basis of Railway Board Notification dated 08.01.2018 submitted with the petition, Demurrage charge of Rs 3.0 per MT, Siding Charge of Rs 17.0 per MT and Security Charges @Rs41 per MT are also projected. Road Bill is projected only for auction coal (overall Rs 125 per MT and source wise Rs 488 per MT) and Toll is projected only for imported coal (2019 – 2020). The Commission does not consider Security charge in absence of any satisfactory justification and Road bill in absence of any basis of such cost. Since imported coal is not admitted, the transportation cost of imported coal along with Toll is not considered. Thus, average cost of transportation of coal for Budge Budge generating stations is admitted at a level of Rs. 790.50 per M.T. and Rs. 781.62 per MT for the years 2018-19 and 2019-20 respectively.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

The Commission will consider road bills, if any, during FPPCA on actual basis subject to submission of following documents:

- Distance from coal mines to nearest siding with details
- Weighted average of above distance if there are more than one location for a particular source with computation
- Bidding documents to select successful service provider(s) for this job
- Newspaper publication intimating above bidding
- Work Order to the successful service provider
- Any other documents felt required from the points of view of transparency and reasonability along with necessary backup data and information

4.8.9 Hence, the average oil price and the average coal price based on the proposal of CESC Limited for grade mixing of coal from different sources along with their price, considered for the power stations of CESC Limited for the year years 2018 – 2019 and 2019 – 2020 are shown below:

Power Station	Average Coal Price in Rs./MT		Average Oil Price in Rs./KL for the	
	2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020
Budge Budge	3067.51	3218.87	47669.00	47669.00
Southern	4841.72	4847.01	47669.00	47669.00

Detailed computation of coal price for 2018 – 2019 and 2019 – 2020 has been given in the enclosed table at Annexure 4A to this chapter for the respective generating station.

4.8.10 Heat value of oil as 9570 Kcal/lit and 9588 Kcal/lit for Budge Budge and Southern generations stations respectively has been considered as proposed by CESC

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Limited as it is kept same as per the estimated value of 2017 – 2018. CESC Limited submitted that UHV of coal has been computed in terms of regulation 5.8.15 of the Tariff Regulations. The Commission admits the UHV of coal as follows for the purpose of fuel cost computation at this stage.

Power Station	Heat value of coal in Kcal/Kg			
	As proposed		As admitted by the Commission	
	2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020
Budge Budge	3506.00	3665.00	3502.83	3574.40
Southern	5150.00	5165.00	5149.04	5164.15

CESC Limited has projected 7.5% imported coal in Grade Mix for Budge Budge for the year 2019 – 2020 in Form D(1). However, from the Form D(1) of Vol-3 and Form D(1) in additional submission dated 30.09.2019, this is found that there has been a downward trend in actual percentage of imported coal in Grade Mix since 2013 – 2014 as follows:

Year		% of imported coal
2013-14	Actual	10.02
2014-15	Actual	8.47
2015-16	Actual	6.55
2016-17	Actual	3.75
2017-18	Estimated	0.48
2018-19	Projected	0.00

CESC Limited has stated that low ash content of imported coal, procured through competitive bidding among shortlisted vendors, will enable it to comply with the MOEF&CC restriction on transporting coal with ash content in excess of 34% beyond 500km in addition to ensuring reliability. Import price is projected on the basis of prevailing price for applicable coal. In absence of any competitive bidding-based purchase of imported coal in a transparent manner, as laid down in regulation 5.8.5, the Commission does not consider to allow use of imported coal at the tariff determination stage and decides that the total requirement of 7.5% imported coal be met through e-auction.

West Bengal Electricity Regulatory Commission





सत्यमेव जयते



Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

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

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

Power Stations	Total fuel cost (Rs. in Lakh)			
	Proposed by CESC		Admitted by the Commission	
	2018-19	2019-20	2018-19	2019-20
Budge Budge	140295.00	148927.00	128028.18	132247.28
Southern	6106.00	6123.00	26760.33	26786.12

4.9 Cost of Power Purchase:

4.9.1 CESC Limited has projected the cost of power purchase for the year 2018 – 2019 and 2019 – 2020 under the sixth control period as follows:

Sl. No.	Sources	2018-2019		2019-2020	
		MU	Rs in lakh	MU	Rs in lakh
1	Haldia Energy Limited	3803	209628	3835	210523
2	Cogeneration and Non-Solar RE	108	4098	108	4098
3	Solar	5	374	5	377
4	Supplemental	2533	101939	2881	125424
	Total	6449	316039	6829	340422

Besides the fixed charges per month, CESC Limited has to pay energy charges on actual energy drawal per month as per rate admitted and other charges including MVCA as detailed below:

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

(Rs lakh)

Sl. No	Source	2018-2019			2019-2020		
		Projected Fixed charges	Projected Energy charges	Projected other charges including MVCA	Projected Fixed charges	Projected Energy charges	Projected other charges including MVCA
1	Haldia Energy Limited	88586	106508	14534	88586	107401	14536
2	Cogeneration and Non Solar RE	0	3866	231	0	3866	231
3	Solar	0	359	15	0	363	15
4	Supplemental	0	95780	6159	0	117834	7590
	Total	88586	206513	20939	88586	229464	22372

4.9.2 While projecting the cost of power purchase for the year 2018 – 2019 and 2019 – 2020 under sixth control period, this is found that CESC Limited has considered following rate of energy charge and fixed charges per unit for purchase of power from different sources during the year 2018 – 2019 and 2019 – 2020.

Sl. No	Source	Fixed charges (Rs/unit)	Energy charges (Rs/unit)	other charges including MVCA (Rs/unit)	Fixed charges (Rs/unit)	Energy charges (Rs/unit)	Projected other charges including MVCA (Rs/unit)
		18-19	18-19	18-19	19-20	19-20	19-20
1	Haldia Energy Limited	2.3300	2.8006	0.3822	2.3100	2.8005	0.3790
2	Cogeneration and Non Solar RE	0.0000	3.5796	0.2139	0.0000	3.5796	0.2139
3	Solar	0.0000	7.1800	0.3000	0.0000	7.2600	0.3000
4	Supplemental	0.0000	3.7813	0.2432	0.0000	4.0900	0.2635

CESC Limited has also projected transmission charges, SLDC charges, other charges with adjustment of incentive / rebate for timely payment, where applicable. The Commission considers the fixed charge and energy charge as

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

per Tariff Order of HEL generating station for the sixth control period without considering the MFCA as projected by CESC Limited for HEL power. MFCA claimed / to be claimed by HEL shall be taken care of by CESC Limited in their MVCA computation. CESC Limited has assumed STU Loss for the ensuing years on the basis of standard procedure presently adopted by SLDC. The transmission loss for evacuation of HEL power through dedicated transmission line to CESC Limited is considered @1.0% by the Commission at present based on the available data with the Commission. Transmission loss, if any, shall be considered in FPPCA and APR for 2018 – 2019 and 2019 – 2020 on the basis of data that would be submitted by CESC Limited for establishing actual loss. Considering 1.0% transmission loss over Ex-bus energy charge of HEL @287.47 p/kwh and 293.53 p/kwh in Tariff Order of HEL generating station for the year 2018 – 2019 and 2019 – 2020 respectively, the energy charge is admitted @ 290.00 p/kwh and 296.00 p/kwh for 2018 – 2019 and 2019 – 2020 respectively instead of 280.00 p/kwh projected by the petitioner. CESC Limited also has to bear STU charges, SLDC charges and STU loss for drawing power from HEL and other sources. As the Tariff Order of WBSETCL for the years 2018 – 2019 and 2019 – 2020 has already been issued on 16.12.2020, the Commission finds it prudent to determine the SLDC charges and STU charges as claimed by CESC Limited for HEL, on the basis of mentioned tariff order of WBSETCL. For Transmission charges for evacuation of HEL power, the Commission considers Rs 11401 lakh as annual payable charge as per prevailing tariff Order dated 29.01.2016 of HEL 400kv Transmission system, for the year 2016-17, SLDC charges @0.5 p/kwh on Ex-bus energy at HEL end considering 1.0% transmission loss and STU Charges as per WBSETCL Tariff Order dated 16.12.2020. The determination is as follows:

Admitted Power Purchase Cost from HEL			
Sl. No	Particulars	18-19	19-20

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Admitted Power Purchase Cost from HEL			
1	Energy Purchase (MU)	4250.70	4010.37
2	Energy Charge Rate (p/kwh) considering 1.0% Transmission Loss over Energy Charge of HEL Tariff Order for 18-19 and 19-20	290	296
3	Energy Charge (Rs lakh) [1 x 2]	123270.3	118706.952
4	Fixed Charge (Rs Lakh)	63739.7	62240.65
5	Fixed Charge (Rs lakh) of HEL dedicated Transmission System	11401.00	11401.00
6	STU Charges as per WBSETCL Tariff Order dt 16.12.2020	3029.77	3205.10
7	SLDC Charge (Rs lakh) @0.5 p/kwh on HEL Ex-bus energy considering 1.0% Tr. Loss	215.00	203.00
8	Total (Rs lakh)	201655.77	195756.70

CESC Limited shall come up with the STU charges paid / to be paid by them on actual basis as per respective tariff orders and associated STU losses in their FPPCA and APR application for 2018 – 2019 and 2019 – 2020. The difference between the power purchase cost allowed in this order and the actual power purchase cost paid / to be paid by CESC Limited for 2018 – 2019 and 2019 – 2020 and additional charges, if any, shall be recovered through Monthly Variable Cost Adjustment (MVCA) which shall be reconciled in the relevant FPPCA and APR for the concerned year.

- 4.9.3 The cost of power purchase from co-generation sources including transmission and SLDC charges net of rebate / incentive for the year 2018 – 2019 and 2019 – 2020 is considered @ 379.35 paise / kWh as projected by CESC Limited.

As per projections by CESC Limited for the year of 2018 – 2019 and 2019 – 2020 under the sixth control period, the cost of purchase of supplementary power including transmission charge, SLDC charge and other charges is found @ 402.44paise / kWh and @ 435.35 paise / kWh. The licensee has cited overall

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

upward trend in the market while projecting the purchase cost. The Commission considers projected supplementary power purchase rate including all charges as follows:

Particulars	Unit	Projected by CESC		Admitted	
		18-19	19-20	18-19	19-20
Total Supplemental Power Purchase rate	p/kwh	402.44	435.35	402.44	435.35

4.9.4 The cost of solar power is considered @ 748.00 paise / kWh and @754.00 paise/kwh inclusive of other charges as projected by CESC Limited for the year 2018 – 2019 and 2019 – 2020 respectively. The projected cost is less than capped price of energy for grid connected Solar PV power plants as per regulation 6.1(v) of West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013.

4.9.5 The power purchase costs of CESC Limited for the quantum of power admitted under paragraph 4.6.3 of this order for the year 2018 – 2019 and 2019 – 2020 have been worked out as under. This power purchase cost is subject to truing up during Fuel and Power Purchase Cost Adjustment in terms of the Tariff Regulations on the basis of actual audited figures for the respective years.

Power Purchase Cost as admitted by the Commission for 2018 – 2019						
Source	Energy (MU)	Capacity charge (Rs Lakh)	Energy charge and other charges (P/Unit)	Energy charge and other charges (Rs Lakh)	Transmission charges for evacuation of HEL power (Rs Lakh)	Total Cost (Rs Lakh)
Haldia Energy Limited	4250.70	63739.7	290.00	123270.3	14645.77	201655.77
Cogeneration	108.00	0	379.35	4097.00	0	4097.00
Solar	5.00	0	748.00	374.00	0	374.00

West Bengal Electricity Regulatory Commission





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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Other Supplemental	1417.78	0	402.44	57057.14	0	57057.14
Total	5781.48	63739.7		184798.44	14645.77	263183.91

Power Purchase Cost as admitted by the Commission for 2019 – 2020						
Source	Energy (MU)	Capacity charge (Rs Lakh)	Energy charge and other charges (P/Unit)	Energy charge and other charges (Rs Lakh)	Transmission charges for evacuation of HEL power (Rs Lakh)	Total Cost (Rs Lakh)
Haldia Energy Limited	4010.37	62240.65	296.00	118706.95	14809.10	195756.70
Cogeneration	108.00	0	379.35	4097.00	0	4097.00
Solar	5.00	0	754.00	377.00	0	377.00
Other Supplemental	2037.25	0	435.35	88691.68	0	88691.68
Total	6160.62	62240.65		211872.63	14809.10	288922.38

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 4A

PROJECTED COAL PRICE AND HEAT VALUE FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2018-19

Source	Grade	Quantity	Total Price of Coal	Qty x price	Wt Av price/ MT	GCV	Min UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Average Heat Value
		MT	Rs/MT	Rs Lakh	Rs/MT	Kcal/ kg	Kcal/ Kg	Kcal/ Kg	Kcal/ Kg	Kcal/ Kg	Kcal/ Kg	Kcal/Kg	Kcal	Kcal/Kg
ECL	G4	93327.58	4552.31	4248.56	2277.01	6100	5600	6454	6049	6200	5600	5676.00	529727344.08	130.55
ECL	G5	142020.23	4205.74	5973.00		5800	4940	6049	5597	5600	4940	5236.00	743617924.28	183.26
ECL	G7	572138.63	3203.25	18327.02		5200	4200	5597	5089	4940	4200	4362.00	2495668704.06	615.04
ECL	G8	93327.58	2596.52	2423.27		4900	3360	5089	4324	4200	3360	3992.00	372563699.36	91.82
ECL	G13	48692.65	1743.53	848.97		3400	1300	3865	3113	2400	1300	1720.00	83751358.00	20.64
BCCL	G6	20288.6	3510.47	712.23		5500	4200	5597	5089	4940	4200	4799.00	97364991.40	24.00
BCCL	G8	60865.81	2503.55	1523.81		4900	3360	5089	4324	4200	3360	3992.00	242976313.52	59.88
BCCL	G10	32461.77	1950.30	633.10		4300	3360	5089	4324	4200	3360	3334.00	108227541.18	26.67
BCCL	WIII	8115.44	4178.36	339.09		5500						4714.00	38256184.16	9.43
BCCL	WIV	279982.73	3526.00	9872.19		4600						3854.00	1079053441.42	265.93
E-Auction	G9	48692.65	2238.84	1090.15		4600	3360	5089	4324	4200	3360	3663.00	178361176.95	43.96
E-Auction	G10	198828.32	2078.76	4133.17		4300	3360	5089	4324	4200	3360	3334.00	662893618.88	163.37
E-Auction	G11/NCW	198828.32	1327.15	2638.75		4000	2400	4324	3865	3360	2400	2682.00	533257554.24	131.42
E-Auction	WIV	596484.95	3812.04	22738.22		4600						3854.00	2298852997.30	566.54
Captive RoM		693870.25	634.27	4401.04								2626.00	1822103276.50	449.05
Captive Washed		969795.27	1288.11	12491.98								3018.00	2926842124.86	721.30
Total		4057720.78		92394.55									14213518250.19	3502.83

Transport (Rs/MT) 790.50

Total (Rs/MT) 3067.51

West Bengal Electricity Regulatory Commission



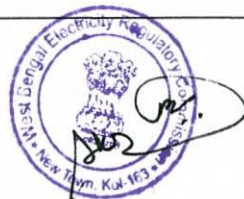
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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

PROJECTED COAL PRICE AND HEAT VALUE FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2019-20

Source	Grade	Quantity	Total Price of Coal	Qty price x	Weighted Av price/ MT	GCV	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Average Heat Value
		MT	Rs/MT	Rs Lakh	Rs/MT	Kcal/kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal	Kcal/Kg
ECL	G4	95937.79	4552.31	4367.38	2437.25	6100	5600	6454	6049	6200	5600	5676.00	544542896.04	136.22
ECL	G5	147904.09	4205.74	6220.45		5800	4940	6049	5597	5600	4940	5236.00	774425815.24	193.73
ECL	G7	591616.36	3201.58	18941.10		5200	4200	5597	5089	4940	4200	4362.00	2580630562.32	645.58
ECL	G8	95937.79	2596.52	2491.05		4900	3360	5089	4324	4200	3360	3992.00	382983657.68	95.81
ECL	G13	47968.89	1743.53	836.35		3400	1300	3865	3113	2400	1300	1720.00	82506490.80	20.64
BCCL	G6	19987.04	3510.47	701.64		5500	4200	5597	5089	4940	4200	4799.00	95917804.96	24.00
BCCL	G8	59961.12	2503.55	1501.16		4900	3360	5089	4324	4200	3360	3992.00	239364791.04	59.88
BCCL	G10	31979.26	1950.30	623.69		4300	3360	5089	4324	4200	3360	3334.00	106618852.84	26.67
BCCL	WIII	7994.82	4178.36	334.05		5500						4714.00	37687581.48	9.43
BCCL	WIV	271823.74	3526.00	9584.51		4600						3854.00	1047608693.96	262.07
E-Auction	WIV	599611.18	3812.04	22857.40		4600						3854.00	2310901487.72	578.10
Captive RoM		719533.42	634.27	4563.81								2626.00	1889494760.92	472.68
Captive Washed		1007346.78	1288.11	12975.68								3018.00	3040172582.04	760.54
E-Auction		299805.59	3812.04	11428.71		4600						3854.00	1155450743.86	289.05
Total		3997407.87		97426.98	2437.25								14288306721	3574.40
Transport (Rs/MT)					781.62									
Total (Rs/MT)					3218.87									



West Bengal Electricity Regulatory Commission

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

PROJECTED COAL PRICE AND HEAT VALUE FOR SOUTHERN GENERATING STATION FOR THE YEAR 2018-19

Source	Grade	Quantity	Total Price of Coal	Qty x price	Weighted Av Coal price /MT	GCV	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Average Heat Value
		MT	Rs/MT	Rs Lakh	Rs /MT	Kcal/kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal	Kcal/Kg
ECL	G4	238314.66	4552.31	10848.82	4041.72	6100	5600	6454	6049	6200	5600	5676.00	1352674010	2537.17
ECL	G5	195663.27	4205.74	8229.08		5800	4940	6049	5597	5600	4940	5236.00	1024492882	1921.61
ECL	G8	86902.21	2596.52	2256.44		4900	3360	5089	4324	4200	3360	3992.00	346913622.3	650.70
ECL	G13	12262.28	1743.53	213.80		3400	1300	3865	3113	2400	1300	1720.00	21091121.6	39.56
Total		533142.42		21548.14	4041.72								2745171636	5149.04
Transport (Rs/MT)					800.00									
Total (Rs/MT)					4841.72									



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

PROJECTED COAL PRICE AND HEAT VALUE FOR SOUTHERN GENERATING STATION FOR THE YEAR 2019-20

Source	Grade	Quantity	Total Price of Coal	Qty x price	Weighted Av Coal price /MT	GCV	Minimum UHV of coal grade	Max GCV of Band (X2)	Min GCV of Band (X1)	Max UHV of Band (Y2)	Min UHV of Band (Y1)	Mean UHV Interpolation	Qty X Mean UHV	Average Heat Value
		MT	Rs/MT	Rs Lakh	Rs /MT	Kca/kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal/Kg	Kcal	Kcal/Kg
ECL	G4	226541.52	4552.31	10312.87	4047.01	6100	5600	6454	6049	6200	5600	5676.00	1285849668	2412.30
ECL	G5	159911.66	4205.74	6725.46		5800	4940	6049	5597	5600	4940	5236.00	837297451.8	1570.80
ECL	G7	119933.75	3203.25	3841.78		5200	4200	5597	5089	4940	4200	4362.00	523151017.5	981.45
ECL	G8	26651.94	2596.52	692.02		4900	3360	5089	4324	4200	3360	3992.00	106394544.5	199.60
		533038.87		21572.13	4047.01								2752692681	5164.15
Transport (Rs/MT)					800.00									
Total (Rs/MT)					4847.01									



West Bengal Electricity Regulatory Commission

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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 4B
FUEL COST DETERMINATION OF
BUDGE BUDGE GENERATING STATION

Sl No.	ITEM	Unit	PROPOSED		ADMITTED	
			2018-19	2019-20	2018-19	2019-20
1	Gross generation for sale to own consumers and licensee	MU	5740.00	5770.00	5740.21	5770.43
	Aux rate	%	9.00	9.00	9.00%	9.00%
2	Auxiliary Consumption	MU	517.00	519.00	516.62	519.34
3	Ex-bus generation (3=1-2)	MU	5223.00	5251.00	5223.59	5251.09
4	Heat rate	KCAL/KWHR	2470.00	2470.00	2470.00	2470.00
5	Total Heat (5=1×4)	M. KCAL	14177800.00	14251900.00	14178318.70	14252962.10
6	GCV of OIL	Kcal/lit	9570.00	9570.00	9570.00	9570.00
7	Specific Oil Consumption	MI/kwh	1.30	1.30	1.30	1.30
8	Oil Consumption (8=1×7)	KL	7462.00	7501.00	7462.27	7501.56
9	Average Price of Oil	Rs/KL	47669.00	47669.00	47669.00	47669.00
10	Cost of oil (10=8×9 ÷ 100000)	Rs(lakh)	3557.00	3576.00	3557.19	3575.92
11	Heat generated from oil (11=6 × 8÷1000)	M Kcal	71409.00	71783.00	71413.92	71789.93
12	Heat from coal (12=5-11)	M Kcal	14106391.00	14180117.00	14106904.78	14181172.17
13	Heat value of coal	Kcal/Kg	3506.00	3665.00	3502.83	3574.40
14	Coal required (14=12×1000÷13)	MT	4023499.86	3869063.38	4027287.87	3967427.31
15	Coal required with Transit loss@0.75%	MT	4053904.00	3898301.00	4057720.78	3997407.87
16	Weighted Average Price of coal	Rs/MT	3901.00	4285.00	3067.51	3218.87
17	Cost of Coal (17=15 ×16÷100000)	Rs. (lakh)	158143.00	167042.00	124470.99	128671.36
18	Captive coal cost netted off in terms of Order dated 28 October 2016	Rs. (lakh)	21404.67	21690.56	0.00	0.00
19	Total Cost of Fuel (19=10+17-18)	Rs. (lakh)	140295.00	148927.00	128028.18	132247.28
20	Fuel Cost/unit (Gross gen)	Rs/kwh	2.44	2.58	2.23	2.29

Note: non-pass through elements of captive coal cost [Sl. No-18] are already considered during determination of Weighted Average Price of coal [Sl. No-16] from Annexure-4A after source wise cost determination.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

FUEL COST DETERMINATION OF SOUTHERN GENERATING STATION

Sl No.	ITEM	Unit	PROPOSED		ADMITTED	
			2018-19	2019-20	2018-19	2019-20
1	Gross generation for sale to own consumers and licensee	MU	213.00	214.00	946.08	948.67
	Aux rate	%	9.00	9.00	9.00%	9.00%
2	Auxiliary Consumption	MU	19.00	19.00	85.15	85.38
3	Ex-bus generation (3=1-2)	MU	194.00	195.00	860.93	863.29
4	Heat rate	KCAL/KWHR	2900.00	2900.00	2900.00	2900.00
5	Total Heat (5=1×4)	M. KCAL	617700.00	620600.00	2743632.00	2751148.80
6	GCV of OIL	Kcal/lit	9588.00	9588.00	9588.00	9588.00
7	Specific Oil Consumption	MI/kwh	2.10	2.10	2.10	2.10
8	Oil Consumption (8=1×7)	KL	447.00	449.00	1986.77	1992.21
9	Average Price of Oil	Rs/KL	47669.00	47669.00	47669.00	47669.00
10	Cost of oil (10=8×9 ÷ 100000)	Rs(lakh)	213.00	214.00	947.07	949.67
11	Heat generated from oil (11=6 × 8÷1000)	M Kcal	4289.00	4309.00	19049.15	19101.31
12	Heat from coal (12=5-11)	M Kcal	613411.00	616291.00	2724582.85	2732047.49
13	Heat value of coal	Kcal/Kg	5150.00	5165.00	5149.04	5164.15
14	Coal required (14=12×1000÷13)	MT	119109.00	119321.00	529143.85	529041.08
15	Coal required with Transit loss@0.75%	MT	120009.00	120222.00	533142.42	533038.87
16	Weighted Average Price of coal	Rs/MT	4910.00	4915.00	4841.72	4847.01
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	5892.00	5909.00	25813.26	25836.45
18	Total Cost of Fuel (18=10+17)	Rs. (lakh)	6106.00	6123.00	26760.33	26786.12
19	Fuel Cost/unit (Gross Generation)	Rs/kwh	2.87	2.86	2.83	2.82

West Bengal Electricity Regulatory Commission





CHAPTER - 5 FIXED CHARGES

- 5.1. The analysis of the fixed charges projected by CESC Limited for the year 2018 – 2019 and 2019 – 2020 under sixth control period under the Multi Year Tariff approach under different heads of accounts has been taken up in this chapter.
- 5.2. Employee Cost:
- 5.2.1 The expenditures projected by CESC Ltd for different ensuing years towards employee cost are as under:

(Rs lakh)

Sl. No.	Particulars	2018-19	2019-20
1	Generation	25793	28056
2	Distribution & sales	65406	71293
3	Central overhead	15250	16622
4	Total [(4) = sum (1) to (3)]	106449	115971
A	Salaries and Wages for own employees in regular establishment	100694	109756
B	Salaries and wages to contractual manpower at generating station	5755	6215
C	Total [(C) = (A) + (B)]	106449	115971

The above projected expenditures chargeable to different cost centres are net of capitalization. The projected amounts for generation function, however, include cost of contracted employees. In case of other cost centres, such costs are considered for charging to Repairs and Maintenance. It has been stated that for the generating stations, in order to remain within the man/MW norm stipulated in the Tariff Regulations, the number of existing workforces therein (both own employees and

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

contracted employees) have been restricted to the aforesaid normative ceiling while projecting employee cost for the concerned years.

- 5.2.2 The Commission has carefully examined the projected amounts of expenses and it has been observed that the applicant has asked for an average annual increase of 8% for the year 2018 – 2019 and 2019 – 2020 over the estimated expenditure of the previous year for the respective generating stations, distribution functions, sales functions and central overhead. CESC Limited has claimed that this increase has been necessitated owing to significant inflation requiring higher D.A, compensation and statutory charges including considerable rise in minimum wages, increase in ceiling for gratuity payment etc. The year wise rate of inflation as per Consumer Price Index (CPI Index) for industrial workers for the years 2014 – 2015 to 2019 – 2020 are shown in Annexure – 5A. The average inflation rate as per CPI for the year 2016 – 2017, 2017 – 2018, 2018 – 2019 and 2019 – 2020 come to 4.14%, 2.96%, 5.40% and 7.54% respectively. As employee cost is sensitive to CPI, the CPI based inflation rate is considered for employee cost projection in sixth control period. Thus, the Commission considers that 2.96% (inflation rate for 2017 – 2018) increase over the employee cost for 2016 – 2017 shall take care of the normal increase in employee cost for the year 2017 – 2018 for the cost centres for the own employees in regular employment. The Commission also considers annual increase in employee cost for cost centres for the own employee in regular establishment @ 5.40% for the year 2018 – 2019 and @ 7.54% for the year 2019 – 2020 instead of 8.00% as projected by CESC Limited. The employee cost for the contracted manpower is dealt with separately in the later part of this paragraph.
- 5.2.3 CESC Limited has not considered any cost for the year 2018 – 2019 and 2019 – 2020 in respect of New Cossipore generating station.
- 5.2.4 It is seen from Form 1.17(h) to Annexure – 1 of the tariff application that the actual employee cost for own employees for the year 2016 – 2017 was Rs 82595.00 lakh

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

after net of capitalization corresponding to 9157 numbers of own employee. Such cost has been prorated for own employees of 8900 nos in 2017-18 and estimated employee cost for 2017-18 has been derived after factoring CPI inflation @ 2.96% for Rs 82654 lakhs. CESC limited has estimated 8900 own employees for the years 2018 – 2019 and 2019 – 2020.

- 5.2.5 Taking the estimated amount of Rs. 82654 lakh as expenditure towards employee cost during 2017 – 2018 as base, the amounts for the year 2018 – 2019 and 2019-2020 under different cost centres considering the annual increase @ 5.40% and 7.54% respectively is estimated below.

Sl. No.	Generating Station	Estimated by the Commission	
		2018 – 2019	2019-2020
1	Budge Budge	6402.00	6885.00
2	Titagarh	6739.00	7247.00
3	Southern	4857.00	5223.00
	Sub-total	17998.00	19355.00
4	Distribution including sales	69119.00	74331.00
	Total	87117.00	93686.00

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

Sl. No.	Generating Station	Projected		Admitted	
		2018 – 2019	2019-2020	2018 – 2019	2019-2020
1	Budge Budge	8961	9768	6402.00	6885.00
2	Titagarh	5567	6068	5567.00	6068.00
3	Southern	5510	6006	4857.00	5223.00
	Sub-total	20038	21842	16826.00	18176.00
4	Distribution including sales	80656	87915	69119.00	74331.00

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

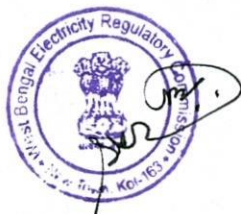
Sl. No.	Generating Station	Projected		Admitted	
		2018 – 2019	2019-2020	2018 – 2019	2019-2020
	Total	100692	109755	85945.00	92507.00

5.2.6 Regarding expenditure claimed by CESC Limited for contracted manpower in regular establishment in generating stations, CESC limited has stated that employee cost for contractual manpower at generating function, has been derived considering the allowable number of employees as per norm at current cost and such cost for contractors' employees in regular establishments, being included under O&M expenses, have been netted off therefrom. As per petition of CESC Ltd, Employee cost for contractors' employees of 2817 nos in distribution function has been included under O&M Cost whereas employee cost for contractors in generation function has been included in employee cost and such employee cost has been worked out based on contracted manpower derived as a balancing figure from normative manpower for the generating station after deducting own employees. As per regulation, employee cost is uncontrollable but for generating stations, the employee number including contractors employee at regular establishment is capped to normative Man/MW ratio. CESC Ltd has not shown number and cost of contracted manpower in regular establishment in form 17(h) as per regulation 5.9.3 and 5.9.6. Such item has been claimed separately in form E(B). Thus, the Commission considers 75% of the expenditure claimed by CESC Limited for contracted manpower in regular establishment in generating station for the years 2018 – 2019 and 2019 – 2020 as below:

(Rs lakh)

Employee cost for contracted man power in regular establishment					
Sl. No.	Generating Station	As Proposed by CESC		As admitted by the Commission	
		2018 – 2019	2019-2020	2018 – 2019	2019-2020

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Employee cost for contracted man power in regular establishment					
1	Budge Budge	4783	5166	3587.00	3875.00
2	Titagarh	0	0	0.00	0.00
3	Southern	971	1049	728.00	787.00
	total	5754	6215	4315.00	4662.00

CESC Limited shall submit actual manpower and expenditures under employee cost for contracted manpower in regular establishment at generating stations in APR petitions for the years 2018 – 2019 and 2019 – 2020 with auditor's certificate and required data in Form 1.17(h), as per regulation 5.9.3 and 5.9.6 failing which the Commission will not consider any such expenditure in respective APR petitions.

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

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

5.3 Coal & Ash Handling Expenses:

5.3.1 CESC Limited has claimed Rs. 1145 lakh and Rs. 1237 lakh respectively for 2018 – 2019 and 2019 – 2020 towards coal and ash handling expenses. It has been stated that, in order to contain overall expenditure in this regard, the applicant has taken quite a number of steps including utilization of ash. However, to ensure availability of adequate coal for smooth functioning of the generating stations and for sustaining Plant Load Factor (PLF) at the desired high level, certain critical expenditures are found inevitable.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.3.2 The amount of expenditure under this head of account is related to the scale of operation of the generating plants. The Commission has, however, considered operation of the plants at the normative level of PLF for their generating station at Budge Budge and Southern. In this regard the Commission has taken the following considerations.

- a) Since there is variation in actual generation compared to generation at normative level during 2016 – 2017, the Commission decides to bring the actual expenditure for 2016 – 2017 at normative generation level.
- b) Since the item of cost is predominantly sensitive to inflation index of CPI, the Commission decides to consider CPI rate of related period.

The item of cost has been viewed considering the amount claimed by CESC Limited and present inflation as per Consumer Price Index (CPI) published in the website of the Labour Bureau, Government of India for the period 2017 – 2018, as shown in Annexure – 5A comes at 2.96%. The Commission considers a hike in coal and ash handling cost @ 2.96% for the year 2017 – 2018 over the actual at normative level of generation. The Commission considers inflation of 5.40% and 7.54% to arrive at the allowable expenditure for the year 2018 – 2019 and 2019 – 2020. On the basis of such considerations, the cost proposed by CESC Limited for their existing units is thus revised and admitted and allocated cost of such coal and ash handling expenses is shown in the following table. The expenditure claimed by CESC Limited under this head is based on their projected generation for the respective generating stations. Expenditure for the year 2018 – 2019 and 2019 – 2020 as admitted as per above methodology is based on the normative generation of the respective generating stations and is subject to truing up on the basis of actual generation during APR for 2018 – 2019 and 2019 – 2020.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Generating station	Normative generation in 2016 – 2017	Actual generation in 2016 – 2017	Actual expenditure in 2016 – 2017	Actual expenditure at normative generation level in 2016 – 2017	Admitted expenditure in 2017-18 with escalation of 2.96% over normative exp.	Expenditure during 2018-19 with escalation of 5.40% over 2017-18	Expenditure during 2019-20 with escalation of 7.54% over 2018-19	As claimed by CESC Limited		Admitted Coal and Ash Handling Charges	
	(MU)	(MU)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)
								18-19	19-20	18-19	19-20
Budge Budge	5590	5411	752	776.88	799.88	843.07	906.64	1053	1137	843.07	906.64
Southern	950	410	95	220.12	226.64	238.88	256.89	92	100	238.88	256.89
Total	6540	5821	847	997	1026.52	1081.95	1163.53	1145	1237	1081.95	1163.53

5.4 Water Charges:

5.4.1 The expenditure towards water charges is related to the quantum of water to be used in the generating stations and rate of charges to be paid for use of water. The Commission decides to allow water charges based on the following considerations:

- Since there is variation in actual generation compared to generation at normative level during 2016 – 2017, the Commission decides to bring the actual expenditure for 2016 – 2017 at normative generation level.
- Since the item of cost is predominantly sensitive to inflation index of WPI, the Commission decides to consider WPI inflation rate of related period.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

The cost item has been viewed considering the amount claimed by CESC Limited and present inflation as per Wholesale Price Index (WPI) published in the website of the Economic Advisor, Government of India for the period April, 2016 to March, 2020 as shown in Annexure 5A to this order. The average inflation rate as per WPI for the aforementioned period of 2017 – 2018 comes at 3.10%. The Commission considers a hike in water charges @ 3.10% for the year 2017 – 2018 over the actual at normative level of generation and then considers an increase at the same level of 4.26% and 1.67% to arrive at the allowable expenditure for the year 2018 – 2019 and 2019 – 2020. On the basis of such considerations, the cost proposed by CESC Limited for their existing units is thus revised and admitted and allocated cost of such water charges is shown in the following table. The expenditure claimed by CESC Limited under this head is based on their projected generation for the respective generating stations. Expenditure for the year 2018 – 2019 and 2019 – 2020 as derived based on the above methodology and admitted is based on the normative generation of the respective generating stations which will be viewed on the basis of actual generation during truing up in APR for 2018 – 2019 and 2019 – 2020.

Generating station	Normative generation in 2016 – 2017	Actual generation in 2016 – 2017	Actual expenditure in 2016 – 2017	Actual expenditure at normative generation level in 2016 – 2017	Admitted expenditure in 2017-18 with escalation of 3.10% over normative exp.	Expenditure during 2018-19 with escalation of 4.26% over 2017-18	Expenditure during 2019-20 with escalation of 1.67% over 2018-19	As claimed by CESC Limited		Admitted water Charges	
	(MU)	(MU)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)
								18-19	19-20	18-19	19-20

West Bengal Electricity Regulatory Commission





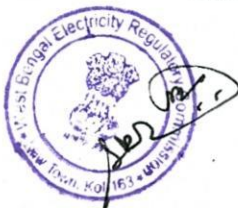
Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Generating station	Normative generation in 2016 – 2017	Actual generation in 2016 – 2017	Actual expenditure in 2016 – 2017	Actual expenditure at normative generation level in 2016 – 2017	Admitted expenditure in 2017-18 with escalation of 3.10% over normative exp.	Expenditure during 2018-19 with escalation of 4.26% over 2017-18	Expenditure during 2019-20 with escalation of 1.67% over 2018-19	As claimed by CESC Limited		Admitted water Charges	
Budge Budge	5590	5411	6	6.2	6.39	6.66	6.77	5	5	6.66	6.77
Southern	950	410	26	60.24	62.11	64.76	65.84	20	22	64.76	65.84
Total	6540	5821	32	66.44	68.5	71.42	72.61	25	27	71.42	72.61

5.5 Operation and Maintenance Expenses (O&M) / Rates and Taxes, Lease Rental, Insurance and Outsourcing Cost (Call Centre):

5.5.1 In terms of Regulation 2.8.6.1 of the West Bengal Electricity Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 the norms of O&M expenses for a Coal fired Thermal Generating stations and for the hydro generating power station which are under operation and/or under construction is to be provided in the tariff order of the 1st ensuing year of any control period applying average inflation rate of last control period on the basis of actual expenditure of the last available completed year of the last control period. After analyzing the tariff application of CESC Limited for the sixth control period, the Commission proceeds to finalize the rate by applying average inflation rate of subsequent years giving 60:40 weightage to WPI:CPI over the norms specified for 2016 – 17 in Schedule 9A of the Tariff Regulations. The weighted average inflation rate under WPI and CPI as given in Annexure-5A with 60:40 ratio works out at 3.04%, 4.72% and 4.02% for the years 2017 – 18, 2018 – 19 and 2019 – 20 respectively. In absence of any norms specified for the years 2018 – 2019 and 2019 –

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

20 in Schedule 9A of the Tariff Regulations, considering the above weighted average inflation rate for the years 2017 – 2018, 2018 – 2019 and 2019 – 2020, the rate of O&M expenses in respect of the generating stations for the years 2018 – 2019 and 2019 – 2020 are worked out. For Titagarh generating station, the Commission does not consider any operation and maintenance norms as the power plant is stated to be remained inoperative during 2018 – 2019 and 2019 – 2020. The admissible O&M expense amount for generating stations of CESC for 2018 – 2019 and 2019 – 2020 comes to Rs 12882.60 lakh and Rs 13400.55 lakh as follows:

Rs lakh

Sl. No	Generating Station	Installed Capacity (MW)	Norms of 2016-17 (Lakh /MW)	Rate for 2017-18 with inflation 3.04% (Lakh/ MW)	Rate for 2018-19 with inflation 4.72% (Lakh/ MW)	Rate for 2019-20 with inflation 4.02% (Lakh/ MW)	Admissible Amount for 2018-19 (Rs lakh)	Admissible Amount for 2019-20 (Rs lakh)
[1]	[2]	[3]	[4]	[5] = 4 x 1.0304	[6] = 5 x 1.0472	[7] = [6] x 1.0402	[8] = [3] x [6]	[9] = [3] x [7]
1	Budge Budge	750	13.12	13.52	14.16	14.73	10620.00	11047.50
2	Titagarh	240	15.25	0	0		0.00	0.00
3	Southern	135	15.53	16.00	16.76	17.43	2262.60	2353.05
4	Total						12882.60	13400.55

As decided above, recovery of O&M expenses for Titagarh is not admissible for the year 2018 – 2019 and 2019 – 2020 and accordingly, the admitted figures for O&M for generation function is as follows:

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

O & M expenses for generation as proposed and admitted by the Commission in Rs lakhs					
Sl. No.	Generating Station	As Proposed by CESC		As admitted by the Commission	
		2018 – 2019	2019-2020	2018 – 2019	2019-2020
1	Budge Budge	11062	11729	10620.00	11047.50
2	Titagarh	915	915	0	0
3	Southern	2357	2499	2262.60	2353.05
	total	14334	15143	12882.60	13400.55

The O&M expenditure for 2018 – 2019 and 2019 – 2020 for the generating stations will be viewed applying the average inflation rate for the years under the last control period over the norms specified for 2016 – 2017 in terms of regulation 2.8.6.1 of the Tariff Regulations in the APR for 2018 – 2019 and 2019 – 2020, if no norms for 2018 – 2019 and 2019 – 2020 are specified in Tariff Regulations subsequently.

5.5.2 O&M Expenses for Distribution function, Rates & Taxes and Insurance:

The Commission has made prudent analysis of the charges claimed by CESC Limited under the following heads

- (i) different sub-heads of O&M expenses for distribution function;
- (ii) Rates and Taxes charges; and
- (iii) Insurance charges.

While determining fixed charges on such heads for the sixth control period (2018 – 2019 and 2019 – 2020) the following considerations have been done.

5.5.2.1 CESC Limited has referred the average inflation rate of 6.03% [p-116 of Vol-2]. Commission finds no merit in considering such inflation rate for estimate purpose. The Commission instead of considering the rate of 6.03% [p-116 of Vol-2] in general for projection purpose decides to proceed in a further rational manner by following a

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

methodology that considers the sensitivity parameter as was determined in the previous tariff order and increasing it by applying the average inflation rate for 2018 – 2019 and 2019 – 2020 giving 60:40 weightage to WPI:CPI as detailed below:

Table- 5.5.2.1-I

TREND OF INFLATION RATE FOR THE PERIOD APRIL 2018 TO MARCH 2020	
Average inflation rate as per WPI for 2018 – 2019	4.26
Average inflation rate as per CPI for 2018 – 2019	5.40
Average inflation rate as per WPI + CPI (60:40) 2018 – 2019	4.72
Average inflation rate as per WPI for 2019 – 2020	1.67
Average inflation rate as per CPI for 2019 – 2020	7.54
Average inflation rate as per WPI + CPI (60:40) 2019 – 2020	4.02
Note : For detail data at Annexure – 5A may be seen	

5.5.2.2 Further as the O&M expenditure is controllable in nature, the Commission finds it prudent to apply the inflation rates on the admitted (O&M) expenditure in the Tariff Order of 2017 – 2018 for each sub-head with due weightage to sensitivity parameter. The total line length and consumer number has been considered as the sensitivity parameter. The total line length as on 31st March, 2018 has been considered for computation of O&M expenses so derived shall be adjusted during the APR based on actual line length and consumer number. The total line length (DLL) and total Consumer Number (CSM) as on 31st March, 2018 [p-25, Vol-1 and p-48, Vol-16], 2019 and 2020 are estimated follows:

Table 5.5.2.2

	Particulars	Unit	2017– 18	2018 – 19	2019 – 20
A1	Distribution Line Length (DLL) as on 1 st April	(CKM)	21866	22231	22589
A2	Distribution Line Length (DLL) as on 31 st March	(CKM)	22231	22589	22953
B	Consumers	(Number)	3189000	3266000	3341000

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.5.2.3 O&M Expense for distribution function:

Based on the laid down principle in paragraph 5.5.2.1 and 5.5.2.2 above admissible expenses under different sub-heads of O&M are determined in Annexure-5B.

5.5.2.4 CESC Limited has not claimed any amount as Service Tax & Entry Tax.

5.5.2.5 CESC Limited was advised that such component of taxes which form part of the cost of works and services should not be claimed as a separate item in future submission of tariff and / or APR petitions which they have complied.

5.5.2.6 The admitted amounts of different components of O&M expenses under distribution segment for 2018 – 2019 and 2019 – 2020 are given below:

(Rs lakh)

Sl No.	Particulars	As Claimed by CESC Ltd		As Admitted by the Commission	
		2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020
1.	R & M Charges	19125	20655	19125	20655
2.	Rent	1446	1562	1310	1384
3.	Audit Fees	241	260	222	235
4.	Legal charges	1206	1302	662	704
5.	Other A&G expenses	17844	19272	17145	18244
6.	A&G expenses (2+3+4+5)	20737	22396	19339	20567
7.	O&M expenses for distribution (1+6)	39862	43051	38464	41222

5.5.2.7 **Other Expenditure:** Some other items viz., a) rates & taxes and b) insurance are all dealt with under paragraphs as below:

a) Rates & Taxes:

Distribution: The Commission decides to consider the hybrid inflation rate as determined in the Table 5.5.2.1-I along with increase due to business volume growth to determine the estimated cost for 2018 – 2019 and 2019 – 2020. However,

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

for generation, the Commission does not consider business volume growth and limits the admissible claim amount and no Rates & taxes is admitted for Titagarh.

Particulars	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2017-18 (Rs lakh)	Cost/sensitivity parameter	Admissible per unit cost for 18-19 after inflation of 4.72%	Admissible per unit cost for 2019-20 after inflation of 4.02%	Admissible Cost for 2018-19 (Rs in lakh)	Admissible Cost for 2019-20 (Rs in lakh)
[1]	[2]	[3]	$[4] = [3]/A2$ or B of 17-18	$[5] = [4] \times 1.0472$	$[6] = [5] \times 1.0402$	$[7] = [5] \times A2$ or B of 18-19	$[8] = [6] \times A2$ or B of 19-20
Distribution	DLL	308.00	0.013854527	0.0145085	0.0150917	328	346

Generation:

SI No	Generating Stations	Units	Inflationary Basis	Admitted in TO for 2017-18 (Rs lakh)	As estimated by WBERC 2018-19 with 4.72% inflation (Rs lakh)	As Estimated by WBERC 2019-20 (Rs lakh)
	[1]			[3]	$[4] = [3] \times 1.0472$	$[5] = [4] \times 1.0402$
1	Budge Budge TPS	Rs Lakh	WPI+CPI	406.00	425	442
2	Titagarh TPS	Rs Lakh	WPI+CPI	25.00	0	0
3	Southern TPS	Rs Lakh	WPI+CPI	90.00	94	98
	Sub-Total	Rs Lakh	WPI+CPI	521.00	519.00	540.00

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Rupees in Lakh

Sl. No	Power Station	Rates and Taxes			
		As Proposed by CESC		As admitted by the Commission	
		2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020
1.	Budge Budge TPS	389	420	389	420
2.	Titagarh TPS	83	83	0	0
3.	Southern TPS	11	12	11	12
	Sub-Total	483	515	400	432
4	Distribution	529	571	328	346
	Total:	1012	1086	728	778

b) Insurance:

The Commission decides to consider the hybrid inflation rate as determined in Table 5.5.2.1-I along with increase due to business volume growth to determine the estimated cost for 2018 – 2019 and 2019 – 2020. However, for Generation, business volume growth is not considered. The Commission limits the admissible claim amount and no amount is admitted for Titagarh as follows:

Distribution:

Particulars	Inflationary Basis	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2017-18 (Rs lakh)	Cost/sensitivity parameter	Admissible per unit cost for 18-19 after inflation of 4.72%	Admissible per unit cost for 2019-20 after inflation of 4.02%	Admissible Cost for 2018-19 (Rs lakh)	Admissible Cost for 2019-20 (Rs lakh)
[1]		[2]	[3]	[4] = [3]/A2 or B of 17-18	[5] = [4]x1.0472	[6] = [5]x1.0402	[7] = [5]x A2 or B of 18-19	[8]=[6]x A2 or B of 19-20
Insurance	WPI+CPI	DLL	163.00	0.007332	0.007678	0.0079868	173	183

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Generation:

Power Station	Inflationary Basis	Admitted in TO for 2017-18 (Rs lakh)	As estimated by WBERC 2018-19 (Rs lakh)	As Estimated by WBERC 2019-20 (Rs lakh)
[1]		[3]	[5] = [4]x1.0472	[7] = [5]x1.0402
Budge Budge	WPI+CPI	475.00	497	517
Titagarh	WPI+CPI	60.00	63	66
Southern	WPI+CPI	101.00	106	110
Total	WPI+CPI	636.00	666	693

Sl. No	Power Station	Insurance				Rupees in Lakh	
		As Proposed by CESC		As admitted by the Commission			
		2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020		
1.	Budge Budge TPS	636	687	497	517		
2.	Titagarh TPS	164	164	0	0		
3.	Southern TPS	102	110	102	110		
	Sub-Total	902	961	599	627		
4	Distribution	451	488	173	183		
	Total:	1353	1449	772	810		

5.5.2.8 The admitted amounts of O&M expenses for distribution, Outsourcing Expenses for distribution, Lease Rental for 2018 – 2019 and 2019 – 2020 are based on amount admitted in Tariff Order 2017 – 2018 along with projected business volume parameters. During truing up exercise in APR of the concerned ensuing years in the 6th Control period the estimated expenditures of all the elements of different heads as mentioned in paragraph 5.5.2.6 above for 2018 – 2019 and 2019 – 2020 are to be considered as have been incurred considering actual business volume parameter of Distribution Line Length (DLL) in CKM/ Consumer Strength (CS) in Nos for 2018 – 2019 and 2019 – 2020. In case while finalizing APR for 2018 – 2019 and 2019 – 2020 the actual value of

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

DLL/CS is found to be higher/Lower than the admitted value in Tariff Order 2018 – 2019 and 2019 – 2020 then impact of such amount will be adjusted to the projected value of DLL/CS for the period 2018 – 2019 and 2019 – 2020.

- 5.5.2.9 The above expenditure on insurance be availed of on adherence to the conditions as prescribed in regulation 5.23.1 of the Tariff Regulations. CESC Limited is directed to submit the details of the process adopted for selection of the Insurance Company and the items covered along with the APR application for the respective years.

5.6 Rent for generating stations:

- 5.6.1 In terms of Tariff Regulations, rent for generating stations requires separate disclosure. Rent for Southern Generating Station is allowed separately and not included in O&M cost in earlier tariff orders. The Commission accordingly admits Rs. 40.00 lakh and Rs 43.00 lakh respectively for 2018 – 2019 and 2019 – 2020 for Southern generating station

5.7 Lease Rental:

- 5.7.1 CESC Limited has claimed lease rental to the extent of Rs. 1023.00 lakh for both 2018 – 2019 and 2019 – 2020 which is admitted by the Commission. The entire amount towards lease rental is allocated to distribution function only.

- 5.8 **Expenditure for Outsourcing cost of Call Centre:** Outsourcing cost of Call Centre is dependent on Distribution Line Length (DLL). Thus, by using such escalation rate in the methodology as mentioned in Paragraph 5.5.2.3 the admitted values found for the above referred heads for the year of 2018 – 2019 and 2019 – 2020 are given in Table below:

Rs. in lakh		
Power Station	As Proposed by CESC	As admitted by the Commission

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

	2018-19	2019-20	2018-19	2019-20
Outsourcing cost (allocated under distribution function)	1264	1365	1026	1084

5.9 Interest on borrowing:

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

Sl. No.	Borrowing Particulars	Rupees in Lakh	
		2018-19	2019-20
1	Outstanding Balance at the beginning of the year	287117	297056
2	Add: Drawal of loan on capital account	63466	63145
	Sub-Total (1 + 2)	350563	360201
3	Less: Repayment of existing loan during the year	53527	59230
4	Outstanding balance at the end of the year	297056	300970
5	Gross interest on capital account for the year	28191	30441
6	Less: Interest capitalized during the year	2000	2000
7	Net interest on capital account (5 – 6)	26191	28441

5.9.2 The rates of interest on existing and proposed rupee borrowings from different financial institutions are projected between 8.05% and 12.06%. CESC Limited has proposed drawal of loan of Rs. 63466 lakh with repayment of Rs 3173 lakh of it and claimed interest of Rs. 3618 lakh during 2018 – 2019 at an interest rate of 12.00% and of loan of Rs. 63145 lakh with repayment of Rs 3157 lakh of it and claimed interest of Rs. 3599 lakh during 2019 – 2020 at an interest rate of 12.00%.

5.9.3 CESC Limited has shown a drawal of loan of Rs. 63446.00 lakh Rs 63145.00 lakh for the years 2018 – 2019 and 2019 – 2020 in Form-C to Annexure – 1 of the tariff petition

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

and claimed interest of Rs. 3618.00 lakh and Rs 3599.00 lakh both at an interest rate of 12.00%.

5.9.4 The Commission noted that weighted average rate of interest on borrowed capital as per Form C to Annexure – 1 of Tariff Regulations, comprising of existing loan and fresh drawal is around 9.60% and 10.18%. The Commission, accordingly, decides to allow interest rate of 9.60% and 10.18% to compute allowable interest on fresh drawal of loan capital. Further, the Commission has restricted the admitted amount of fresh Drawl of loan on capital account [Sl. No-2 of below table] to Rs 37615.00 lakh and Rs 37617.00 lakh respectively for the years 2018 – 2019 and 2019 – 2020 based on the 70% of admitted gross asset addition during the years. Admitted Repayment of existing loan during the year [Sl. No-4 of below table] has been derived as Rs 52235 lakh and Rs 57954 lakh considering standard practice of ten (10) years repayment as followed in Commercial Banks along with midyear drawal. Admitted Gross interest on capital account for the year [Sl. No-6 of below table] is derived by applying interest rate of 9.60% and 10.18% on admitted average balance of loan for 2018-19 and 2019-20. Admitted gross interest on loan thus works out as follows:

Rs in lakh

Sl. No.	Borrowing Particulars	Proposed by CESC		Admitted by WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Outstanding Balance at the beginning of the year	287117	297056	287117	272497
2	Add: Drawal of loan on capital account	63466	63145	37615	37617
3	Sub-Total (1 + 2)	350563	360201	324732	310114
4	Less: Repayment of existing loan during the year	53527	59230	52235	57954
5	Outstanding balance at the end of the year (3 - 4)	297056	300970	272497	252160
6	Gross interest on capital account for the year	28191	30441	27006	26706

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Sl. No.	Borrowing Particulars	Proposed by CESC		Admitted by WBERC	
7	Less: Interest capitalized during the year	2000	2000	2000	2000
8	Net interest on capital account (6 – 7)	26191	28441	25006	24706

5.9.5 CESC Limited is directed to take necessary steps to swap the existing high cost borrowings at a cheaper rate of interest as per regulation 5.6.4.2 of Tariff regulations. Admitted interest on capital borrowing is Rs 25006 lakh and 24706 lakh.

5.9.6 The amount allowed by the Commission is allocated to generating stations and distribution system for the year 2018 – 2019 and 2019 – 2020 as shown in the table given below in proportion to the projections made by CESC Limited in regard to the purpose and utilization of the said loan and considerations given by the Commission in earlier paragraphs.

Rupees in Lakh

Interest on Capital Borrowing					
Sl. No.	Power Station	Proposed by CESC		Admitted by Commission	
		2018-19	2019-20	2018-19	2019-20
1	Budge Budge	2145	1775	2048	1542
2	Titagarh	0	0	0	0
3	Southern	202	171	193	149
4	Sub Total	2347	1946	2241	1691
5	Distribution	23845	26496	22765	23016
6	Total	26192	28442	25006	24707

5.10 Interest on Temporary Accommodation:

5.10.1 CESC Limited has claimed Rs. 28426 lakh and Rs. 17056 lakh on account of interest on temporary accommodation for the year 2018 – 2019 and 2019 – 2020. CESC Limited has submitted computation of such interest in Form 1.17(a) and claimed the same amount with reference to details of such borrowings in Form C.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.10.2 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 / licensee from any source to a reasonable extent due to unrealized arrears from the consumers /beneficiaries.

5.10.3 As per Form – C to Annexure – 1 of the tariff application, it has been observed that amount of Rs. 28426 lakh and Rs. 17056 Lakh have been projected towards interest on short term loan on revenue accounts for the year 2018 - 2019 and 2019 – 2020 respectively. The amount of loans, source of the loan, date of drawal, amount of repayment during the years, if any, and other details in this respect, as required under Form-C has been given by CESC Limited in order to ascertain the amount of interest allowable. The Commission does not consider any interest on temporary accommodation at the tariff determination stage and directs CESC Limited to submit details of drawal in the APR for 2018 – 2019 and 2019 – 2020. The Commission will examine necessity of such loan based on tariff gap during the year and will decide accordingly.

5.11 Foreign Exchange Rate Variations:

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

5.12 Interest on Consumer's Security Deposits:

5.12.1 CESC Limited claimed Rs. 11665.00 lakh and 12598 lakh for 2018 – 2019 and 2019 – 2020 respectively on account of interest payable to the consumers on their projected security deposits of Rs 194418 lakh and Rs 209971 lakh for the year 2018-2019 and 2019-2020 respectively at the rate specified by the Commission. It appears that such interest has been claimed at the admissible rate of 6% on security deposit projected for

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

2018 – 2019 and 2019 – 2020. Thus, the Commission admits the claim of CESC and allowed Rs. 11665.00 lakh and 12598.00 lakh as interest on consumer security deposit.

5.12.2 During APR, CESC Limited is required to submit actual audited data for interest on consumers' security deposits and to confirm that the entire amount of interest payment has been appropriately settled in terms of the Commission's concerned Regulations. CESC Limited is, therefore, directed to do the needful accordingly in this regard. The actual interest paid by CESC Limited for consumer security deposit will be adjusted in the APR of the concerned control period.

5.13 Other Finance Charges:

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

Sl. No.	Particulars	Rupees in Lakh	
		2018 – 2019	2019 – 2020
1	Other borrowing cost (Net)(front end fees / arrangement fees for loans and bank facilities)	546	543
2	Bank charges for financial services	1724	1862
3	Bank charges for cash management services	266	287
4	Other miscellaneous finance charges	112	121
	Total	2648	2813

5.13.2 The Commission noted that bank charges for cash management services are not related to loan capital and as such the charges will form part of normal operation and maintenance. Moreover, claim of Titagarh as well as other miscellaneous finance charges are also not admitted by the Commission in absence of details of such charges. The Commission thus admits Rs. 2241.00 lakh (Rs. 546.00 lakh + Rs. 1724.00 lakh - Rs 29.00 lakh) and Rs 2375 lakh (Rs 543.00 lakh + Rs 1862.00 lakh - Rs 30.00 lakh) as other finance charges for 2018 – 2019 and 2019 – 2020 respectively.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.13.3 The allocation of the admitted amount as per projection of CESC Limited are shown in the table given below:

Rupees in Lakh

Other finance charges					
Sl. No	Power Station	As Proposed by CESC		As admitted by the Commission	
		2018 – 2019	2019 – 2020	2018 – 2019	2019 – 2020
1.	Budge Budge TPS	684.00	715.00	601.60	626.92
2.	Titagarh TPS	29.00	30.00	0.00	0.00
3.	Southern TPS	62.00	64.00	54.53	56.12
	Sub-Total	775.00	809.00	656.13	683.03
4.	Distribution	1873.00	2003.00	1585.72	1691.12
	Total:	2648.00	2812.00	2241.85	2374.16

5.14 Interest on Working Capital:

5.14.1 CESC Limited has asked for interest on working capital as under:

Rupees in lakh

Generating station	2018 – 2019	2019 – 2020
Budge Budge	1768	1824
Southern	159	162
Distribution	6593	6903
Total	8520	8889

5.14.2 The Commission noted that CESC Limited holds a considerable amount of Rs. 194418.00 lakh and 209971.00 lakh of consumers' security deposit as per projection and utilizing as working capital and accordingly decides not to consider interest on working capital at present and the same shall be considered during APR of the concerned year in terms of Tariff Regulations.

5.14.3 The necessity of borrowing working capital, however, cannot be ruled out. If any such borrowing is done for any of the years, the incidence of interest on that will be

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

considered for re-imbursement through APR for the concerned year, in terms of the Tariff Regulations.

5.15 Bad Debts:

5.15.1 The bad debts projected by CESC Limited for the year 2018 – 2019 and 2019 – 2020 are Rs. 4214.00 lakh and Rs 4460.00 Lakh.

5.15.2 In terms of the Tariff Regulations, the Commission may allow amount of bad debts as actually had been written off in the latest available audited accounts subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year. The Commission decides not to consider any amount as 'bad debt' at the tariff determination stage. The recovery of such cost shall be reviewed in APR for 2018 – 2019 and 2019 – 2020 based on audited financial results.

5.16 Depreciation:

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

Rs in lakh

Sl. No	Particulars	2018-2019	2019-2020
1	Generation Assets	10066	6741
2	Distribution Assets	29367	30104
3	Metering Assets	3347	3393
4	Other Assets	839	913
	Sub-total	43619	41151
5	Less: Depreciation on assets created by utilizing proceeds from sale of old assets	345	345
	Total	43274	40806

5.16.2 The computations of the above amounts of chargeable depreciation are based on the additions to the original costs of fixed assets by way of transfer from the cost of capital ~~works-in-progress and retirement of assets during the relevant years.~~ The asset

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

retirement has been considered as proposed by the petitioner. However, the Commission has not considered any asset addition for generation function and determined the amount for distribution function based on CAGR trend of distribution asset addition. Accordingly, Net asset addition has been determined proportionately. While admitting the cost of asset to be depreciated, no depreciation is considered for lease hold land. Consequently, depreciation for the years 2018 – 2019 and 2019 – 2020, are derived from data furnished by CESC Limited as follows:

Rs lakh

DEPRECIATION FOR THE YEAR 2018-19								
Sl. no.	Particulars	Opening balance	Admitted Addition of original Asset	Asset fully depreciated	Assets to be depreciated (net off lease hold land)	Admitted Asset to be depreciated (net off lease hold land)	Admitted Depreciation	Closing balance
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]=[7] x (6ii) / (6i)	[9]
A	Generating Asset							
(i)	Cost	425894	-200	141439	281649	279247	9831	425694
(ii)	Depreciation for the year				9916			
B	Distr. Asset							
(i)	Cost	889273	44015	66990	874473	861887	28885	933288
(ii)	Depreciation for the year				29307			
C	Metering Asset							
(i)	Cost	49025	43	12319	37480	36749	3282	49068

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

DEPRECIATION FOR THE YEAR 2018-19								
(ii)	Depreciation for the year				3347			
D	Other Asset							
(i)	Cost	20204	828	5720	14305	15312	898	21032
(ii)	Depreciation for the year				839			
	Total						42896	
							345	
							Less: Sale of Old Asset	
							Net Admitted Depreciation	42551

Rs lakh

DEPRECIATION FOR THE YEAR 2019-20								
Sl. no.	Particulars	Opening balance	Admitted Addition of original Asset	Asset fully depreciated	Assets to be depreciated (net off lease hold land)	Admitted Asset to be depreciated (net off lease hold land)	Admitted Depreciation	Closing balance
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8] = [7] x (6ii) / (6i)	[9]
A	Generating Asset							
(i)	Cost	425694	-200	232176	194042	188310	6396	425494
(ii)	Depreciation for the year				6591			
B	Distr. Asset							
(i)	Cost	933288	45534	71590	955573	902821	28385	978822
(ii)	Depreciation for the year				30044			
C	Metering							

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

DEPRECIATION FOR THE YEAR 2019-20								
	Asset							
(i)	Cost	49068	-608	12699	37864	35761	3205	48460
(ii)	Depreciation for the year				3393			
D	Other Asset							
(i)	Cost	21032	573	5832	15312	15773	940	21605
(ii)	Depreciation for the year				913			
	Total						38926	
Less: Sale of Old Asset							345	
Net Admitted Depreciation							38581	

5.16.3 The chargeable depreciation with such capitalization programme involving considerable amount cannot be precisely determined. The amount of chargeable depreciation, in such a case, may vary on account of the variations in the amounts of year wise planned capitalization as well as in the dates of putting the assets into commercial operations. The Commission, therefore, stipulates that the amount of depreciation found chargeable as per the audited books of accounts will be considered for carrying out necessary adjustment in Annual Performance Review for the concerned period after prudence check by the Commission. The amount of depreciation allowed by the Commission after allocating the same to the generating stations and distribution system based on fixed asset functionally utilized as proposed by CESC Limited are shown in the table given below:

Rs in Lakh

Sl. no.	Particulars	Proposed by CESC		Admitted by the Commission	
		2018-19	2019-20	2018-19	2019-20
1	Budge Budge	9154	5861	8940	5561
2	Titagarh	563	550	550	522
3	Southern	349	330	341	313
4	Generation Assets (1+2+3)	10066	6741	9831	6396
5	Distribution Assets Net off sale of old Assets	29022	29759	28540	28040

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Sl.	Particulars	Proposed by CESC		Admitted by the Commission	
6	Metering assets	3347	3393	3282	3205
7	Other assets	839	913	898	940
8	Distribution (5:7)	33208	34065	32720	32185
9	Total (4+8)	43274	40806	42551	38581

5.17 Advance Against Depreciation:

5.17.1 In terms of the Tariff Regulations, advance against depreciation is allowed when the actual amount of depreciation falls short of the amount of loan repayment in any financial year. As per the details submitted along with instant tariff revision application, the total projected loan repayments during the financial year under the concerned control period is Rs. 53527.00 lakh and Rs. 59230.00 lakh respectively for 2018 – 2019 and 2019 – 2020 [p-171, Vol-3]. However, admissible loan repayment is determined as Rs 52235 lakh Rs 57954 lakh in Sl. No-4 of table under para-Interest on capital borrowing for the years 2018 – 2019 and 2019 – 2020 respectively. Thus, allowable advances against depreciation in terms of the Tariff Regulations work out as under:

Rs lakh

Sl. No.	Particulars	2018-2019	2019-2020
1	Admitted Loan repayment	52235	57954
2	Admitted Depreciation (vide paragraph 5.16 above)	42551	38581
3	Additional fund requirement (1-2)	9684	19373
4	Original Admitted loan	583038	582502
5	Maximum ceiling of advance against depreciation (1/10th of Original loan)	58304	58250
6	Allowable advance against depreciation (lower of 3 & 5)	9684	19373

5.17.2 The Commission has allowed the amounts of advance against depreciation in this tariff order and allocates the same to the generating stations and distribution system based

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

on information furnished by the CESC Limited in its application for tariff for the sixth control period as shown in the table given below:

Rs in lakh

Advance against depreciation					
As proposed by CESC Limited and allowed by the Commission in the tariff order					
Sl. no.	Particulars	proposed by CESC		Admitted by the Commission	
		2018-19	2019-20	2018-19	2019-20
1	Budge Budge	2604	2646	2049	2782
2	Titagarh	160	248	126	261
3	Southern	99	149	78	157
4	Generation Assets (1+2+3)	2863	3043	2253	3200
5	Distribution	9445	15380	7431	16173
6	Total (4+5)	12308	18423	9684	19373

5.18 Write Off of Intangible Assets:

5.18.1 CESC Limited has not projected any value of Intangible Assets to be written off for the year 2018 – 2019 and 2019 – 2020. The Commission also views that any written off value should be based on actual and projection for the same is not admitted at tariff determination stage. CESC Limited may come up with such proposal in APR for 2018 – 2019 and 2019 – 2020 based on actual financial results

5.19 Return on Equity (ROE):

5.19.1 CESC Limited has claimed return on equity at Rs. 64713.00 lakh and Rs 68531.00 lakh respectively for the year 2018 – 2019 and 2019 – 2020 and relevant information is provided by CESC Limited in specified forms. Observations of the Commission on net addition to original cost of fixed assets during the year 2018 – 2019 and 2019 – 2020 are given in paragraph 5.19.2 below and the detailed computations of the ROE on the basis of such observations are shown below:

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Rs lakh

Sl. No.	Particulars	2018-2019			2019-2020		
		Generation	Distribution	Total	Generation	Distribution	Total
1	Actual Equity base at the beginning of the year	239634	490967	730601	261140	535027	796167
2	Opening balance of admissible equity base at the beginning of the year	125265	264972	390237	126169	283238	409407
3	Additional / withdrawal to / from equity base during the year	21505	44061	65566	22758	46626	69384
4	Actual Equity base at the end of the year – computed [(1)+(3)]	261139	535028	796167	283898	581653	865551
5	Net addition to the original cost of fixed assets	-200	44886	44686	-200	45499	45299
6	Normative addition to Fixed Assets @ 30%	-60	13466	13406	-60	13650	13590
7	Normative addition to Equity Base [lower of (3) and (6)]	-60	13466	13406	-60	13650	13590
8	Admissible Equity base at the end of the year [(2)+(7)]	125205	278438	403643	126109	296888	422997
9	Average equity base for the year $\frac{[(2)+(8)]}{2}$	125235	271705	396940	126139	290063	416202
10	Rate of return	15.50%	16.50%	-	15.50%	16.50%	-
11	Allowable return	19411	44831	64242	19552	47860	67412

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.19.2 The Commission has allocated ROE to the generating stations and distribution system on the basis of the average fixed assets functionally utilized as evident from the information submitted by the CESC Limited in its tariff application, after adjusting for the withheld amount.

Rs in Lakh

Sl. No.	Particulars	As claimed by CESC		As admitted by the Commission	
		2018-19	2019-20	2018-19	2019-20
1	Budge Budge TPS	16709	16847	16645	16782
2	Titagarh TPS	1464	1464	1458	1458
3	Southern TPS	1313	1317	1308	1312
4	Sub-Total	19486	19628	19411	19552
5	Distribution	45227	48902	44831	47860
6	Total	64713	68530	64242	67412

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

5.20 Income Tax:

The applicant has projected the provision of Rs 34754.00 lakh and Rs 36804.00 lakh respectively for the year 2018 – 2019 and 2019 – 2020 towards taxes payable under the provisions of the Income Tax Act, 1961, computed @ 34.94% being the prevalent Corporate Tax rate. However, CESC Limited has stated that the actual Income Tax paid including in respect of earlier years unclaimed taxes will be duly adjusted in the APR Petitions for the respective years. In terms of the Tariff Regulations, the taxes payable on the incomes from the core business of the applicant and other applicable taxes under the provisions of the Income Tax Act are recoverable as pass through from the

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

consumers. The Commission, therefore, allows the provision for payment of income tax considering 21.55% (18.5% MAT + 12% Surcharge on MAT + 4% Cess on MAT & Surcharge) for 2018 – 2019 and 17.47% (15.0% MAT + 12% Surcharge on MAT + 4% Cess on MAT & Surcharge) for 2019 – 2020 on admitted Return on Equity as follows, subject to adjustments on the basis of tax assessment and payments made accordingly.

Sl. No.	Particulars	2018-19	2019-20
1	ROE Admitted (Rs lakh)	64242	67412
2	MAT (%)	18.50%	15.00%
3	Surcharge@12% on MAT	2.22%	1.80%
4	Cess @4% on MAT and Surcharge	0.83%	0.67%
5	Income Tax Rate (%) [2+3+4]	21.55%	17.47%
6	Income Tax admitted (Rs lakh) [1 x 5]	13844.15	11776.88

The Commission allows the amount in the tariff order and allocates the same to the generating stations and distribution system as shown in the table given below subject to adjustment of actual tax liability in the APR for the concerned year:

(Rs lakh)

Power Station	Claimed by CESC		Admitted by WBERC	
	18-19	19-20	18-19	19-20
Budge Budge	8973	9048	3587.03	2931.94
Titagarh	786	786	314.21	254.70
Southern	705	707	281.83	229.10
Sub Total	10464	10541	4183.07	3415.73
Distribution, selling	24289	26262	9661.08	8361.14
Total	34754	36804	13844.15	11776.88

5.20.1 The Commission will, however, consider the expenditure on Tax on Income based on the assessment orders or income tax paid by CESC Limited as per provisions in the Tariff Regulations in the APR for the years 2018 – 2019 and 2019 – 2020 respectively.

5.20.2 CESC Limited is directed in terms of regulation 5.13 of the Tariff Regulations to furnish

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

final assessment order of Income Tax Authority for each assessment year corresponding to relevant financial year or other valid documents along with Auditor's certificate in respect of income tax assessed and actual income tax paid after adjustment of credit of income tax for the relevant financial year while submitting APR application.

5.21 Performance Incentive:

5.21.1 The petitioner has claimed nothing towards performance incentive during the sixth control period and thus, the Commission does not consider any incentive for the said period

5.22 Reserve for Unforeseen exigencies:

- 5.22.1 In terms of the Tariff Regulations, CESC Limited has computed and prepared reserve for unforeseen exigencies @ 0.25% on the opening gross value of fixed assets and claimed Rs. 3461.00 lakh for 2018 – 2019 and Rs 3621.00 Lakh for 2019 – 2020.
- 5.22.2 It is evident from the Balance Sheet of CESC Limited as on 31.03.2017 that the amount of Reserve for Unforeseen exigencies stands at Rs. 22824 lakh on that date including Rs.1616 lakh appropriated in the previous year towards Reserve for unforeseen exigencies including interest accrued on such investment.
- 5.22.3 The Commission decides that for the sixth control period no amount will be considered under the head reserve for unforeseen exigencies in order to have lesser impact on the tariff increase.
- 5.22.4 CESC Limited is, however, directed that investment of the amount so far created under the head must be done in accordance with the provisions of the Tariff Regulations. For failure to comply with the provisions of the referred regulation, double the amount allowed for the purpose will be deducted from the amount of return on equity as allowed

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

to CESC Limited during APR of any succeeding years. Income from such investments of Reserve for Unforeseen Exigencies as was previously directed, shall be reinvested for the same purpose and shall be shown separately in the application of APR or tariff, as the case may be, supported by necessary audited data for any year. Moreover, this income should not be considered under income from non-tariff sources for the determination of Net Aggregate Revenue Requirement in APR or tariff for any year

5.23 Terminal Benefit:

5.23.1 CESC Limited has claimed Rs. 2500 lakh each for the year 2018 – 2019 and 2019 – 2020 towards terminal benefit in respect of Titagarh generating station. CESC Limited has prayed the same citing better human resource utilization through VSS. But CESC did not give any details against such claim rather proposes to give it in APR petition in due course [Notes-5 to Form 1.17-Other expenses Centrally maintained, pg-160, Vol-2]. The Commission therefore does not consider such claim. CESC Limited shall come up with their proposal in details separately to the Commission.

5.24 Corporate Social Responsibility:

5.24.1 The Commission views that cost incurred by the licensee on account of corporate social responsibility cannot be a pass through and such cost should be appropriated out of profit of the company and Commission, therefore, does not admit any amount under corporate social responsibility.

5.25 Service Tax & Entry Tax:

5.25.1 Commission had already deliberated on this issue in paragraphs 5.6.2.3 and 5.6.2.4 of the last Tariff Order. The petitioner also has not claimed towards it during the sixth control period and thus, the Commission does not consider any Service & Entry Tax for the said period.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

5.26 Income from other Non-tariff Sources:

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

Rs in Lakhs			
Sl. No.	Particulars	2018-19	2019-20
1	Rental of meters and other apparatus hired out	4922	5026
2	Sale and repair of lamp and other apparatus	204	204
3	contribution from consumers	15000	15000
4	Income from Investments and Bank Balances etc.	0	0
5	Surcharge for Late Payments	2723	2723
6	Other General receipts arising from and ancillary or incidental to the business of electricity	5591	5591
7	Total	28440	28544

5.26.2 Income from contribution from consumers has not been considered since the item calls for adjustments under capital head and impact of which has been given effect in respective heads of depreciation, interest on borrowing and ROE appropriately. Otherwise, the proposal of income from other sources of CESC Limited has been admitted by the Commission with allocation of the income to the generating stations and distribution system on the basis of the nature of income. Thus, the allowed amounts for income from non-tariff sources are Rs. 13440.00 lakh for 2018 – 2019 and Rs 13544.00 lakhs for 2019 – 2020. The incomes from rental of meters and other apparatus hired out, sale and repair of lamp and other apparatus, service connection fees and surcharge for late payment have been considered in the distribution system head. Income from other general receipts have been distributed to generating stations and distribution system in line with the proposal submitted by CESC Limited in its tariff application. Accordingly, the allocated amounts as allowed by the Commission are as follows:

Rs in lakh

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

Income from other Non-tariff sources						
As allowed by the Commission in the tariff order						
Year	Income from Non-tariff Sources	Budge Budge TPS	Titagarh TPS	Southern TPS	Distribution System	total
2018-2019	Income from Investments and General Receipts	1508	132	119	3832	5591
	Other income from distribution system	0	0	0	7849	7849
	Total	1508	132	119	11681	13440
2019-2020	Income from Investments and General Receipts	1437	125	112	3917	5591
	Other income from distribution system	0	0	0	7953	7953
	Total	1437	125	112	11870	13544

Revenue earned from sale of washery rejects is not shown by CESC Limited in the instant petition. However, from submission of CESC Limited dated 15.02.2021, in response to the directives in Tariff order for the year 2017 – 2018 regarding sale of Washery Rejects, this is found that the washery rejects is sold at Rs 360 per MT in 2018 – 2019 and Rs 375 per MT in 2019 - 2020 for Budge Budge generating station. The earnings from sale of washery rejects is considered by the Commission for adjustment with the expenses of Budge Budge before arriving at the net revenue requirement for 2018 – 2019 and 2019 - 2020 in addition to the above non tariff income as under:

Sl. No.	Particulars	Unit	18-19	19-20
1	Sale Price of Washery rejects	Rs/MT	360	375
2	% of Yield by washing	%	70%	70%
3	Admitted quantity of Captive Wash coal	MT	969795.27	1007346.78
4	Quantity of rejects	MT	415626.54	431720.05
5	Revenue earned from sale of rejects (1 x 4)	Rs lakh	1496.26	1618.95

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

CESC Limited is directed to submit all relevant data during APR of respective years on actual basis in addition to the directives on washery rejects in different tariff and APR orders.

5.27 Benefits to be passed on to Consumers:

5.27.1 Sharing of Income from other Auxiliary Services (Advertisement on bill face etc) and other business:

CESC Limited has also proposed to pass on 40% of the net income it derives from bill face advertisements as per the Tariff Regulations. The estimations of such benefits to consumers, as reproduced hereunder, are agreed to by the Commission for the year 2018 – 2019 and 2019 – 2020. The benefits so allowed are to be reduced from the expenses of the distribution head to arrive at Net Revenue Requirement for 2018 – 2019 and 2019 – 2020.

		Rs in lakh	
Sl. No.	Particulars	2018 – 2019	2019 – 2020
1	Estimated earnings	311	311
2	Attributable cost (towards printing)	221	221
3	Net earnings	90	90
4	Benefits to consumers (40% of net earnings)	36	36

5.27.2 The earnings from commercial usage of certain assets and sharing of such earnings @ 40% as projected by CESC Limited are given below. The Commission considers the same for adjustment with the expenses of distribution system before arriving at the net revenue requirement for 2018 – 2019 and 2019 - 2020. as under:

		Rs in lakh	
Sl. No.	Particulars	2018 – 2019	2019 – 2020
1	Earnings from commercial usage of assets (user fee)	1331	1331
2	Allowable benefit to consumers @ 40%	532	532

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 5A

Yearly Rate of Inflation in CPI number for Industrial Worker (%)		WPI FROM OFFICE OF ECONOMIC ADVISOR, GOI		Combined WPI & CPI (60: 40)	
Financial Years	Average	Financial Years	Average	Financial Years	Remarks
2014-15	6.3	2014-15	2.15	3.81	Actual
2015-16	5.65	2015-16	-2.51	0.75	Actual
2016-17	4.14	2016-17	3.42	3.71	Actual
2017-18	2.96	2017-18	3.1	3.04	Actual
2018-19	5.40	2018-19	4.26	4.72	Actual
2019-20	7.54	2019-20	1.67	4.02	Actual
Source: Website of Labour Bureau, GOI : Average Value is being Computed		Source: Website of Office of the Economic Advisor, GOI :			

TREND OF INFLATION RATE FOR THE PERIOD from April 2015 to March, 2018	
Average inflation rate as per CPI from April 2015 to March, 2018	4.25
Average inflation rate as per WPI from April 2015 to March, 2018	1.34
Average inflation rate as per WPI + CPI (60:40) from April 2015 to March, 2018	2.50

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE-5B
O&M Expense determination for distribution function

Sl No	Particulars	Units	Inflationary Basis	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2017-18 (Rs lakh)	Cost / sensitivity parameter	Admissible per unit cost for 18-19 after inflation of 4.72%	Admissible per unit cost for 2019-20 after inflation of 4.02%	Admissible Cost for 2018-19	Admissible Cost for 2019-20	Claimed by CESC for 2018-19	Claimed by CESC for 2019-20	Admitted by WBERC for 2018-19	Admitted by WBERC for 2019-20
	[1]			[2]	[3]	[4] = [3] / A2 or B of 17-18	[5] = [4] x 1.0472	[6] = [5] x 1.0402	[7] = [5] x A2 or B of 18-19	[8] = [6] x A2 or B of 19-20	[9]	[10]	[11] = Minimum of [7] and [9]	[12] = Minimum of [8] and [10]
1	Repair & Maintenance Expenditure	Rs Lakh	WPI+CPI	DLL	18896	0.850	0.890	0.926	20107	21252	19125	20655	19125	20655
2	- Rent	Rs Lakh	WPI+CPI	DLL	1231	0.055	0.058	0.060	1310	1384	1446	1562	1310	1384
3	- Auditors Fees	Rs Lakh	WPI+CPI	DLL	209	0.009	0.010	0.010	222	235	241	260	222	235
4	- Legal Charges	Rs Lakh	WPI+CPI	CSM	617	0.000	0.000	0.000	662	704	1206	1302	662	704
5	- Others Administrative and General Expenses	Rs Lakh	WPI+CPI	CSM	15986	0.005	0.005	0.005	17145	18244	17844	19272	17145	18244
6	Total Administrative & General Expenses (2+3+4+5)	Rs Lakh			18043				19339	20567	20737	22396	19339	20567
7	Total O&M Function Expenses (1+6)	Rs Lakh			36939				39446	41819	39862	43051	38464	41222

West Bengal Electricity Regulatory Commission



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CHAPTER - 6

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT FOR THE YEARS 2018 – 2019 AND 2019 – 2020 & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2018 – 2019 AND 2019 – 2020

- 6.1 Based on the analyses and findings recorded in the foregoing chapters the commission now draws the statements of Aggregate Revenue Requirements (ARR) separately for the year 2018 – 2019 and 2019 – 2020 under the sixth control period. Such summarized statements are given in Annexure 6A to 6E of this chapter.
- 6.2 Accordingly, the amount of revenue to be recovered through tariff, capacity charges and fixed charges for the year 2018 – 2019 and 2019 – 2020 work out as under.

Rs. in Lakh

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2018-19						
Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2018-2019	181239.28	7883.21	37201.93	491726.71	718051.13
2	Fuel Cost / Power Purchase Cost	128028.18	0	26760.33	263183.91	417972.42
3	Capacity Charges / Fixed Charges (1-2)	53211.10	7883.21	10441.60	228542.80	300078.71

Rs. in Lakh

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2019-20						
Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2019-2020	183075.10	8438.70	37741.11	536557.64	765812.55
2	Fuel Cost / Power Purchase Cost	132247.28	0	26786.12	288922.38	447955.78
3	Capacity Charges / Fixed Charges (1-2)	50827.82	8438.70	10954.99	247635.26	317856.77

- 6.3 The Commission has considered 40 MU sale to WBSEDCL at radial mode. The purchase price for such purchase by WBSEDCL from CESC Limited is admitted in the tariff order for WBSEDCL for the years 2018 – 2019 and 2019 – 2020 at Rs 6.54 per kWh. On the basis of that rate the revenue to be earned by CESC Limited from WBSEDCL on account of sale of 40 MU of energy comes to Rs.2616.00 lakh, which will be deducted from the net ARR of CESC Limited for the years 2018 – 2019 and 2019 – 2020 to arrive at the revenue to be earned through sale to own consumers.
- 6.4 In the APR order in respect of CESC Limited for the year 2013-14 in cases no. FPPCA-71/14-15 and APR-44/14-15, the Commission has decided that the entire recoverable amount of Rs. 38274.11 lakh or part thereof shall be adjusted with the amount of Aggregate Revenue Requirement (ARR) for the year 2018 – 2019 or that for any other ensuing year or through separate order, as may be decided by the Commission. The Commission now decides to adjust an amount of Rs 22545.11 lakh with the ARR for 2018 – 2019 and an amount of Rs 455.00 lakh with the ARR for 2019 – 2020 to determine the revenue to be recovered through tariff for the respective years.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 6.5 The Commission now works out the revenue to be recovered through tariff for 2018 – 2019 and 2019 – 2020 and the same is shown in the table below:

Rs in lakh

REVENUE TO BE RECOVERED THROUGH TARIFF				
Sl. No	Particulars	Unit	2018-19	2019-20
1	Net ARR for the year 2018 – 2019 and 2019 – 2020 as shown in table under paragraph 6.2 above.	Rs lakh	718051.13	765812.55
2	Less: Revenue earned from sale to WBSEDCL	Rs lakh	2616.00	2616.00
3	Add. Part release of realizable amount in APR 2013-14	Rs lakh	22545.11	455.00
4	Total revenue to be recovered through tariff (4)=(1) - (2)+(3)	Rs lakh	737980.24	763651.55
5	Energy sale to own consumers	MU	10089.00	10440.00
6	Average tariff for the consumers [(6)=(4)/(5)*10]	Paisa/ KWh	731.47	731.47

- 6.6 The Commission now determines the revenue gap at the existing tariff:

Sl. No.	Particulars	Unit	2018 – 19	2019 – 20
1	Revenue Recoverable for supply of power to the consumers as per para 6.5 above	Rs. lakh	737980.24	763651.55
2	Revenue from sale of power to consumers at existing at tariff (including MVCA)	Rs lakh	737962.00	763588.00
3	Revenue Gap (-)/ surplus (+) [(2)-(1)]	Rs. Lakh	-18.24	-63.55

- 6.7 The Financial Years of 2018 – 2019 and 2019 – 2020 have been completed. The existing tariff including the MVCA at existing rate is sufficient to recover the ARR

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

for both the years 2018 – 2019 and 2019 – 2020. Thus, there is no requirement for additional recovery or refund from/to the consumers during the year 2018 – 2019 and 2019 – 2020 through tariff at present. Any variation of actual recovery by CESC vis-à-vis the amount considered in sl no (2) of table under paragraph 6.6 will be dealt with suitably during the APR for 2018 – 2019 and 2019 – 2020 respectively.

- 6.8 On the basis of above analysis and the revenue recoverable for supply of power to the consumers as mentioned in sl no. (4) of table under paragraph 6.5 above, the detailed tariff structure for different classes of consumers and other terms and conditions related to tariff for the years 2018 – 2019 and 2019 – 2020 are provided in chapter -7 of this order.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 6A

(Rs lakh)

AGGREGATE REVENUE REQUIREMENT FOR BUDGE BUDGE GENERATING STATION					
Sl. No.	ITEM	PROPOSED BY CESC		ALLOWED BY WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Fuel	140295	148927	128028.18	132247.28
2	Power Purchase	0	0	0.00	0.00
3	Coal & Ash Handling related charges	1053	1137	843.07	906.64
4	Employee Cost	8961	9768	6402.00	6885.00
5	Cost of Contracted Manpower in Regular Establishment	4783	5166	3587.00	3875.00
6	O&M Expenses	11062	11729	10620.00	11047.50
7	Rent for generation	0	0	0.00	0.00
8	Rates & taxes	389	420	389.00	420.00
9	Service Tax & Entry Tax	0	0	0.00	0.00
10	Insurances	636	687	497.00	517.00
11	Financing Charges	684	715	601.60	626.92
12	Interest on capital expenditure	2145	1775	2048.00	1542.00
13	Interest on Temporary Accommodation	7623	4507	0.00	0.00
14	Interest on consumer security deposit	0	0	0.00	0.00
15	Foreign Exchange Rate Variation	0	0	0.00	0.00
16	Interest on Working Capital	1768	1824	0.00	0.00
17	Bad Debt	0	0	0.00	0.00
18	Lease rental	0	0	0.00	0.00
19	Depreciation	9154	5861	8940.00	5561.00
20	Advance Depreciation	2604	2646	2049.00	2782.00
21	Water Charges	5	5	6.66	6.77
22	Reserve for Unforeseen Exigencies	930	938	0.00	0.00
23	Intangible Assets written off	0	0	0.00	0.00
24	Cost of Outsourcing	0	0	0.00	0.00
25	Tax on Income & profit	8973	9048	3587.03	2931.94
26	Return on Equity	16709	16847	16645.00	16782.00
27	Incentive	0	0	0.00	0.00
28	Gross Average Revenue Requirement	217774	222000	184243.54	186131.05
29	Less : Misc. other income	1508	1437	3004.26	3055.95
30	Less :Benefit passed on for auxiliary services	0	0	0.00	0.00
31	Less: Earnings from commercial usage of assets	0	0	0.00	0.00
32	Net Aggregate Revenue Requirement	216266	220563	181239.28	183075.10

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 6B

(Rs lakh)

AGGREGATE REVENUE REQUIREMENT OF TITAGARH GENERATING STATION					
Sl. No.	ITEM	PROPOSED BY CESC		ALLOWED BY WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Fuel	0	0	0.00	0.00
2	Power Purchase	0	0	0.00	0.00
3	Coal & Ash Handling related charges	0	0	0.00	0.00
4	Employee Cost	5567	6068	5567.00	6068.00
5	Cost of Contracted Manpower in Regular Establishment	0	0	0.00	0.00
6	O&M Expenses	915	915	0.00	0.00
7	Rent for generation	0		0.00	0.00
8	Rates & taxes	83	83	0.00	0.00
9	Service Tax & Entry Tax	0	0	0.00	0.00
10	Insurances	164	164	0.00	0.00
11	Financing Charges	29	30	0.00	0.00
12	Interest on capital expenditure	0	0	0.00	0.00
13	Interest on Temporary Accommodation	0	0	0.00	0.00
14	Interest on consumer security deposit	0	0	0.00	0.00
15	Foreign Exchange Rate Variation	0	0	0.00	0.00
16	Interest on Working Capital	0	0	0.00	0.00
17	Bad Debt	0	0	0.00	0.00
18	Lease rental	0	0	0.00	0.00
19	Depreciation	563	550	550.00	522.00
20	Advance Depreciation	160	248	126.00	261.00
21	Water Charges	0		0.00	0.00
22	Reserve for Unforeseen Exigencies	79	79	0.00	0.00
23	Intangible Assets written off	0		0.00	0.00
24	Cost of Outsourcing	0		0.00	0.00
25	Tax on Income & profit	786	786	314.21	254.70
26	Return on Equity	1464	1464	1458.00	1458.00
27	Incentive	0		0.00	0.00
28	Gross Average Revenue Requirement	9810	10387	8015.21	8563.70
29	Less : Misc. other income	132	125	132.00	125.00
30	Less :Benefit passed on for auxiliary services	0	0	0.00	0.00
31	Less: Earnings from commercial usage of assets	0	0	0.00	0.00
32	Net Aggregate Revenue Requirement	9678	10262	7883.21	8438.70

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 6C

AGGREGATE REVENUE REQUIREMENT OF SOUTHERN GENERATING STATION (Rs lakh)					
Sl. No.	ITEM	PROPOSED BY CESC		ALLOWED BY WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Fuel	6106	6123	26760.33	26786.12
2	Power Purchase	0	0	0.00	0.00
3	Coal & Ash Handling related charges	92	100	238.88	256.89
4	Employee Cost	5510	6006	4857.00	5223.00
5	Cost of Contracted Manpower in Regular Establishment	971	1049	728.00	787.00
6	O&M Expenses	2357	2499	2262.60	2353.05
7	Rent for generation	40	43	40.00	43.00
8	Rates & taxes	11	12	11.00	12.00
9	Service Tax & Entry Tax	0		0.00	0.00
10	Insurances	102	110	102.00	110.00
11	Financing Charges	62	64	54.53	56.12
12	Interest on capital expenditure	202	171	193.00	149.00
13	Interest on Temporary Accommodation	687	401	0.00	0.00
14	Interest on consumer security deposit			0.00	0.00
15	Foreign Exchange Rate Variation			0.00	0.00
16	Interest on Working Capital	159	162	0.00	0.00
17	Bad Debt			0.00	0.00
18	Lease rental			0.00	0.00
19	Depreciation	349	330	341.00	313.00
20	Advance Depreciation	99	149	78.00	157.00
21	Water Charges	20	22	64.76	65.84
22	Reserve for Unforeseen Exigencies	71	71	0.00	0.00
23	Intangible Assets written off	0		0.00	0.00
24	Cost of Outsourcing	0		0.00	0.00
25	Tax on Income & profit	705	707	281.83	229.10
26	Return on Equity	1313	1317	1308.00	1312.00
27	Incentive			0.00	0.00
28	Gross Average Revenue Requirement	18856	19336	37320.93	37853.11
29	Less : Misc. other income	119	112	119.00	112.00
30	Less :Benefit passed on for auxiliary services				
31	Less: Earnings from commercial usage of assets				
32	Net Aggregate Revenue Requirement	18737	19224	37201.93	37741.11

West Bengal Electricity Regulatory Commission



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Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 6D

AGGREGATE REVENUE REQUIREMENT FOR DISTRIBUTION (Rs in lakh)					
Sl. No.	ITEM	PROPOSED BY CESC		ALLOWED BY WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Fuel	0	0	0.00	0.00
2	Power Purchase	316039	340422	263183.91	288922.38
3	Coal & Ash Handling related charges	0		0.00	0.00
4	Employee Cost	80656	87915	69119.00	74331.00
5	Cost of Contracted Manpower in Regular Establishment			0.00	0.00
6	O&M Expenses	39862	43051	38464.00	41222.00
7	Rent for generation			0.00	0.00
8	Rates & taxes	529	572	328.00	346.00
9	Service Tax & Entry Tax			0.00	0.00
10	Insurances	451	488	173.00	183.00
11	Financing Charges	1873	2003	1585.72	1691.12
12	Interest on capital expenditure	23845	26496	22765.00	23016.00
13	Interest on Temporary Accommodation	20115	12148	0.00	0.00
14	Interest on consumer security deposit	11665	12598	11665.00	12598.00
15	Foreign Exchange Rate Variation			0.00	0.00
16	Interest on Working Capital	4665	4916	0.00	0.00
17	Bad Debt	4214	4460	0.00	0.00
18	Lease rental	1023	1023	1023.00	1023.00
19	Depreciation	33208	34065	32720.00	32185.00
20	Advance Depreciation	9445	15380	7431.00	16173.00
21	Water Charges			0.00	0.00
22	Reserve for Unforeseen Exigencies	2380	2532	0.00	0.00
23	Intangible Assets written off			0.00	0.00
24	Cost of Outsourcing	1264	1365	1026.00	1084.00
25	Tax on Income & profit	24289	26262	9661.08	8361.14
26	Return on Equity	45227	48902	44831.00	47860.00
27	Incentive			0.00	0.00
28	Gross Average Revenue Requirement	620750	664598	503975.71	548995.64
29	Less : Misc. other income	26683	26871	11681.00	11870.00
30	Less :Benefit passed on for auxiliary services	36	36	36.00	36.00
31	Less: Earnings from commercial usage of assets	532	532	532.00	532.00
32	Net Aggregate Revenue Requirement	593499	637159	491726.71	536557.64

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

ANNEXURE – 6E

AGGREGATE REVENUE REQUIREMENT OF CESC (Amount in Rs lakh)

Sl. No.	ITEM	PROPOSED BY CESC		ALLOWED BY WBERC	
		2018-19	2019-20	2018-19	2019-20
1	Fuel	146401	155050	154788.51	159033.40
2	Power Purchase	316039	340422	263183.91	288922.38
3	Coal & Ash Handling related charges	1145	1237	1081.95	1163.53
4	Employee Cost	100692	109755	85945.00	92507.00
5	Cost of Contracted Manpower in Regular Establishment	5755	6215	4315.00	4662.00
6	O&M Expenses	54196	58194	51346.60	54622.55
7	Rent for generation	40	43	40.00	43.00
8	Rates & taxes	1012	1087	728.00	778.00
9	Service Tax & Entry Tax	0	0	0.00	0.00
10	Insurances	1353	1449	772.00	810.00
11	Financing Charges	2648	2812	2241.85	2374.16
12	Interest on capital expenditure	26191	28441	25006.00	24707.00
13	Interest on Temporary Accommodation	28426	17056	0.00	0.00
14	Interest on consumer security deposit	11665	12598	11665.00	12598.00
15	Foreign Exchange Rate Variation	0	0	0.00	0.00
16	Interest on Working Capital	6592	6902	0.00	0.00
17	Bad Debt	4214	4460	0.00	0.00
18	Lease rental	1023	1023	1023.00	1023.00
19	Depreciation	43274	40806	42551.00	38581.00
20	Advance Depreciation	12308	18423	9684.00	19373.00
21	Water Charges	25	27	71.42	72.61
22	Reserve for Unforeseen Exigencies	3460	3620	0.00	0.00
23	Intangible Assets written off	0	0	0.00	0.00
24	Cost of Outsourcing	1264	1365	1026.00	1084.00
25	Tax on Income & profit	34753	36803	13844.15	11776.88
26	Return on Equity	64713	68530	64242.00	67412.00
27	Incentive	0	0	0.00	0.00
28	Gross Average Revenue Requirement	867190	916321	733555.39	781543.50
29	Less : Misc. other income	28442	28545	14936.26	15162.95
30	Less :Benefit passed on for auxiliary services	36	36	36.00	36.00
31	Less: Earnings from commercial usage of assets	532	532	532.00	532.00
32	Net Aggregate Revenue Requirement	838180	887208	718051.13	765812.55

West Bengal Electricity Regulatory Commission





CHAPTER – 7

TARIFF ORDER FOR 2018 – 19 and 2019 – 20

- 7.1 In the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined for CESC Limited the revenue recoverable through tariff during 2018 – 19 and 2019 – 20. The Commission now proceeds to determine the tariff schedule applicable to the consumers of CESC Limited and also the associated conditions of tariff of CESC Limited for 2018 – 19 and 2019 – 20.
- 7.2 **Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2018 -19:**
- 7.2.1 Considering the analysis made in paragraph 6.5, Commission proposes change in the tariff schedule but no change in other terms and conditions of tariff for the year 2018 – 19 from that of 2017 – 18. Accordingly, the Tariff schedule for 2018 – 19 is given in Annexure 7A1 for LV & MV consumers under monthly billing cycle and at Annexure 7A2 for HV & EHV consumers. The other terms and conditions as per tariff order for the year 2017 – 18 shall continue during the year 2018 – 19.
- 7.2.2 The above rates as mentioned in Annexures 7A1 and 7A2 to this order exclude the MVCA, if any, realised / to be realised by CESC Limited. However, the MVCA realized by CESC Limited during 2018 – 19 shall not be considered for adjustments, if any, as per this tariff order. The MVCA realized by CESC Limited is subject to truing up during FPPCA and APR for the year as per provision of Tariff Regulation.
- 7.3 **Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2019 – 20:**
- 7.3.1 For the year 2019 – 20, the Commission determines the tariff schedule for CESC Limited considering the revenue recoverable from the consumer. Accordingly, the Tariff schedule for 2019 – 20 is given in Annexure 7B1 for LV & MV consumers

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

and at Annexure 7B2 for HV & EHV consumers. The rates as mentioned in Annexures 7B1 and 7B2 to this order are the rates as admitted in the tariff order for 2017-18 subsuming the MVCA realized by CESC Limited during the year 2019 – 2020.

- 7.3.2 Other associated conditions of the tariff as per tariff order for the year 2017 – 2018 shall continue during the year 2019 – 2020.
- 7.3.3 All the rates and conditions of tariff mentioned above are effective from 1st April 2019 and will continue till further order of the Commission.
- 7.3.4 Tariff for Electric Vehicle Charging station shall be at single part tariff of 731.47 paise /kWh prospectively from the date of this order; CESC has liberty to charge single part tariff of Rs 6.00 per unit without subsidy or cross-subsidy as a promotional tariff for commercial charging of electric vehicles under only intimation to the Commission. The promotional tariff, if extended shall be notified by CESC Limited to the consumers.
- 7.3.5 The MVCA realized by CESC Limited in terms of Tariff Regulations during year 2019 -20 is subsumed in the above rates as mentioned in Annexures 7B1 and 7B2 to this order. There will be no separate MVCA from 01.04.2019 to date of issue of this order. However, CESC Limited shall compute the MVCA as per Tariff Regulations afterwards and shall realise/refund accordingly. Any adjustments in energy bills for the period from 01.04.2019 to till date shall be made by CESC Limited in 6 (six) equal monthly instalments in the bills for the month of April 2022 and onwards.
- 7.4 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.9.8 and 2.9.9 of the Tariff Regulations.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 7.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for CESC Limited. If at all any such subsidy under the provisions of the Act is intimated to CESC Limited and to the Commission by the Government of West Bengal with clear indication of the consumer or class of consumers to be subsidized and the amount of the subsidy proposed to be given is paid in advance, the tariff of such consumer and / or the class of consumers shall be deemed to have been reduced accordingly as has been indicated by the State Government. However, such direction of the State Government shall not be operative till the payment is made by the State Government in accordance with the provisions of the Act and the Regulations made thereunder, and the tariff as fixed by the Commission shall remain applicable. In accordance with the Tariff Regulations, the State Government is required to communicate the decision to CESC Limited and the Commission within 15 days from the date of receipt of the tariff order, whether it shall give any subsidy to any group of consumers etc.
- 7.6 CESC Limited shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulation within three working days from the date of receipt of this order for approval of the Commission, and on receipt of the approval, shall publish the approved gist in terms of the aforesaid regulation within four working days from the date of receipt of the approval of the Commission.

West Bengal Electricity Regulatory Commission



LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II						
Consumer category	Name of the Tariff Scheme						Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon				
1.	Life Line Consumer (Domestic)	Rate G (LL)	Normal	0 to 25	378	5.00	Not Applicable					Not Applicable						
2.	Domestic (Urban)	Rate G	Normal	First	25	489	15	Rate G (p)	Prepaid	All Units	722	15	Not Applicable					
				Next	35	540												
				Next	40	641												
				Next	50	716												
				Next	50	733												
				Next	100	733												
				Above	300	892												
3.	Commercial (Urban)	Rate M (i)	Normal	First	60	628	24	Rate M (i) (TOD)	Normal TOD	06:00 hrs to 17:00 hrs	760	24	Rate M (i) (pTOD)	Prepaid - TOD	06:00 hrs to 17:00 hrs	735	24	
				Next	40	695				17:00 hrs to 23:00 hrs	836				17:00 hrs to 23:00 hrs	809		
				Next	50	764				23:00 hrs to 06:00 hrs	707				23:00 hrs to 06:00 hrs	684		
				Next	150	820												
				Above	300	897												
4.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	724	28	Not Applicable					Not Applicable						
				17.00 hrs to 23.00 hrs	796													
				23.00 hrs to 06.00 hrs	673													



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
							Optional Tariff Scheme – I					Optional Tariff Scheme – II						
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
5.	Specified Institution Municipal or Non-Municipal	Rate P	Normal	On all Units	634	28	Rate P(p)	Prepaid	On all Units		617	28	Rate P (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	615	28
															17.00 hrs to 20.00 hrs	All Units	677	
															23.00 hrs to 06.00 hrs	All Units	572	
6	Government School, Government aided School or Government Sponsored School	P1	Normal	On all Units	495	12	P1 (TOD)	Normal (TOD)	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	488	12	Not Applicable					
									17.00 hrs to 20.00 hrs	All Units	537							
									23.00 hrs to 06.00 hrs	All Units	473							
7	Public Bodies Municipal or Non-Municipal	Rate C1	Normal	On all Units	693	42	Rate C1(p)	Prepaid	On all Units		658	42	Rate C1(pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	654	42
															17.00 hrs to 20.00 hrs	All Units	719	
															23.00 hrs to 06.00 hrs	All Units	608	



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme – I			Optional Tariff Scheme – II					
										Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate M (ii)	Normal	First	100	553	24	Rate M (ii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	619	24	Not Applicable				
				Next	100	672				17.00 hrs to 23.00 hrs	All Units	681						
				Above	200	817				23.00 hrs to 06.00 hrs	All Units	576						
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate M (iii)	Normal	First	300	677	24	Rate M (iii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	672	24	Not Applicable				
				Next	300	743				17.00 hrs to 23.00 hrs	All Units	739						
				Next	400	778				23.00 hrs to 06.00 hrs	All Units	625						
				Above	1000	823												



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II						
Consumer category	Name of the Tariff Scheme						Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon			
10.	Public Water Works & Sewerage System	Rate J	Normal	On all Units		658	42	Rate J (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	638	42	Not Applicable				
									17.00 hrs to 20.00 hrs	All Units	957							
									23.00 hrs to 06.00 hrs	All Units	440							
11.	Industries (Urban)	Rate K	Normal	First	500	648	50	Rate K (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	760	50	Not Applicable				
			Next	1500	718	17.00 hrs to 23.00 hrs				All Units	1140							
			Next	1500	758	23.00 hrs to 06.00 hrs				All Units	524							
			Above	3500	778													
12.	Street Lighting	Rate C	Normal	On all Units		658	42	Not Applicable					Not Applicable					



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme													
							Optional Tariff Scheme – I									Optional Tariff Scheme – II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon				
13	Street Lighting with LED	Rate C2	Normal	On all Units	548	42	Not Applicable					Not Applicable								
14.	Private Educational Institutions and Hospitals	Rate L	Normal	On all Units	703	42	Rate L (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	688	42	Not Applicable							
								17.00 hrs to 20.00 hrs	All Units	757										
								23.00 hrs to 06.00 hrs	All Units	640										
15.	Emergency Supply	Rate E2	Prepaid - TOD	06.00 hrs to 17.00 hrs	On all Units	779	56	Not Applicable					Not Applicable							
				17.00 hrs to 23.00 hrs	On all Units	1169														
				23.00 hrs to 06.00 hrs	On all Units	538														



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II				
								Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
16.	Construction Power Supply	Rate LTCON	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	744	42	Not Applicable					Not Applicable				
			17.00 hrs to 20.00 hrs.	On all Units	1116												
			23.00 hrs to 06.00 hrs	On all Units	513												
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate LTCOP	Normal	On all Units		678	42	Rate LTCOP (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	660	42	Not Applicable				
								17.00 hrs to 23.00 hrs	726								
								23.00 hrs to 06.00 hrs	614								
18.	Common Services of Industrial Estate	Rate S (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	720	42	Not Applicable					Not Applicable				
			17.00 hrs to 20.00 hrs	On all Units	1080												
			23.00 hrs to 06.00 hrs	On all Units	497												



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LOW AND MEDIUM VOLTAGE CONSUMERS

2018-19

SI No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
							Optional Tariff Scheme – I					Optional Tariff Scheme – II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon

Note :- * Fixed Charge will be applicable for the Consumer having Contract Demand below 50 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 50 KVA and above.



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)
					P/kWh								P/kWh			
					Summer	Monsoon	Winter						Summer	Monsoon	Winter	
1.	Public Utility	Rate I	Normal	All Units	671	668	665	384	Rate I (TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	651	641	631	384
											17.00 hrs-20.00 hrs	All Units	977	962	947	
											23.00 hrs-06.00 hrs	All Units	449	442	435	
2.	Industries (below 33 KV)	Rate A	Normal	All Units	652	649	647	384	Rate A (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	642	637	632	384
											17.00 hrs-23.00 hrs	All Units	963	956	948	
											23.00 hrs- 06.00 hrs	All Units	443	440	436	
3.	Industries (33 KV)	Rate A1	Normal	All Units	629	626	623	384	Rate A1 (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	622	617	612	384
											17.00 hrs-23.00 hrs	All Units	933	926	918	
											23.00 hrs-06.00 hrs	All Units	429	426	422	
											06.00 hrs-17.00 hrs	All Units	689	686	683	



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)
					P/kWh								P/kWh			
					Summer	Monsoon	Winter						Summer	Monsoon	Winter	
4.	Commercial (below 33 KV)	Rate B	Normal	All Units	701	698	695	384	Rate B (TOD)	Normal - TOD	17.00 hrs-23.00 hrs	All Units	1034	1029	1025	384
											23.00 hrs-06.00 hrs	All Units	475	473	471	
5.	Commercial (33 KV)	Rate B1	Normal	All Units	652	649	646	384	Not Applicable							



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	
					P/kWh							P/kWh				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
6.	Domestic	Rate R	Normal	All Units	713	710	707	26	Not Applicable							
7.	Public Water Works & Sewerage, Pumping Station under local Authority	Rate U	Normal	All Units	618	613	608	384	Rate U(TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	608	598	588	384
										17.00 hrs-20.00 hrs	All Units	912	897	882		
										23.00 hrs-06.00 hrs	All Units	420	413	406		
8.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate O	Normal	All Units	740	730	720	34	Not Applicable							
9.	Cold storage or Dairy with	Rate CP	Normal	All Units	659	654	649	384	Rate CP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	639	634	629	384
										17.00 hrs-23.00 hrs	All Units	959	951	944		



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)
					P/kWh								P/kWh			
					Summer	Monsoon	Winter						Summer	Monsoon	Winter	
	Chilling Plant										23.00 hrs-06.00 hrs	All Units	441	437	434	



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
10.	Emergency Supply	Rate E1	Normal TOD	06.00 hrs-17.00 hrs	All Units	748	738	728	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	1122	1107	1092									
				23.00 hrs-06.00 hrs	All Units	516	509	502									
11.	Construction Power Supply	Rate HTCon	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	674	669	664	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1011	1004	996									
				23.00 hrs-06.00 hrs	All Units	465	462	458									
12.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate HTCOP	Normal	All Units	683	678	673	34	Rate HTCOP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	658	653	648	34	
											17.00 hrs-23.00 hrs	All Units	724	718	713		
											23.00 hrs-06.00 hrs	All Units	612	607	603		



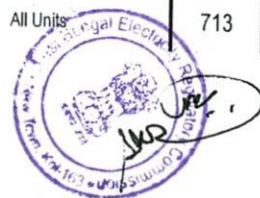
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
13.	Common Services of Industrial Estate	Rate E	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	674	669	664	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1011	1004	996									
				23.00 hrs-06.00 hrs	All Units	465	462	458									
14.	Traction/ Metro Rail / Calcutta Tramways	Rate T	Normal	All Units		693	688	683	105	Not Applicable							
15.	Short-term Supply	Rate ST	Normal TOD	06.00 hrs-17.00 hrs	All Units	642	637	632	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	706	701	695									
				23.00 hrs-06.00 hrs	All Units	597	592	588									
16.	Private Educational Institutions	Rate E (ei)	Normal	All Units		664	654	644	384	Rate E (eit)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	654	644	634	384
										17.00 hrs-23.00 hrs	All Units	719	708	697			
										23.00 hrs-06.00 hrs	All Units	608	599	590			
17	MES	Rate R - M	Normal	All Units		713	710	707	26	Not Applicable							



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2018-19

2018-19

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme						
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)
					P/kWh							P/kWh			
					Summer	Monsoon	Winter					Summer	Monsoon	Winter	



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II					
Consumer category	Name of the Tariff Scheme						Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon			
1.	Life Line Consumer (Domestic)	Rate G (LL)	Normal	0 to 25	407	5.00	Not Applicable					Not Applicable					
2.	Domestic (Urban)	Rate G	Normal	First	25	518	15	Rate G (p)	Prepaid	All Units	751	15	Not Applicable				
				Next	35	569											
				Next	40	670											
				Next	50	745											
				Next	50	762											
				Next	100	762											
				Above	300	921											
3.	Commercial (Urban)	Rate M (i)	Normal	First	60	657	24	Rate M (i) (TOD)	Normal TOD	06:00 hrs to 17:00 hrs	789	24	Rate M (i) (pTOD)	Prepaid - TOD	06:00 hrs to 17:00 hrs	764	24
				Next	40	724				17:00 hrs to 23:00 hrs	865				17:00 hrs to 23:00 hrs	838	
				Next	50	793				23:00 hrs to 06:00 hrs	736				23:00 hrs to 06:00 hrs	713	
				Next	150	849											
				Above	300	926											
4.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	753	28	Not Applicable					Not Applicable					
				17.00 hrs to 23.00 hrs	825												
				23.00 hrs to 06.00 hrs	702												



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme										
							Optional Tariff Scheme – I					Optional Tariff Scheme – II					
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
5.	Specified Institution Municipal or Non-Municipal	Rate P	Normal	On all Units	663	28	Rate P(p)	Prepaid	On all Units	646	28	Rate P (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	644	28
														17.00 hrs to 20.00 hrs	All Units	706	
														23.00 hrs to 06.00 hrs	All Units	601	
6	Government School, Government aided School or Government Sponsored School	P1	Normal	On all Units	524	12	P1 (TOD)	Normal (TOD)	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	517	12	Not Applicable				
									17.00 hrs to 20.00 hrs	All Units	566						
									23.00 hrs to 06.00 hrs	All Units	502						
7	Public Bodies Municipal or Non-Municipal	Rate C1	Normal	On all Units	722	42	Rate C1(p)	Prepaid	On all Units	687	42	Rate C1(pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	683	42
														17.00 hrs to 20.00 hrs	All Units	748	
														23.00 hrs to 06.00 hrs	All Units	637	



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme															
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH			Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon			
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate M (ii)	Normal	First	100	582	24	Rate M (ii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	648	24	Not Applicable									
				Next	100	701				17.00 hrs to 23.00 hrs	All Units	710											
				Above	200	846				23.00 hrs to 06.00 hrs	All Units	605											
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate M (iii)	Normal	First	300	706	24	Rate M (iii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	701	24	Not Applicable									
				Next	300	772				17.00 hrs to 23.00 hrs	All Units	768											
				Next	400	807				23.00 hrs to 06.00 hrs	All Units	654											
				Above	1000	852																	



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme												
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
10.	Public Water Works & Sewerage System	Rate J	Normal	On all Units		687	42	Rate J (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	667	42	Not Applicable					
									17.00 hrs to 20.00 hrs	All Units	986								
									23.00 hrs to 06.00 hrs	All Units	469								
11.	Industries (Urban)	Rate K	Normal	First	500	677	50	Rate K (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	789	50	Not Applicable					
			Next	1500	747						17.00 hrs to 23.00 hrs	All Units							1169
			Next	1500	787						23.00 hrs to 06.00 hrs	All Units							553
			Above	3500	807														
12.	Street Lighting	Rate C	Normal	On all Units		687	42	Not Applicable						Not Applicable					



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II				
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
13	Street Lighting with LED	Rate C2	Normal	On all Units	577	42	Not Applicable					Not Applicable				
14.	Private Educational Institutions and Hospitals	Rate L	Normal	On all Units	732	42	Rate L (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	717	42	Not Applicable			
									17.00 hrs to 20.00 hrs	All Units	786					
									23.00 hrs to 06.00 hrs	All Units	669					
15.	Emergency Supply	Rate E2	Prepaid - TOD	06.00 hrs to 17.00 hrs	On all Units	808	56	Not Applicable					Not Applicable			
				17.00 hrs to 23.00 hrs	On all Units	1198										
				23.00 hrs to 06.00 hrs	On all Units	567										



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme – I					Optional Tariff Scheme – II			
								Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh
16.	Construction Power Supply	Rate LTCON	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	773	42	Not Applicable					Not Applicable			
				17.00 hrs to 20.00 hrs.	On all Units	1145										
				23.00 hrs to 06.00 hrs	On all Units	542										
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate LTCOP	Normal	On all Units		707	42	Rate LTCOP (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	689	42	Not Applicable			
									17.00 hrs to 23.00 hrs	755						
									23.00 hrs to 06.00 hrs	643						
18.	Common Services of Industrial Estate	Rate S (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	749	42	Not Applicable					Not Applicable			
				17.00 hrs to 20.00 hrs	On all Units	1109										
				23.00 hrs to 06.00 hrs	On all Units	526										



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LOW AND MEDIUM VOLTAGE CONSUMERS

2019-20

2019-20

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
							Optional Tariff Scheme – I					Optional Tariff Scheme – II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon

Note :- * Fixed Charge will be applicable for the Consumer having Contract Demand below 50 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 50 KVA and above.



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

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



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

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



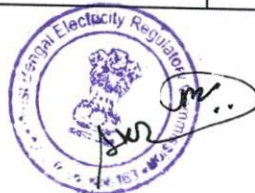
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

2015-20

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



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

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



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

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



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2019-20

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



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CHAPTER – 8

DETERMINATION OF WHEELING CHARGE

- 8.1 The Commission in this chapter takes up the matter relating to determination of the rate of distribution wheeling charges for the year 2018 – 19 and 2019 – 20 in accordance with the principles, terms and conditions laid down in Schedule - 4 to the Tariff Regulations.
- 8.2 The distribution wheeling charges represents the charges for the use of distribution systems and/or associated facilities of a distribution licensee for wheeling of electricity through that facility based on availability of total distribution network cost, total unit saleable by the licensee to the consumers and total units wheeled for all open access customers in the network. CESC Limited in Form 1.9 (a) of its petition proposed no wheeling of energy during 2018 – 19 and 2019 – 20 respectively. After prudent analysis of the amounts of ARR for the years 2018 – 19 and 2019 – 20 in Annexure – 6D of this tariff order and making such allocations, the gross amount of total fixed charges attributable to the distribution function of CESC Limited to be considered for determining wheeling charges is found to be Rs. 228100.80 lakh and Rs 246391.26 lakh respectively. The amounts of provisions for bad and doubtful debts as well as an amount towards interest payable to consumers on their security deposits and amount on account of cost of out sourcing relating to call centres for complaint management mechanism have not been considered in the above computation. The detailed head-wise break-up of the referred amount is given in Annexure – 8A to this order.
- 8.3 The gross amount of total fixed charges, i.e., Rs. 228100.80 lakh and Rs 246391.26 lakh, as shown in Annexure – 8A, is the gross aggregate revenue requirement for distribution function. Paragraph 2.1 of Schedule – 4 to the Tariff Regulations provides for deduction of expenses incidental to selling and distribution of energy, non-tariff income and income from other business from the gross aggregate revenue requirement attributable to distribution function for ascertaining the wheeling charges payable by the open access customers. The

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

deductible amounts of expenses under different heads incidental to selling of energy based on allocation made by CESC Limited in their MYT Application and total cost admitted under that head for distribution function comes as under:

Rs. in Lakh

Sl. No	Head of Charges	Expense relating to sales	
		2018-19	2019-20
1	Employee Cost	16881.26	18154.30
2	O&M Expenses	7240.83	7758.75
3	Rates & taxes	73.78	77.43
4	Service Tax & Entry Tax	0.00	0.00
5	Insurances	0.00	0.00
6	Financing Charges	1124.31	1194.68
7	Interest on capital expenditure	1172.54	1089.30
8	Interest on Temporary Accommodation	0.00	0.00
9	Foreign Exchange Rate Variation	0.00	0.00
10	Lease rental	51.00	48.00
11	Depreciation	3383.74	3293.61
12	Advance Depreciation	768.67	1655.16
13	Reserve for Unforeseen Exigencies	0.00	0.00
14	Intangible Assets written off	0.00	0.00
15	Tax on Income & profit	548.11	470.11
16	Return on Equity	2695.41	2548.51
17	Gross Amount of Fixed charges	33939.65	36289.85

- 8.4 The amount of gross fixed charges attributable to distribution function also requires to be reduced by the non-tariff income and other income. Such deductible amount is found to be Rs. 46188.65 lakh and Rs 48727.85 lakh respectively for the years 2018 – 19 and 2019 – 20.
- 8.5 Based on the foregoing analyses, the amount of fixed charges attributable to the distribution function of CESC Limited for the years 2018 – 19 and 2019 – 20 for

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

determination of rate of wheeling charges payable by the open access customers including the captive generating plants comes as under:

		Rs. in Lakh	
		2018-19	2019-20
a)	Gross Amount of Fixed charges relating to distribution function including sale	228100.80	246391.26
b)	Less:		
	i) Expense relating to and incidental to retail sales	33939.65	36289.85
	ii) Non Tariff Income	12249.00	12438.00
	Total [(i) + ii)]	46188.65	48727.85
c)	Net admissible amount of fixed charges relating to distribution wheeling	181912.15	197663.41
d)	Estimated Sales to own consumers and WBSEDCL (MU)	10129.00	10480.00
e)	Average Rate of recoverable wheeling charges (p/kwh) [d/e]	179.60	188.61

8.6 With the estimated sales of 10129.00 MU and 10480.00 MU for the years 2018 – 19 and 2019 – 20 to own consumers and West Bengal State Electricity Distribution Company Limited admitted in Chapter-4 of this Tariff Order, the average rate of recoverable wheeling charges comes to **179.60 paise per unit (kWh) and 188.61 paise per unit (kWh) respectively.**

8.7 The avoided cost as computed in terms of the formula provided in regulation 14.3.10 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007 in case of CESC Limited works out as under:

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

U)	Total Fuel and Power Purchase Cost in Rs lakh (vide Annexure-6E of this Tariff Order).	417972.42	447955.78
V)	Quanta of energy pooled in the distribution system		
	i) Sent out from own generation (MU)	6084.52	6114.38
	ii) Purchase of Energy (MU) [para-4.7 of Chapter-4 of this Tariff Order]	5781.48	6160.62
X)	Weighted average unit cost of pooled energy in paise / kwh [(U) / (V)]	352.24	364.93
Y)	Distribution loss allowed for the year (%)	14.30	14.30
Z)	Avoided cost excluding wheeling charge in paise/kwh [$X / (100 - Y) \times 0.01$]	411.02	425.82
	Avoided Cost in paise / kwh will be [Z + Wheeling Charge]		

For 2018-19 = **411.02 paise / kWh** + Wheeling charges per unit applicable to the relevant open access case.

For 2019-20 = **425.82 paise / kWh** + Wheeling charges per unit applicable to the relevant open access case.

8.8 The average rate of distribution wheeling charges of CESC Limited for the year 2018 – 2019 and 2019 – 2020 come to 179.60 paise per unit (kWh) and 188.61 paise per unit (kWh) respectively as shown in this chapter and the same is recoverable from different categories of open access customers including captive

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

generators for conveyance of electricity through its distribution system for long term open access. However, the consumer of the distribution licensee shall not be required to pay any wheeling charge for the part of energy he is drawing not as an open access customer.

- 8.9 In terms of the provisions contained in regulation 14.3.10 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007, as amended (hereinafter referred to as the "Open Access Regulations"), the open access customers, other than those carrying the electricity generated in captive generating plant to the destination and for the extent of their own use, are to pay cross-subsidy surcharge in addition to the charges for using the distribution system of the licensees.
- 8.10 The avoided cost for the concerned open access customers will be at the rate of 411.02 and 425.82 paise per kWh for the years 2018 – 2019 and 2019 – 2020 respectively plus wheeling charges per unit as applicable to the relevant open access case as shown in this Chapter. CESC Limited will recover cross-subsidy surcharge from the open access customer with reference to the tariff applicable for similar category of consumer in accordance to the provision of the Act and regulation framed thereunder. The cross-subsidy surcharge will be the difference between the tariff applicable for the category of the consumers being allowed open access and the cost avoided (per unit) by the licensee in this regard.
- 8.11 The effective date of the rate of wheeling charge and cross subsidy surcharge for the year 2018 – 2019 as per this order is 1 April, 2018 and the rate of wheeling charge and cross subsidy surcharge for the year 2019 – 2020 as per this order is 1 April, 2019 and will continue till further order in this regard. The adjustments, if any, for over-recovery / under-recovery for the period from 01.04.2018 to till date shall be made in 6 (six) equal monthly instalments starting from the billing month of April, 2022.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 8.12 The Open Access Customer shall pay to the concerned licensee for drawal of reactive energy at the drawal point if the voltage at the point of drawal is below 97% of normal voltage and for injection of reactive energy at injection point if the voltage is higher than 103% of normal voltage. The charge for VARh shall continue at the existing rate of 11.00 paise per KVARh.
- 8.13 CESC Limited shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulation within three working days from the date of receipt of this order for approval of the Commission, and on receipt of the approval, shall publish the approved gist in terms of the aforesaid regulation within four working days from the date of receipt of the approval of the Commission.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

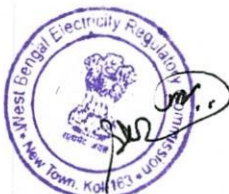
Annexure-8A

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

Rs in lakh

Sl. No	Head of Charges	Allowed for Distribution including Sales	
		2018-19	2019-20
1	Employee Cost	69119.00	74331.00
2	O&M Expenses	38464.00	41222.00
3	Rates & taxes	328.00	346.00
4	Service Tax & Entry Tax	0.00	0.00
5	Insurances	173.00	183.00
6	Financing Charges	1585.72	1691.12
7	Interest on capital expenditure	22765.00	23016.00
8	Interest on Temporary Accommodation	0.00	0.00
9	Foreign Exchange Rate Variation	0.00	0.00
10	Lease rental	1023.00	1023.00
11	Depreciation	32720.00	32185.00
12	Advance Depreciation	7431.00	16173.00
13	Reserve for Unforeseen Exigencies	0.00	0.00
14	Intangible Assets written off	0.00	0.00
15	Tax on Income & profit	9661.08	8361.14
16	Return on Equity	44831.00	47860.00
17	Gross Amount of Fixed charges	228100.80	246391.26

West Bengal Electricity Regulatory Commission





CHAPTER – 9 DIRECTIONS

- 9.1 The Commission has given some directions in different paragraphs in Chapter-4 and 5 of this order while determining the variable cost and fixed cost of CESC Limited. CESC Limited shall comply with those directions.
- 9.2 The Commission also gave some directions in Chapter-5 and 8 of the tariff order for the year 2017 – 2018 as well as in paragraphs 4.2, 4.3, 4.4, 4.5, 4.6, 4.16 and 4.21 of the tariff order for the year 2016 – 2017 which shall also continue in this order. CESC Limited shall also comply with those directions.
- 9.3 In consideration of the above, the Commission further directs CESC Limited to comply with the following directions.
- 9.3.1 CESC Limited is directed to provide actual audited figure for each head of expenditure whether controllable or uncontrollable properly allocating between generation and distribution functions in their APR petition for the ensuing years and to comply with the directions given in different chapters in this order. CESC Limited may, however, submit reconciliation statement for each head of expenses necessitating any adjustment separately.
- 9.3.2 CESC Ltd. is to consider for arranging of purchase of power from different source(s) (including from exchanges) other than the existing sources having supply pattern and cost involvement/economics more favourable for consumers of CESC Ltd. Also, CESC Ltd. shall reduce its dependency on costlier thermal sources, in order to contain the rise in retail price of the consumers in future vis-a-vis supply of quality power in a better way. CESC is further directed that short term power procurements which do not require to have prior permission of the Commission in terms of regulations shall be done in terms of extant guidelines of Government of India in that regard.

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

- 9.3.3 CESC could not meet the Renewable Purchase Obligation (RPO) target as specified in WBERC (Co-generation and Generation of Electricity from Renewable Sources of Energy) Regulations, 2011 (in short 'RE Regulations') during the previous years. Achievement of CESC in this regard is much lower than the target fixed by the Commission in RE Regulation during the previous years. In different meeting with the Commission CESC has already been directed to look into the matter and to take a cohesive measure so that the RPO target is achieved. CESC is once again directed to take necessary action towards fulfilment of RPO target as specified in RE Regulations, as amended in future years failing which the Commission shall take a serious view in the matter. CESC shall appraise the Commission about the action taken and the achievements made with supportive documents within 15 (fifteen) days from the date of this order.
- 9.3.4 CESC Limited shall approach the GST authority for appropriate ruling for nil rating of GST on their captive coal consumption from their mines located within the State of West Bengal.
- 9.3.5 CESC Limited will examine requests from HEL regarding participation by the Generator in e-auction of coal in rail or RCR mode and concur such procurement strictly from marginal cost angle duly keeping the prudence of power purchase cost in mind. If road transport is involved, CESC Limited shall get assured that road transport cost is determined by HEL through a public and transparent system duly keeping in mind the schedule of rates operated in the area by the supplying Coal CPSU.
- 9.3.6 CESC Limited shall submit actual manpower and expenditures under employee cost for contracted manpower in regular establishment at generating stations in APR petitions for the years 2018 – 2019 and 2019 – 2020 with auditor's certificate and required data in Form 1.17(h), as per regulation 5.9.3 and 5.9.6 failing which

West Bengal Electricity Regulatory Commission





Tariff Order of CESC Limited for the years 2018 – 2019 and 2019 – 2020

the Commission will not consider any such expenditure in respective APR petitions.

9.3.7 CESC limited is required to submit their availability schedule of their generating stations Budge Budge and Southern to SLDC for recording and subsequent demonstration of their declared capacity as per extant regulation of this Commission. CESC shall also submit availability certificate from SLDC for recovery of capacity charges of their generating stations in APR of respective years.

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

**Sd/-
(DURGADAS GOSWAMI)
MEMBER**

**Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON**

Date: 03.02.2022

**Sd/-
Secretary**



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