



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

FOR THE YEAR 2020 – 2021 AND 2021 – 2022

IN

CASE NO: TP – 96 / 20 - 21

IN RE THE TARIFF APPLICATION OF CESC LIMITED FOR THE

YEARS 2020-2021, 2021-2022 and 2022-2023

UNDER SECTION 64(3)(a)

READ WITH SECTION 62(1) AND SECTION 62(3)

OF THE ELECTRICITY ACT, 2003

DATE: 01.08.2022



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CHAPTER - 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”), has been authorized in terms of the section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 4.2 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 It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the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 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~~ three ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time.
- 1.4 In terms of the Tariff Regulations the tariff application for the seventh control period consisting of the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 under the Multi Year Tariff (MYT) framework was required to be submitted by CESC Limited by 30.11.2019. The effective date of the seventh control period is 1st April, 2020.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 1.5 Accordingly, CESC Limited, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 under the seventh control period and submitted the same to the Commission. This tariff application was admitted by the Commission and was numbered as TP-96/20-21.
- 1.6 CESC Limited was thereafter directed by the Commission vide its letter no. WBERC/TP-96/20-21/6124 dated 14.10.2020 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 20.10.2020 in 'Bartaman' (Bengali), 'Aajkal' (Bengali), 'Sanmarg' (Hindi) and 'The Times of India' (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, stake holders and the members of the public to the application for determination of tariff of CESC Limited for the seventh control period and requested for submission of suggestions, objections and comments, if any, to the Commission within 12.11.2020. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.
- 1.7 The suggestions, objections and comments on the aforementioned application of CESC Limited for determination of tariff for the seventh 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.
- 1.8 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 2019 – 2020 to arrive at the estimated expenditure / cost under different heads for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 1.9 The estimation made for 2019 – 2020 by the Commission in this order shall not be construed by CESC Limited as admission of at least such estimated amount in APR for 2019 – 2020. 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 seventh control period as this will tantamount to imposing a penalty of infinite nature or double penalty for the same inefficiency.



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 seventh control period, covering the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 in accordance with the Tariff Regulations read with the orders issued by the Commission in Files No. SM-19/19-20 dated 28.05.2019, SM-20/19-20 dated 22.11.2019 and B-11/23 dated 28.02.2020, 31.03.2020, 30.04.2019, 01.07.2020 and 08.09.2020. The applicant has projected the ARR and tariff for 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 916 paise per unit, 895 paise per unit and 878 paise per unit for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively which is higher than the average tariff of 702 paise per unit allowed by the Commission for 2019 – 2020 plus Monthly Variable Cost Adjustment of 29 paise per unit at the time of publication of its gist for tariff petition for 2020 – 2021, 2021 – 2022 and 2022 – 2023. The applicant claimed that the average cost has been derived based on projected sales to own consumers of 8713 MU for 2020 – 2021, 9316 MU in 2021 – 2022 and 10024 MU for 2022 – 2023 respectively. The applicant has claimed that there have 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 In the tariff application several charts have been furnished by CESC Limited showing plant availability generation in their pulverized fuel generating station.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 2.4 CESC Limited has submitted that it is alive to its environmental and safety responsibilities at the same time they are simultaneously augmenting network at all levels of distribution system for ensuring security of supply.
- 2.5 It has been submitted that in achieving a robust, reliable network in Kolkata, with rising fuel cost affecting the cost of power procurement from all long term sources, increase in input costs, inflationary pressure and to ensure energy security, reliability and to sustain at present level of operational performance, it is imperative to enhance tariff adequately.
- 2.6 The present consumer base of CESC Limited, as stated, is about 33 lakh and 55% of this consumer base contributes less than 10% of their energy sale. CESC Limited further submits that they have continued providing 24x7 power supply to all its consumers during the Covid-19 lockdown despite not being able to read the consumer meters and raise bills on the actual consumption of electricity. Added to such onerous obligations, the distribution licensees are required to combat the social menace of power theft and in doing so CESC Limited has to run its theft control operation in a hostile environment, often involving physical violence. CESC Limited suggests that the same should be achieved by ensuring revenue sufficiency to meet its costs and by allowing it a return commensurate with the risks it takes.
- 2.7 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.
- 2.8 CESC Limited has submitted that they are witnessing significant growth in peak demand over the last few years. In order to maintain high demand, CESC Limited has been making substantial investments towards regular maintenance of network infrastructure. In this connection, a chart showing the growth in demand including projected demand for the seventh control period has been submitted along with the petition.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 2.9 CESC Limited also submitted COVID-19 pandemic has major adverse impact on the CESC system leading to substantial reduction in demand system and it is difficult to quantify the time it will take for normalcy to return.
- 2.10 CESC Limited has submitted their performance on the basis of achieved PAF and claimed that they have succeeded in maintaining the PAF of its generating stations at the highest levels and PLF to the extent found cost effective in the consumers' interest. The Company has submitted annual report on standards of performance relating to consumer services to the Commission in terms of applicable regulations.
- 2.11 CESC Limited has submitted that while the company has handled the pressure well in the past through sustained performance improvement, the same impacted the Company adversely.
- 2.12 CESC Limited has informed that a new scheme named "Hasir Alo", announced by Government of West Bengal (GoWB) in March 2020, has been implemented in terms of the order of the Hon'ble Commission dated 21 March 2020 in Case No. A-6/14/G.O. Under the scheme, full subsidy (including meter rent) is to be provided to the "Lifeline Domestic" consumers with connected load upto 0.3 kW having quarterly consumption of 75 Units or monthly consumption of 25 Units. The scheme is effective from 1 April 2020 on prevailing tariff till further order of the GoWB. The resultant shortfall of the licensee shall be compensated upfront by the GoWB in terms of Section 65 of the Electricity Act, 2003.
- 2.13 It has been claimed that performance for the generating stations regarding Plant Availability Factor (PAF) merits incentivisation as granted to other generating companies. 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



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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. 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 effective 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 endeavoured to procure power from other renewable and cogeneration sources through diligent efforts.

- 2.14 The tariff applicant has, in conclusion, prayed for (a) confirmation of the Aggregate Revenue Requirement for the years 2020-21, 2021-22 and 2022-23 as contained in the Annex 1 and granting commensurate tariff 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) Allowing tariff impact for FGD installation in Budge Budge generating, in line with petition before the Commission, if found appropriate (h) early disposal of the petition (i) inclusion of the amount yet to be recovered through past / future orders issued by the



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Commission in determination of the tariff and (j) passing of such further order or orders as the Commission may deem fit and proper.



CHAPTER – 3 OBJECTIONS, COMMENTS, ETC.

- 3.1 Suggestions, objections and comments on the tariff application of CESC Limited for the seventh control period covering the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 received within 12.11.2020 i.e., the due date, from the persons are mentioned in paragraph 1.8 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 seventh 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 January, 2017 till date which is not legally valid and is erroneous. The issue of MVCA is inconsistent with the section 62(4) of the Electricity Act, 2003 and therefore the tariff proposal should not be entertained by the Commission so long the huge sum of money taken by CESC Limited from its consumers on the plea of MVCA since January, 2017 is refunded to the consumers. However, ABECA has referred to an observation of the Commission made in tariff order for the year 2015 – 2016 in respect of CESC Limited which reads as follows:
- “It appears that the Distribution Licensee and the Generating Company have failed to understand the true spirit of introducing the MVCA and MFCA and they are not considering the eligible cost in computation of their MVCA or MFCA as per the formula specified in the tariff regulation properly”

The Commission noted the contention of ABECA.

- ii) CESC Limited has projected average project cost for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 as 916.00 paise per unit, 895.00 paise per unit and 878.00 paise per unit respectively based on the average cost of supply for the year 2019 – 2020. CESC is manipulating in projection of annual average growth in sales volume and consequently in revenue requirement which is evident from the tariff order dated 28.10.2016 wherein it was revealed that projection of annual growth rate of sale was in excess to the tune of 2.07%. This kind of act lead to huge excess collection of tariffs from the consumers. Therefore, ABECA objected the tariff hike, as projected by CESC Limited.

The Commission noted the contents. The sales volume is dealt in para 4.2 and average tariff in Chapter-6.

- iii) ABECA objected the tariff proposal of CESC Limited for the years under seventh control period for the reasons that proposed tariff will be determined on the basis of actual audited data for the preceding three years and the trend of increase or decrease in the growth rate during that three years. Whereas, it is observed that CESC Ltd is not following this principle properly as a result of which the huge amount of money taken by CESC Ltd on the basis of fictitious projection of ARR.

The Commission noted the contents

- iv) ABECA objected unnecessary legal expenses being carried out by CESC Limited for opposing the order, issued by the Commission, in the appellate tribunal, which in turn realized from the consumers through revenue requirement.

The Commission noted the contents and the issue is dealt in para 5.5.2.6.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- v) ABECA submitted that the Commission in its tariff order dated 28.10.2016 directed CESC Limited to reduce the distribution cost by Re. 1.00 per unit, technical loss by 4% and commercial loss below 2%, which lead to reduction in tariff. But, CESC Ltd in the present tariff proposal proposed tariff hike by Rs 2.14 for the year 2020 – 2021 and little less amounts in the subsequent two years. This is a clear violation of the directions of the Commission. Accordingly, ABECA opposed the Tariff proposal of CESC Ltd.

The Commission noted the contents and the issue is dealt in para 4.5.

- vi) ABECA has raised their objection in regard to enhancement in tariff on the plea of abnormal situation during pandemic COVID-19 with justification that National Grid has granted Rs. 1076.00 crores to the DISCOMS in order to reduce power tariff for the consumers considering the fact that during pandemic situation, the people of the country has lost their earning due to lock down.

The Commission noted the contents and the issue is dealt in para 5.28.

- vii) ABECA submitted that due to COVID-19 pandemic situation, the administrative cost was very low. But, CESC Limited has shown a progressive increase on this account during the periods 2017 – 2018 and 2022 – 2023, which appears to be inflated. Therefore, ABECA opposed the proposal of CESC Limited for enhancement of tariff.

The Commission noted the contents and the issue is dealt in para 5.5.2.6.

- viii) ABECA has denied the reasons, as mentioned by CESC Limited in their tariff petition for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 G7 has been allowed to Rs. 4811.30 per tonne, Rs 4350.85 per ton, Rs. 3089.80 per ton and Rs. 2703.40 respectively instead of Rs. 3000.00 per tonne, Rs. 2737.00 per tonne, Rs. 2317.00 per tonne and Rs. 1926.00 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.

The Commission noted the contents and the issue is dealt in para 4.8.5.

- ix) According to ABECA, the price of coal in the year 2016 – 2017 was reduced by 40%, GST was reduced by 7% and commercial Loss was reduced by 2%. Hence the Tariff and the Revenue Requirement of the CESC Ltd should be reduced by 50% instead of increase as has been proposed by them for 2020-21, 2021-22 and 2022-23. On the contrary, the excess amount realised from the consumers from 2016-17 onwards should be refunded to the consumers. So, the question should be not for enhancement but for reduction of power tariff.

The Commission noted the contents and the issue is dealt in para 6.5.

- 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.

- 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. But at this stage such matter is not considered. This will be taken up in due course after taking the public opinion at large

- 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 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.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- vi) GNS recommended immediate adoption of gross metering or net billing as this benefits all consumers falling solar tariff, rather than restricting the benefit to bigger consumers.

The Commission noted the recommendation and shall look into the possibility of implementing the proposal at the time of determination of the tariff order.

- vii) GNS stated expressed their appreciation for not claiming any cost for the New Cossipore Plant of the company which was incurring higher cost as well as causing higher pollution. It is necessary in the consumers' interest that CESC adopt same practice for Titagarh Plant also as it has long served its useful life. Further, GNS appreciated the order of the MoEF&CC for installation of FGD as per specified guidelines and time in the such stations 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.

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

- viii) 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. GNS also appreciated extensive repair and rebuilding became necessary after the super cyclone Amphan. The network cost should also be allowed after prudence check. GNS has no objection in allowing incentives where good work has been and the norms of the Commission is bettered.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

The contention of GNS is noted.

- ix) 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. GNS strongly recommended power export in off-peak period at low charge.

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.

- x) According to GNS many of the consumers are forced to arrange for alternative power sources like own generators, inverter 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 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

- xi) 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.

- xii) 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.

- xiii) 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.
- xiv) 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.
- xv) 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.

- xvi) 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 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.
- xvii) 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 (XVII) above.

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

The Commission noted the contention.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- xix) GNS suggested that the interest of all stakeholders need to be balanced. The instant tariff petition is for three years out of which one year has already passed through pandemic situation. 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.

Noted the contention of GNS.

- 3.4 The Commission, therefore, is passing the instant tariff order for CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 to the advertisements published in newspapers inviting suggestions and objections on the petition filed by CESC Limited.

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 The sales projection of CESC has been discussed in their ARR application. The estimation of energy demand has been based on the following principles. Sales estimation for each month of 2020 – 21, impacted due to Covid-19, has been done by applying anticipated drop on system energy as experienced till July 2020 and the trend for balance months of the year 2020 – 21 whereas sales projections for 2021 – 22 and 2022 – 23 have been made considering that the Covid-19 induced demand contraction will get normalized by the third ensuing year i.e. 2022 – 23 for majority of categories based on present indications of consumer behaviour excepting commercial categories for which 75% of growth rate for other categories have been envisaged. The applicant has submitted the break-up of category-wise actual consumptions from 2015-16 to 2019-20 and the projections for 2020 – 21, 2021 – 22 and 2022 – 23. It has also shown sales of its power to WBSEDCL in a very limited way. CESC Limited also consumes power in his own premises. Accordingly, projected figures of supply are as follows:

Figures in MU

Sl. No.	Category of Supply	Projection		
		20-21	21-22	22-23
1	Sale to Consumers	8713	9316	10024

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Category of Supply	Projection		
		20-21	21-22	22-23
2	Sale to WBSEDCL	8	8	8
3	Consumption in own Premises	40	40	40
4	Total (1 + 2 + 3)	8761	9364	10072

The Commission has noted from the Charts on the movement of sales of different category of consumers that the declining trend till July 2020 due to lockdown impact has been envisaged throughout the year 2020 – 2021 whereas the energy requirement in the country has improved after the start of unlock. ABECA has also objected the projection of annual average growth in sales volume. The Commission finds that the projection of sales to consumers for 2020 – 2021 is at lower side considering the actual sale to consumers of CESC in 2019 – 2020 in petition, energy requirement of the country in 2019 – 2020 and 2020 – 2021 available in the website of Ministry of Power (MOP).

The Commission has considered 8930 MU as Sale to consumers for the year 2020 – 21 as available in the Annual Report of CESC for the respective year subject to truing up in APR. The Sales estimation to consumers of 2021 – 2022 and 2022 – 2023 are considered as projected. Thus, the sales projection and admission for the seventh control period are as follows:

(MU)

Sl. No	Category of Supply	Projected			Admitted		
		20-21	21-22	22-23	20-21	21-22	22-23
1	Sale to Consumers	8713	9316	10024	8930	9316	10024
2	Sale to WBSEDCL	8	8	8	8	8	8
3	Consumption in own Premises	40	40	40	40	40	40
4	Total (1 + 2 + 3)	8761	9364	10072	8978	9364	10072

4.3 Sources of Energy:

4.3.1 The Commission is now to view the sources of energy requirements of CESC Ltd to meet its supply obligations to its consumers and to effect the projected

quantum of export, if any. 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 and rest from short term arrangement / power exchange, termed as 'supplemental' but any purchase from renewable and co-generation sources is not projected for all the years of seventh control period. The source wise energy projection and admission is discussed in subsequent paragraphs.

4.4 Sent Out from Own Generating Station:

(MU)

Generation by Generating Stations of CESC Limited in MU for 2020 – 21, 2021 – 22 and 2022 – 23						
Power Station	As proposed			As Admitted		
	Generation	Aux	Net	Generation	Aux	Net
2020 – 21						
Budge Budge (750 MW)	5322	479	4843	5321.70	478.95	4842.75
Southern (135 MW)	94	29	65	946.08	85.15	860.93
Titagarh	0	0	0	0.00	0.00	0.00
Total	5416	508	4908	6267.78	564.10	5703.68
2021 – 22						
Budge Budge (750 MW)	5385	485	4900	5387.40	484.87	4902.53
Southern (135 MW)	105	26	79	946.08	85.15	860.93
Titagarh	0	0	0	0.00	0.00	0.00
Total	5490	511	4979	6333.48	570.02	5763.46
2022 – 23						
Budge Budge (750 MW)	5420	488	4932	5420.25	487.82	4932.43
Southern (135 MW)	115	32	83	946.08	85.15	860.93
Titagarh	0	0	0	0	0	0
Total	5535	520	5015	6366.33	572.97	5793.36

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 discussed in para 4.2. Accordingly, the distribution loss for 2020 – 21, 2021 – 22 and 2022 – 23 as admitted by the Commission is shown in the following table:

Distribution Loss for 2020 – 21, 2021 – 22 and 2022 – 23						
Particulars	Proposed			Admitted		
	20-21	21-22	22-23	20-21	21-22	22-23
Sales (MU)	8761	9364	10072	8978	9364	10072
Normative Distribution Loss (%)	14.3	14.3	14.3	14.3	14.3	14.3
Loss (MU)	1462	1563	1680	1498.08	1562.49	1680.63

4.6 Purchase of Power:

4.6.1 CESC Limited has not projected purchase of power from Solar, Renewable other than solar and Co-generation for the control period in Form 1.6(A). The licensee has stated that future power procurement decisions would be marked with several impediments, case specific decisions on supplemental imports for the ensuing years will be taken based on demand contraction due to Covid 19, relative economics, RPO compliance, network constraints, maintaining load generation balance and meeting exigencies etc. and Actual figures shall be furnished with respective APR petitions in terms of relevant regulations. However, the Commission considers purchase of power from Solar and Renewable other than solar. The quantum of energy purchase in MU from Solar, Renewable other than solar and Co-generation should not be construed as giving clearance by WBERC of meeting out the obligation on purchase from renewable and co-generation sources of energy in full. Keeping Solar, Renewable other than solar as must run, energy procurement from own generation, HEL and supplemental sources is judged on merit order basis and projected purchase from supplementary sources are curtailed. The quantum of purchase from HEL is admitted by the Commission at 3803.00 MU, 3833.00 MU and 3863.00 MU for

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

the years 2020 – 2021, 2021 – 2022, 2022 – 2023 respectively for the years 2020 – 21, 2021 – 22 and 2022 – 23 respectively as projected by CESC Limited. The power purchase quantum against supplementary purchase from other sources is admitted as shown in table in subsequent para.

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.

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 2020 – 2021, 2021 – 2022 and 2022 – 2023						
Particulars	Proposed			Admitted		
	20-21	21-22	22-23	20-21	21-22	22-23
Haldia Energy Limited	3803	3833	3863	3803.00	3833.00	3863.00
supplementary sources	1492	2099	2853	969.40	1330.03	2096.27
Total	5295	5932	6716	4772.40	5163.03	5959.27

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 years 2020 – 2021, 2021 – 2022 and 2022 – 2023:

ENERGY BALANCING FOR CESC LIMITED					
Sl. No	Particulars	UNIT	20-21	21-22	22-23
1	Generation from Existing Units	MU	6267.78	6333.48	6366.33
2	Aux Energy Consumption of existing units	MU	564.10	570.02	572.97

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

3	Ex-bus Generation [(3) = (1) – (2)]	MU	5703.68	5763.46	5793.36
4	Energy Purchased from WBSEDCL	MU	0.00	0.00	0.00
5	Energy Purchased from HEL	MU	3803.00	3833.00	3863.00
6	Energy Purchase from RE and Supplementary	MU	969.40	1330.03	2096.27
7	Energy at input of CESC [(3) to (6)]	MU	10476.08	10926.49	11752.63
8	Unit Sold To Consumers	MU	8930.00	9316.00	10024.00
9	Unit Sold to WBSEDCL in radial mode	MU	8.00	8.00	8.00
10	Unit Utilized in Own Premises	MU	40.00	40.00	40.00
11	Target Norms of Distribution loss	%	14.30	14.30	14.30
12	Normative T & D loss on (8+9+10) as per rate of (11)	MU	1498.08	1562.49	1680.63

4.8 Fuel Cost:

4.8.1 An examination of the projected fuel cost claimed by CESC Limited for the ensuing year 2020 – 2021, 2021 – 2022 and 2022 – 2023 of the seventh 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	2020 – 21	2021 – 22	2022 – 23
Budge Budge	122167	124291	125421
Southern	2984	3461	3854

4.8.3 In the tariff application for the seventh 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, and other statutory documents read with order dated 28.10.2016 by the Commission. This is noted that while proposing fuel cost for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 under the seventh control period, CESC Limited has envisaged slight price decrease in average price of coal from 2019 – 2020 but average price



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

of oil is kept same at the level of 2019 – 20 in projections for 2020 – 2021, 2021 – 2022 and 2022 – 2023.

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.

4.8.5 While determining the average price of coal and average price of oil for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 of the seventh control period, 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, and prevailing oil price. A number of statutory levies, cess, duties, freight and other associated charges have been made applicable prevailing as on 1st August, 2020. Impact of assurance of supply quantity attracts higher charges as per Fuel Supply Agreement with CIL which will be submitted during the Annual Performance Review petition of the relevant year. The petitioner has not projected any imported coal.

ABECA has objected [Sl. No (viii)-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-11 of this tariff petition for 2020 – 2021 to 2022 – 2023, 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 with supporting Notifications in Vol-11 and admitted as applicable. If any differential



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

amount on this head is to be recovered from petitioner it will be done through APR/FPPCA as per Tariff regulations.

CESC Limited has stated that for captive coal, Rs 2280.00 /MT shown in Form D includes reserve price and additional premium but guided by the Statutory documents and the Tariff Order dated 28 October 2016, Rs. 229 Crores have been netted off from fuel cost (Rs. 900.37 per tonne basic price plus Rs. 370 per tonne Additional Premium). The captive coal from Sarisatolli is of G11 grade. 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. 900.37 /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 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:

(Rs/MT)

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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, projected cost of Rs 3257 /MT is provided by CESC Ltd in Form D(a) to (e) and mentioned that washed coal has been estimated at yield of 70% and inclusive of washing charges. Continuing the methodology in tariff order for sixth control period, 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 1288.11 /MT ($634.27 \div 0.70 + 382$) for all the years of seventh control period. 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 2020 – 2021, 2021 – 2022 and 2022 – 2023.

- 4.8.7 The Commission has noted that the price of coal as per the CIL notifications as mentioned in paragraph 4.8.5 above and all necessary charges, levies, duties and cess etc. prevalent in 2019 – 2020 have remained same. Therefore, the commission considers grade wise admitted coal price of 2019 – 2020 in the tariff order of sixth control period for the seventh control period also. For G4 grade coal from ECL, Rs 4552.31 /MT including Rs 3000.0 /MT of notified Base price was admitted for the year 2019 – 2020 in the tariff order for sixth control period

for linkage coal. In the instant petition, in addition to linkage coal of G4 Grade from ECL, e-Auction coal of same grade and source is projected considering 12% premium over reserve price as per CIL notification. The Commission has considered Rs 4912.3 /MT ($4552.31 + 3000 \times 12\%$) for such auction coal instead of projected Rs 5027.0 /MT. However, any major variation in fuel price in subsequent period will be adjusted through Monthly Variable Cost Adjustment (MVCA) as per provision made in the Tariff Regulations.

4.8.8 CESC Limited has stated that circular by Ministry of Railways notified on 9 January 2018, new freight rates introduced without any seasonal distinction, effectively increased the freight cost which has been further revised vide Rates Circular No. 19 of 2018 dated 31 October 2018 resulting substantial overall increase in landed cost of coal due to these changes. Terminal Charge at Rs. 20 per tonne introduced vide Ministry of Railways Notification dated 27 December 2018, levied on traffic handled by the Railways has consequently increased the overall freight charges, submitted by the petitioner. As per petitioner, e-auction coal being often sourced from far-away mines, the procurement also is riddled with issues of logistics and use of roadways is frequently needed to be taken up. However, the Commission has noted that the utility has not projected Transportation charges by road transport for auction coal or any other coal.

4.8.9 In view of zero escalation in rail freight after 2019 – 2020, the Commission considers to limit rate of total transportation cost for 2020 – 21, 2021 – 22 and 2022 – 23 upto the admitted coal transportation rate of 2019 – 2020 in tariff order for sixth control period in Case No. TP-77.

As per regulation 5.8.2 of no demurrage charges of railway rakes shall be allowed except such demurrage charges not attributable to generating company and sufficient measures to avoid the occurrence of any demurrage was taken by the company. The Commission does not allow any demurrage charges at tariff determination stage and such charges will be considered in FPPCA petition of respective years as per regulation.



सत्यमेव जयते



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

4.8.10 This is derived from Form-D that the projected weighted average coal transportation cost (all charges other than 'Amount charged by coal company') of Budge Budge is Rs 904.88 per MT, Rs 906.23 per MT and Rs 907.12 per MT for the years 2020 – 21, 2021 – 22 and 2022 – 23 respectively including Rs 820 per MT for Transportation charges by rail (average of three years), Rs 48.25 per MT for Handling, sampling and such other similar charges (average of three years), Rs 4.5 per MT for Demurrage Charges and Rs 33.2 per MT for 'Railway charges relating to siding, track maintenance'. Transportation charges by road transport is not projected. The demurrage and 'Railway charges relating to siding, track maintenance' are projected same for all sources and all the years of the control period whereas Handling, sampling and such other similar charges varies from Rs 18 per MT for captive coal to Rs 110 per MT for CCL e-auction coal. Transportation charges by rail varies from Rs 740 per MT for captive coal to Rs 1170 per MT for e-auction coal from CCL. Transportation cost of Rs. 781.62 per M.T including Demurrage charge of Rs 3.0 per MT was admitted for the year 2019 – 2020 in tariff order of the Commission for sixth control period. As decided in previous paragraphs, transportation costs are admitted for all the years of seventh control period as per admitted transportation cost for the year 2019 – 2020 less demurrage charge @ Rs 778.62 per MT (781.62 – 3.00).

4.8.11 This is derived from Form-D that the projected weighted average coal transportation cost of Southern for all the years is Rs. 933.00 per MT including Rs 757.0 per MT for 'Transportation charges by rail', Rs 4.0 per MT for 'Demurrage Charges', Rs 56.0 per MT for 'Handling, sampling and such other similar charges' and Rs 116.0 per MT for 'Railway charges relating to siding, track maintenance, KoPT charges etc.' Transportation charges by road transport is not projected. Transportation cost of Rs. 800.00 per M.T including Demurrage charge of Rs 2.0 per MT was admitted for the year 2019 – 2020 in tariff order of the Commission for sixth control period. As decided in previous paragraph, Transportation cost of Rs. 798.00 per M.T (Rs 800.0 per MT – Rs 2.0 per MT for Demurrage charge) is admitted for all the years of seventh control period.

4.8.12 The projected vis-à-vis admitted rate of the components of cost of coal - amount charge by the coal company, Handling & Sampling etc and transportation cost are shown in Annexure-4A.

4.8.13 The grade mixing of coal from different sources as derived from Form D of the petition has been considered. Hence, based on the decisions taken in above paragraphs, the average oil price and the average coal price considered for the power stations of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 are summarized below:

Power Station	Average Coal Price in Rs./MT			Average Oil Price in Rs./KL for the		
	20-21	21-22	22-23	20-21	21-22	22-23
Budge Budge	3302.25	3193.61	3199.12	47801.00	47801.00	47801.00
Southern	4945.91	4996.70	5001.76	51941.62	51941.62	51941.62

Detailed computation of coal price for years 2020 – 2021, 2021 – 2022 and 2022 – 2023 has been given in the enclosed table at Annexure 4C to this chapter for the respective generating station

4.8.14 Heat value of oil as 9563 Kcal/lit and 9624 Kcal/lit for Budge Budge and Southern generations stations respectively has been considered as proposed by CESC Limited which is kept same as per the actual value of 2019 – 2020 as per petition. The grade mix of coal derived from Form-D has been considered. CESC Limited has projected 'GCV as billed' and the 'GCV as received' for energy charge computation for different grades of coal for all the years as follows:

GCV of Budge Budge (kCal/Kg)

Source	Grade	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade
ECL(FSA)	G4	6101	4788	4908	6100
ECL(FSA)	G5	5801	4360	4480	5800

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Source	Grade	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade
ECL(FSA)	G7	5201	4250	4370	5200
ECL(FSA)	G8	4901	3917	4037	4900
BCCL(FSA)	WIV	4213	4213	4333	4450
Captive ROM	G11	4175	3511	3631	4000
Captive Washed	G10	4000	3601	3721	4300
BCCL(Auction)	WIV	4250	4040	4160	4450
CCL(Auction)	G11	4001	2818	2938	4000
ECL(Auction)	G4	6101	4680	4800	6100

GCV of Southern

Source	Grade	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade
ECL(FSA)	G4	6101.00	4788	4908	6100
ECL(FSA)	G5	5801.00	4360	4480	5800
ECL(FSA)	G8	4901.00	3917	4037	4900

This is derived that prior to deducting the allowed 120 kCal/Kg the difference between projected "as billed" and projected "as received" heat values are huge and derived 'as received GCV' considered by CESC Limited is much lower than the minimum notified value of respective coal grade. The petitioner has stated that coal bills are required to be raised by coal suppliers on the basis of pre-declared grade of the mine and representative (but not selective) sampling but in absence of adequate independent review by authorities on coal grade declaration for mines by CIL, there might be significant difference between "as billed" and "as received" heat values. The Commission finds it reasonable to limit the 'as received GCV' value at least to the minimum notified GCV for

the respective grade. The weighted average 'as received GCV' of coal so determined is reduced by 120 kCal/Kg to arrive at GCV for computation of energy charge. CESC Limited is directed to arrange for measuring GCV of coal through third party sampling in terms of fourth proviso of regulation 5.8.2 of the Tariff Regulations and also submit a report along with the APR petition of respective years.

The Commission determined average heat value of coal, based on allocation of different grades of coal submitted by CESC Limited in form D of the tariff petition, Tariff Regulation 1.2.1(lxa), 5.8.4(1), para 3.1.4 (i) and above para. Heat Values of coal and oil admitted by the Commission are summarized below with detail calculation in Annexure-4B:

Power Station	Heat value of coal in Kcal/Kg					
	As proposed			As admitted		
	20-21	21-22	22-23	20-21	21-22	22-23
Budge Budge	3828	3830	3831	4543.13	4545.45	4543.61
Southern	4555.00	4555.00	4555.00	5749.23	5749.23	5749.24

4.8.15 Sale from washery rejects

Revenue earned from sale of washery rejects is not shown by CESC Limited in the instant petition. However, this is found 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, that the washery rejects is sold at Rs 375 per MT in 2019 - 2020 for Budge Budge generating stations. The earnings from sale of washery rejects is considered by the Commission as under for adjustment with the fuel cost of Budge Budge for 2020 – 2021, 2021 – 2022 and 2022 - 2023 as shown in Annexure – 4D.

Sl.	Particulars	Unit	20-21	21-22	22-23
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Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

No.					
1	Sale Price of Washery rejects	Rs/MT	375	375	375
2	% of Yield by washing	%	70%	70%	70%
3	Admitted quantity of Captive Wash coal	MT	691691.28	692195.67	692273.05
4	Quantity of rejects	MT	296439.12	296655.29	296688.45
5	Revenue earned from sale of rejects (1 x 4)	Rs lakh	1111.65	1112.46	1112.58

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.

4.8.16 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 4D enclosed to this chapter.

4.8.17 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		
	20-21	21-22	22-23	20-21	21-22	22-23
Budge Budge	122167.00	124291.00	125421.00	97976.37	95961.02	96753.91
Southern	2984.00	3461.00	3854.00	24647.33	24889.82	24913.96

4.9 Cost of Power Purchase:

4.9.1 CESC Limited has projected the cost of power purchase for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 under the seventh control period as follows:

Sl. No.	Sources	20-21		21-22		22-23	
		MU	Rs in lakh	MU	Rs in lakh	MU	Rs in lakh

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Sources	20-21		21-22		22-23	
		MU	Rs in lakh	MU	Rs in lakh	MU	Rs in lakh
1	HEL	3803	215421	3833	216310	3863	217197
2	Cogeneration and Non-Solar RE	0	0	0	0	0	0
3	Solar	0	0	0	0	0	0
4	Supplemental	1492	53292	2099	79030	2853	102773
	Total	5295	268713	5932	295340	6716	319970

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:

(Rs lakh)

Sl. No	Source	2020-21			2021-2022			2022-23		
		Projected Fixed charges	Projected Energy charges	Projected other charges including MVCA	Projected Fixed charges	Projected Energy charges	Projected other charges including MVCA	Projected Fixed charges	Projected Energy charges	Projected other charges including MVCA
1	HEL	88586	106571	20264	88586	107413	20311	88586	108254	20357
2	Non Solar RE	0	0	0	0	0	0	0	0	0
3	Solar	0	0	0	0	0	0	0	0	0
4	Supplemental	0	48124	5168	0	70021	9009		89712	13061
	Total	88586	154695	25432	88586	177434	29320	88586	197966	33418

4.9.2 While projecting the cost of power purchase for the years under seventh 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 years 2020 – 2021, 2021 – 2022 and 2022 – 2023.

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

(Rs/unit)

Sl. No	Source	20 – 21			21 – 22			22 – 23		
		Fixed charges	Energy charges	other charges including MVCA	Fixed charges	Energy charges	other charges including MVCA	Fixed charges	Energy charges	other charges including MVCA
1	HEL	2.33	2.80	0.53	2.31	2.80	0.53	2.29	2.80	0.53
2	Non Solar RE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Supplemental	0.00	3.23	0.35	0.00	3.34	0.43	0.00	3.14	0.46

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 per Tariff Order of HEL generating station of the seventh control period for the respective years of the seventh control period of CESC Limited without considering the MFCA as projected 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 2020 – 2021, 2021 – 2022 and 2022 – 2023 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



सत्यमेव जयते

**Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023**

HEL in Tariff Order of HEL generating station for the seventh control period, the energy charge is admitted @ 245.0 p/kwh for 20 – 21 and 21 – 22 and 255.0 p/kwh for 22 – 23 instead of 280.00 p/kwh projected by the petitioner for all the years of seventh control period. 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 seventh control period has already been issued on 25.06.2021, 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 annual payable charge as per the tariff Order of HEL 400kv Transmission system, for the seventh control period, 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 25.06.2021. The determination is as follows:

Admitted Power Purchase Cost from HEL				
Sl. No.	Particulars	20 – 21	21 – 22	22 – 23
1	Energy Purchase (MU)	3803.00	3833	3863
2	Energy Charge Rate (p/kwh) considering 1.0% Transmission Loss over Energy Charge of HEL Tariff Order for 7 th Control period	245	245	255
3	Energy Charge (Rs lakh) [1 x 2]	93174.00	93909.00	98507.00
4	Fixed Charge (Rs Lakh) of HEL Generating Station	76271.13	66429.57	65861.53
5	Fixed Charge (Rs lakh) of HEL dedicated Transmission System	7794.31	7666.40	7954.99
6	STU Charges (Rs lakh) as per WBSETCL Tariff Order dt 25.06.2021	3241.13	3391.66	3441.32
7	SLDC Charge (Rs lakh) @0.5 p/kwh on HEL Ex-bus energy considering 1.0% Tr. Loss	192.00	194.00	195.00
8	Total (Rs lakh) [3:7]	180672.57	171590.63	175959.84

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 2020 – 2021, 2021 – 2022 and 2022 – 2023. 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 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 CESC Limited has projected the cost of purchase of supplementary power including transmission charge, SLDC charge and other charges @ 357.18 paise / kWh, 376.51 p/kwh and @ 360.23 paise / kWh for the year of 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively under seventh control period. The licensee has stated that power purchase cost has been furnished in accordance with prevailing rates charged by the sellers, taking due cognisance of the rate emanating from the Power Purchase Agreement (PPA) through DEEP Portal under Section 63 of the Electricity Act, 2003, in compliance with the directive of the Commission dated 2 March 2020 and 15 June 2020 in Case No. TP-72/16-17-COMPLIANCE and associated costs computed, in accordance with the method and principle adopted by the Commission in relevant Regulations. The Commission admits supplemental power purchase rate @ 357.18 paise / kWh, 376.51 p/kwh and @ 360.23 paise / kWh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively as projected by CESC Limited. The same rate is considered for renewable sources by the Commission.

4.9.4 The power purchase costs of CESC Limited for the quantum of power admitted under paragraph 4.6.3 of this order for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 2020 – 2021						
Source	Energy (MU)	Capacity charge	Energy charge and	Energy charge	Transmission charges for	Total Cost (Rs Lakh)

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

		(Rs Lakh)	other charges (P/Unit)	and other charges (Rs Lakh)	evacuation of HEL power (Rs Lakh)	
Haldia Energy Limited	3803.00	76271.13	245.00	93174	11227	180672.57
Renewable, Supplemental	969.40	0.00	357.18	34625	0	34625.00
Total	4772.40	76271.13		127799	11227	215297.57

Power Purchase Cost as admitted by the Commission for 2021 – 2022

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	3833.00	66429.57	245.00	93909.00	11252.06	171590.63
Renewable, Supplemental	1330.03	0.00	376.51	50077.00	0.00	50077.00
Total	5163.03	66429.57		143986.00	11252.06	221667.63

Power Purchase Cost as admitted by the Commission for 2022 – 2023

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	3863.00	65861.53	255.00	98507.00	11591.31	175959.84
Renewable, Supplemental	2096.27	0.00	360.23	75514.00	0.00	75514.00
Total	5959.27	65861.53		174021.00	11591.31	251473.84



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2020 – 2021 (Rs/MT)

Source	Grade	PROJECTED BY CESC						ADMITTED BY THE COMMISSION					
		Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint.	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint	Total cost of coal supplied
ECL(FSA)	G4	4531.0	56.0	757.0	4.5	33.2	5381.7	4531.0		778.6			5309.6
ECL(FSA)	G5	4193	56.0	760.0	4.5	33.2	5046.7	4193.0		778.6			4971.6
ECL(FSA)	G7	3156	56.0	757.0	4.5	33.2	4006.7	3156.0		778.6			3934.6
ECL(FSA)	G8	2723	56.0	757.0	4.5	33.2	3573.7	2596.5		778.6			3375.1
BCCL(FSA)	WIV	3739	58.0	882.0	4.5	33.2	4716.7	3526.0		778.6			4304.6
Captive ROM	G11	2280.0	18.0	740.0	4.5	33.2	3075.7	634.3		778.6			1412.9
Captive Washed	G10	3257.0	18.0	740.0	4.5	33.2	4052.7	1288.1		778.6			2066.7
BCCL(Auction)	WIV	4230.0	60.0	900.0	4.5	33.2	5227.7	3812.0		778.6			4590.7
CCL(Auction)	G11	2086.0	110.0	1170.0	4.5	33.2	3403.7	2079.1		778.6			2857.7
ECL(Auction)	G4	5027.0	70.0	808.0	4.5	33.2	5942.7	4912.3		778.6			5690.9



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2021 – 2022 (Rs/MT)

Source	Grade	PROJECTED BY CESC						ADMITTED BY THE COMMISSION					
		Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint.	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint	Total cost of coal supplied
ECL(FSA)	G4	4531.0	56.0	757.0	4.5	33.2	5381.7	4531.0		778.6			5309.6
ECL(FSA)	G5	4193	56.0	760.0	4.5	33.2	5046.7	4193.0		778.6			4971.6
ECL(FSA)	G7	3156	56.0	757.0	4.5	33.2	4006.7	3156.0		778.6			3934.6
ECL(FSA)	G8	2723	56.0	757.0	4.5	33.2	3573.7	2596.5		778.6			3375.1
BCCL(FSA)	WIV	3739	58.0	882.0	4.5	33.2	4716.7	3526.0		778.6			4304.6
Captive ROM	G11	2280.0	18.0	740.0	4.5	33.2	3075.7	634.3		778.6			1412.9
Captive Washed	G10	3257.0	18.0	740.0	4.5	33.2	4052.7	1288.1		778.6			2066.7
BCCL(Auction)	WIV	4230.0	60.0	900.0	4.5	33.2	5227.7	3812.0		778.6			4590.7
CCL(Auction)	G11	2086.0	110.0	1170.0	4.5	33.2	3403.7	2079.1		778.6			2857.7
ECL(Auction)	G4	5027.0	70.0	808.0	4.5	33.2	5942.7	4912.3		778.6			5690.9



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF BUDGE BUDGE FOR 2022 – 2023 (RS/MT)

Source	Grade	PROJECTED BY CESC						ADMITTED BY THE COMMISSION					
		Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint.	Total cost of coal supplied	Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding Track Maint	Total cost of coal supplied
ECL(FSA)	G4	4531.0	56.0	757.0	4.5	33.2	5381.7	4531.0		778.6			5309.6
ECL(FSA)	G5	4193	56.0	760.0	4.5	33.2	5046.7	4193.0		778.6			4971.6
ECL(FSA)	G7	3156	56.0	757.0	4.5	33.2	4006.7	3156.0		778.6			3934.6
ECL(FSA)	G8	2723	56.0	757.0	4.5	33.2	3573.7	2596.5		778.6			3375.1
BCCL(FSA)	WIV	3739	58.0	882.0	4.5	33.2	4716.7	3526.0		778.6			4304.6
Captive ROM	G11	2280.0	18.0	740.0	4.5	33.2	3075.7	634.3		778.6			1412.9
Captive Washed	G10	3257.0	18.0	740.0	4.5	33.2	4052.7	1288.1		778.6			2066.7
BCCL(Auction)	WIV	4230.0	60.0	900.0	4.5	33.2	5227.7	3812.0		778.6			4590.7
CCL(Auction)	G11	2086.0	110.0	1170.0	4.5	33.2	3403.7	2079.1		778.6			2857.7
ECL(Auction)	G4	5027.0	70.0	808.0	4.5	33.2	5942.7	4912.3		778.6			5690.9



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 4A

ADMITTED COST OF COAL AND TRANSPORTATION COST OF SOUTHERN FOR 20 – 21, 21 – 22 AND 22 – 23 (RS/MT)

Source	Grade	PROJECTED BY CESC						ADMITTED BY THE COMMISSION					
		Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding, Track Maint, KoPT	Rate Charged for coal including transportation	Amount charged by coal company	Handling, sampling, etc.	Transportation cost	Demurrage Charge	Rly Sliding, Track Maint, KoPT	Rate Charged for coal including transportation
2020 – 21													
ECL(FSA)	G4	4531.0	56.0	757.0	4.0	116.0	5464.0	4531.0		798.0			5329.0
ECL(FSA)	G5	4193	56.0	757.0	4.0	116.0	5126.0	4193.0		798.0			4991.0
ECL(FSA)	G8	2723	56.0	757.0	4.0	116.0	3656.0	2596.5		798.0			3394.5
2021 – 22													
ECL(FSA)	G4	4531.0	56.0	757.0	4.0	116.0	5464.0	4531.0		798.0			5329.0
ECL(FSA)	G5	4193	56.0	757.0	4.0	116.0	5126.0	4193.0		798.0			4991.0
ECL(FSA)	G8	2723	56.0	757.0	4.0	116.0	3656.0	2596.5		798.0			3394.5
2022 – 23													
ECL(FSA)	G4	4531.0	56.0	757.0	4.0	116.0	5464.0	4531.0		798.0			5329.0
ECL(FSA)	G5	4193	56.0	757.0	4.0	116.0	5126.0	4193.0		798.0			4991.0
ECL(FSA)	G8	2723	56.0	757.0	4.0	116.0	3656.0	2596.5		798.0			3394.5



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2020 – 2021

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
1	2	3	4	5	6	7	8 (Max of 6,7)	8=3x7	9=(8)-120
ECL(FSA)	G4	4.33%	6101	4788	4908	6100	6100	264.19	
ECL(FSA)	G5	4.01%	5801	4360	4480	5800	5800	232.36	
ECL(FSA)	G7	8.45%	5201	4250	4370	5200	5200	439.16	
ECL(FSA)	G8	7.47%	4901	3917	4037	4900	4900	366.07	
BCCL(FSA)	WIV	10.50%	4213	4213	4333	4450	4450	467.36	
Captive ROM	G11	18.35%	4175	3511	3631	4000	4000	734.00	
Captive Wahed	G10	23.85%	4000	3601	3721	4300	4300	1025.44	
BCCL(Auction)	WIV	1.28%	4250	4040	4160	4450	4450	57.11	
CCL(Auction)	G11	11.91%	4001	2818	2938	4000	4000	476.41	
ECL(Auction)	G4	9.85%	6101	4680	4800	6100	6100	601.03	
TOTAL		100.00%						4663.13	4543.13



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2021 – 2022

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
1	2	3	4	5	6	7	8 (Max of 6,7)	8=3x7	9=(8)-120
ECL(FSA)	G4	4.50%	6101	4788	4908	6100	6100	274.35	
ECL(FSA)	G5	3.86%	5801	4360	4480	5800	5800	223.60	
ECL(FSA)	G7	8.35%	5201	4250	4370	5200	5200	434.34	
ECL(FSA)	G8	7.39%	4901	3917	4037	4900	4900	362.06	
BCCL(FSA)	WIV	10.49%	4213	4213	4333	4450	4450	467.00	
Captive ROM	G11	18.15%	4175	3511	3631	4000	4000	725.95	
Captive Wahed	G10	23.59%	4000	3601	3721	4300	4300	1014.19	
BCCL(Auction)	WIV	1.72%	4250	4040	4160	4450	4450	76.71	
CCL(Auction)	G11	11.99%	4001	2818	2938	4000	4000	479.75	
ECL(Auction)	G4	9.96%	6101	4680	4800	6100	6100	607.50	
TOTAL		100.00%						4665.45	4545.45



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR BUDGE BUDGE GENERATING STATION FOR THE YEAR 2022 – 2023

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
1	2	3	4	5	6	7	8 (Max of 6,7)	8=3x7	9=(8)-120
ECL(FSA)	G4	4.47%	6101	4788	4908	6100	6100	272.61	
ECL(FSA)	G5	3.83%	5801	4360	4480	5800	5800	222.18	
ECL(FSA)	G7	8.30%	5201	4250	4370	5200	5200	431.58	
ECL(FSA)	G8	7.34%	4901	3917	4037	4900	4900	359.76	
BCCL(FSA)	WIV	10.64%	4213	4213	4333	4450	4450	473.51	
Captive ROM	G11	18.03%	4175	3511	3631	4000	4000	721.34	
Captive Wahed	G10	23.44%	4000	3601	3721	4300	4300	1007.75	
BCCL(Auction)	WIV	2.03%	4250	4040	4160	4450	4450	90.29	
CCL(Auction)	G11	12.02%	4001	2818	2938	4000	4000	480.95	
ECL(Auction)	G4	9.90%	6101	4680	4800	6100	6100	603.64	
TOTAL		100.00%						4663.61	4543.61



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4B

ADMITTED HEAT VALUE OF COAL FOR SOUTHERN GENERATING STATION FOR THE YEARS 20-21, 21-22 AND 22-23

Source	Grade	Mix	Projected GCV as Billed	Projected GCV as received less 120 kcal/kg	Projected GCV as Received before netting off 120 kcal/kg	Minimum GCV of the Grade	Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received before netting off 120 kcal/kg	Wt Average Admitted GCV as Received after netting off 120 kcal/kg
1	2	3	4	5	6	7	8 (Max of 6,7)	8=3x7	9=(8)-120
2020 – 2021									
ECL(FSA)	G4	57.43%	6101.00	4788	4908	6100	6100	3503.00	5749.23
ECL(FSA)	G5	31.12%	5801.00	4360	4480	5800	5800	1805.19	
ECL(FSA)	G8	11.45%	4901.00	3917	4037	4900	4900	561.04	
TOTAL		100.00%						5869.23	
2021 – 2022									
ECL(FSA)	G4	57.43%	6101.00	4788	4908	6100	6100	3503.00	5749.23
ECL(FSA)	G5	31.12%	5801.00	4360	4480	5800	5800	1805.20	
ECL(FSA)	G8	11.45%	4901.00	3917	4037	4900	4900	561.03	
TOTAL		100.00%						5869.23	
2022 – 2023									
ECL(FSA)	G4	57.43%	6101.00	4788	4908	6100	6100	3503.02	5749.24
ECL(FSA)	G5	31.12%	5801.00	4360	4480	5800	5800	1805.22	
ECL(FSA)	G8	11.45%	4901.00	3917	4037	4900	4900	561.00	
TOTAL		100.00%						5869.24	



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4C

ADMITTED COST OF COAL OF BUDGE BUDGE GENERATING STATION FOR THE YEAR 2020 – 2021

Source	Grade	Mix	Qty Supplied	Rate Charged for coal including transportation (Rs/MT)	Amt Charged for coal including transportation (Rs lakh)	Opening Qty (MT)	Value of Stock (Rs lakh)	Landed cost of coal (Rs/MT)	Consumption of coal	Closing Stock	Closing Value (Rs lakh)	Wt Av cost of coal
1	2	3	4	5	6	7	8	9=(6+8)/(4+7)	10	11=4+7-10	12=6+8-9x10	13
ECL(FSA)	G4	4.33%	125618.53	5309.62	6669.87	135589	5205.80	4172.26	1008088.71	135589.00	5657.13	3302.25
ECL(FSA)	G5	4.01%	116197.14	4971.62	5776.88							
ECL(FSA)	G7	8.45%	244956.13	3934.62	9638.09							
ECL(FSA)	G8	7.47%	216691.97	3375.14	7313.66							
BCCL(FSA)	WIV	10.50%	304624.94	4304.62	13112.95							
Captive ROM	G11	18.35%	532240.62	1412.89	7519.97	81438	2884.19	1892.15	1223931.90	81438.00	1540.93	
Captive Washed	G10	23.85%	691691.28	2066.73	14295.39							
BCCL(Auction)	WIV	1.28%	37226.37	4590.66	1708.94	46712	2717.68	4572.05	668459.49	46712.00	0.00	
CCL(Auction)	G11	11.91%	345450.96	2857.72	9872.02							
ECL(Auction)	G4	9.85%	285782.16	5690.93	16263.66							
		100.00%	2900480.10		92171.43							



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4C

ADMITTED COST OF COAL OF BUDGE BUDGE GENERATING STATION FOR THE YEAR 2021 – 2022

Source	Grade	Mix	Qty Supplied	Rate Charged for coal including transportation (Rs/MT)	Amt Charged for coal including transportation (Rs lakh)	Opening Qty (MT)	Value of Stock (Rs lakh)	Landed cost of coal (Rs/MT)	Consumption of coal	Closing Stock	Closing Value (Rs lakh)	Wt Av cost of coal
1	2	3	4	5	6	7	8	9=(6+8)/(4+7)	10	11=4+7-10	12=6+8-9x10	13
ECL(FSA)	G4	4.50%	131995.64	5309.62	7008.47	135589.00	5657.13	4215.91	1015109.33	135589.00	5716.30	3193.61
ECL(FSA)	G5	3.86%	113139.12	4971.62	5624.85							
ECL(FSA)	G7	8.35%	245134.76	3934.62	9645.12							
ECL(FSA)	G8	7.39%	216849.98	3375.14	7318.99							
BCCL(FSA)	WIV	10.49%	307989.83	4304.62	13257.80							
Captive ROM	G11	18.15%	532628.74	1412.89	7525.46	81438.00	1540.93	1789.24	1224824.41	81438.00	1457.12	
Captive Washed	G10	23.59%	692195.67	2066.73	14305.82							
BCCL(Auction)	WIV	1.72%	50591.53	4590.66	2322.49	46712.00	0.00	4175.62	694855.97	46712.00	0.00	
CCL(Auction)	G11	11.99%	351988.37	2857.72	10058.84							
ECL(Auction)	G4	9.96%	292276.06	5690.93	16633.23							
		100.00%	2934789.70		93701.05							



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4C

ADMITTED COST OF COAL OF BUDGE BUDGE GENERATING STATION FOR THE YEAR 2022 – 2023

Source	Grade	Mix	Qty Supplied	Rate Charged for coal including transportation (Rs/MT)	Amt Charged for coal including transportation (Rs lakh)	Opening Qty (MT)	Value of Stock (Rs lakh)	Landed cost of coal (Rs/MT)	Consumption of coal	Closing Stock	Closing Value (Rs lakh)	Wt Av cost of coal
1	2	3	4	5	6	7	8	9=(6+8)/(4+7)	10	11=4+7-10	12=6+8-9x10	13
ECL(FSA)	G4	4.47%	132010.40	5309.62	7009.25	135589.00	5716.30	4221.50	1021509.02	135589.00	5723.89	3199.12
ECL(FSA)	G5	3.83%	113151.77	4971.62	5625.48							
ECL(FSA)	G7	8.30%	245162.16	3934.62	9646.20							
ECL(FSA)	G8	7.34%	216874.22	3375.14	7319.81							
BCCL(FSA)	WIV	10.64%	314310.47	4304.62	13529.87							
Captive ROM	G11	18.03%	532688.28	1412.89	7526.30	81438.00	1457.12	1782.83	1224961.33	81438.00	1451.90	
Captive Washed	G10	23.44%	692273.05	2066.73	14307.41							
BCCL(Auction)	WIV	2.03%	59935.61	4590.66	2751.44	46712.00	0.00	4175.24	707415.17	46712.00	0.00	
CCL(Auction)	G11	12.02%	355170.83	2857.72	10149.79							
ECL(Auction)	G4	9.90%	292308.73	5690.93	16635.09							
		100.00%	2953885.51		94500.64							



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE-4C

ADMITTED COST OF COAL OF SOUTHERN GENERATING STATION FOR THE YEAR 2020 – 21, 2021 – 22 AND 2022 – 23

Source	Grade	Mix	Qty Supplied	Rate Charged for coal including transportation (Rs/MT)	Amt Charged for coal including transportation (Rs lakh)	Opening Qty (MT)	Value of Stock (Rs lakh)	Landed cost of coal (Rs/MT)	Consumption of coal	Closing Stock	Closing Value (Rs lakh)	Wt Av cost of coal
1	2	3	4	5	6	7	8	9=(6+8)/(4+7)	10	11=4+7-10	12=6+8-9x10	13
ECL(FSA)	G4	57.43%	274194.25	5329.00	14611.81	52755	2339.94	4945.91	477472.60	52755.00	2609.21	4945.91
ECL(FSA)	G5	31.12%	148608.30	4991.00	7417.04							
ECL(FSA)	G8	11.45%	54670.04	3394.52	1855.79							
		100.00%	477472.60									
2021-22												
ECL(FSA)	G4	57.43%	274194.59	5329.00	14611.83	52755.00	2609.21	4996.70	477472.33	52755.00	2636.01	4996.70
ECL(FSA)	G5	31.12%	148609.28	4991.00	7417.09							
ECL(FSA)	G8	11.45%	54668.45	3394.52	1855.73							
		100.00%	477472.33									
2021-22												
ECL(FSA)	G4	57.43%	274195.78	5329.00	14611.89	52755.00	2636.01	5001.76	477471.84	52755.00	2638.68	5001.76
ECL(FSA)	G5	31.12%	148610.28	4991.00	7417.14							
ECL(FSA)	G8	11.45%	54665.78	3394.52	1855.64							
		100.00%	477471.84									



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 4D

FUEL COST DETERMINATION OF BUDGE BUDGE GENERATING STATION

SI No.	ITEM	Unit	PROPOSED			ADMITTED		
			20-21	21-22	22-23	20-21	21-22	22-23
1	Gross generation for sale to own consumers and licensee	MU	5322	5385	5420	5321.70	5387.40	5420.25
	Aux rate	%	9.00	9.00	9.00	9.00%	9.00%	9.00%
2	Auxiliary Consumption	MU	479	485	488	478.95	484.87	487.82
3	Ex-bus generation (3=1-2)	MU	4843	4900	4932	4842.75	4902.53	4932.43
4	Heat rate	KCAL/KWHR	2470	2470	2470	2470.00	2470.00	2470.00
5	Total Heat (5=1×4)	M. KCAL	13146358	13300950	13387400	13144599.00	13306878.00	13388017.50
6	GCV of OIL	Kcal/lit	9563	9563	9563	9563.00	9563.00	9563.00
7	Specific Oil Consumption	MI/kwh	1.30	1.30	1.30	1.30	1.30	1.30
8	Oil Consumption (8=1×7)	KL	6919	7001	7046	6918.21	7003.62	7046.33
9	Average Price of Oil	Rs/KL	47801	47801	47801	47801.00	47801.00	47801.00
10	Cost of oil (10=8×9 ÷ 100000)	Rs(lakh)	3307	3346	3368	3306.97	3347.80	3368.21
11	Heat generated from oil (11=6 × 8÷ 1000)	M Kcal	66168	66946	67381	66158.84	66975.62	67384.01
12	Heat from coal (12=5-11)	M Kcal	13080190	13234004	13320019	13078440.16	13239902.38	13320633.49
13	Heat value of coal	Kcal/Kg	3828	3830	3831	4543.13	4545.45	4543.61
14	Coal required (14=12×1000÷13)	MT	3417259	3455162	3477255	2878726.50	2912778.78	2931731.37
15	Coal required with Transit loss@0.75%	MT	3443082	3481271	3503532	2900480.10	2934789.70	2953885.51
16	Weighted Average Price of coal	Rs/MT	4118	4133	4138	3302.25	3193.61	3199.12
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	141788	143876	144981	95781.04	93725.68	94498.27
18	Captive coal cost netted off in terms of Order dated 28 October 2016	Rs. (lakh)	22929	22931	22929	0.00	0.00	0.00
19	Adjustment for sale of washery rejects	Rs lakh				1111.65	1112.46	1112.58
20	Total Cost of Fuel (20=10+17-18 - 19)	Rs. (lakh)	122167	124291	125421	97976.37	95961.02	96753.91
21	Fuel Cost/unit	Rs/kwh	2.30	2.31	2.31	1.84	1.78	1.79
22	Ex-bus energy charge (20 / 3)		2.52	2.54	2.54	2.02	1.96	1.96

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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

FUEL COST DETERMINATION OF SOUTHERN GENERATING STATION

SI No.	ITEM	Unit	PROPOSED			ADMITTED		
			20-21	21-22	22-23	20-21	21-22	22-23
1	Gross generation for sale to own consumers and licensee	MU	94.00	105.00	115.00	946.08	946.08	946.08
	Aux rate	%	9.00	9.00	9.00	9.00%	9.00%	9.00%
2	Auxiliary Consumption	MU	8.00	9.00	10.00	85.15	85.15	85.15
3	Ex-bus generation (3=1-2)	MU	85.50	95.55	104.65	860.93	860.93	860.93
4	Heat rate	KCAL/KWHR	2900.00		2900.00	2900.00	2900.00	2900.00
5	Total Heat (5=1×4)	M. KCAL	272461.00	304500.00	333500.00	2743632.00	2743632.00	2743632.00
6	GCV of OIL	Kcal/lit	9624.00	9624.00	9624.00	9624.00	9624.00	9624.00
7	Specific Oil Consumption	MI/kwh	2.10	2.10	2.10	2.10	2.10	2.10
8	Oil Consumption (8=1×7)	KL	197.00	221.00	242.00	1986.77	1986.77	1986.77
9	Average Price of Oil	Rs/KL	51942.00	51942.00	51942.00	51941.62	51941.62	51941.62
10	Cost of oil (10=8×9 ÷100000)	Rs(lakh)	102.00	115.00	125.00	1031.96	1031.96	1031.96
11	Heat generated from oil (11=6 × 8÷1000)	M Kcal	1899.00	2122.00	2324.00	19120.66	19120.66	19120.66
12	Heat from coal (12=5-11)	M Kcal	270562.00	302378.00	331176.00	2724511.34	2724511.34	2724511.34
13	Heat value of coal	Kcal/Kg	4555.00	4555.00	4555.00	5749.23	5749.23	5749.24
14	Coal required (14=12×1000÷13)	MT	59398.00	66383.00	72705.00	473891.55	473891.28	473890.80
15	Coal required with Transit loss@0.75%	MT	59847.00	66884.00	73254.00	477472.60	477472.33	477471.84
16	Weighted Average Price of coal	Rs/MT	4815.00	5003.00	5089.00	4945.91	4996.70	5001.76
17	Cost of Coal (17=15 x16÷100000)	Rs. (lakh)	2882.00	3346.00	3728.00	23615.37	23857.86	23882.00
18	Total Cost of Fuel (18=10+17)	Rs. (lakh)	2984.00	3461.00	3854.00	24647.33	24889.82	24913.96
19	Fuel Cost/unit	Rs/kwh	3.17	3.3	3.35	2.61	2.63	2.63
20	Ex-bus Energy Charge (18/3)	Rs/kwh	3.49	3.62	3.68	2.86	2.89	2.89



CHAPTER - 5 FIXED CHARGES

5.1. The analysis of the fixed charges projected by CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 under seventh 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	2020-21	2021-22	2022-23
1	Generation	22041	22307	16466
2	Distribution & sales	74593	78296	82186
3	Central overhead	15176	16497	17839
4	Total [(4) = sum (1) to (3)]	111810	117100	116491
A	Salaries and Wages for own employees in regular establishment	105650	110940	110331
B	Salaries and wages to contractual manpower at generating station	6160	6160	6160
C	Total [(C) = (A) + (B)]	111810	117100	116491

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



concerned years. Number of actual own employees (including officers) excluding contractors' employees in regular establishments based on latest estimated numbers are projected at 626 for Budge Budge and 328 for Southern respectively for all the MYT periods against normative 1185 (1.58 x 750 MW) for Budge Budge and 473 (3.50 x 135 MW) for Sothern but most of the employees at Titagarh Generating Station, as stated, have been redeployed in other areas in a gainful manner keeping bare minimum own employees required for safety and security of the Station together with overall maintenance of the plant site. This has been stated by the petitioner that the Company does not pay any production or performance incentive linked with the operational performance of any generating station / distribution / selling activity and certain portion of remuneration agreed through wage settlement arrangement, is paid to ensure individual attendance, adherence to job norms etc. is embedded in employee cost.

5.2.2 CESC Limited has stated that the Company's existing Wage Agreement (entered effective April 2012) which fell due for renewal from April 2018 has been renewed in 2019-20 for a period of six years with effect from 1st April, 2018 with the recognised Trade Union. Memorandum of Settlement dated 26.09.2019, effective from 01.04.2018 to 31.03.2024, is enclosed with the petition. The applicant has asked for an average annual increase of 5% over the latest figure of 2019 – 2020 including own and contracted employees to estimate for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 to cover higher / enhanced activity level and the inflationary pressure the rise in DA index has a direct linkage with the employee cost. The Commission has carefully examined the projected amounts of expenses and it has been observed that though the petitioner has assumed 5% increase over total employee cost of 2019 – 2020, it has actually increased by 12.0 %, 11.7 % and 13.0 % over previous years for the years 2020 – 21, 2021 – 22 and 2022 – 23 respectively on per capita employee cost since the employee numbers have been projected with steep decline. The rate of inflation as per Consumer Price Index (CPI Index) for industrial workers for the year 2019 – 2020 are



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

shown in Annexure – 5A. The average inflation rate as per CPI for the 2019 – 2020 come to 7.54%. As employee cost is sensitive to CPI, the CPI based inflation rate is considered for employee cost projection in seventh control period. Thus, the Commission considers annual increase in per capita employee cost for cost centres for the own employee in regular establishment @ 7.54% for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023. The employee cost for the contracted manpower is dealt with separately in subsequent paragraph.

5.2.3 CESC Limited has stated that Voluntary Separation Scheme (VSS) is envisaged for the employees to achieve long term rationalisation of employee cost and additional sum may be required to be paid to existing employees to ensure uninterrupted supply, in view of the ongoing Pandemic. Both will be dealt with in the APR Petition, as stated by the petitioner.

5.2.4 The employee expense claimed in the APR petition for the year 2019 – 2020 is Rs 100594 lakh. With 7886 numbers of own employee in 2019 – 2020, as mentioned in Form 1.17(h) to Annexure – 1 of the instant tariff petition as well as in APR petition for 2019 – 20, the per capita employee cost of 2019 – 2020 becomes Rs 12.76 lakh. The per capita employee cost of 2020 – 2021, 2021 – 2022 and 2022 – 2023 has been determined by applying 7.54% inflation over 2019 – 2020. Total employee cost of respective years is estimated by multiplying projected own employee numbers as follows:

Sl. No	Particulars	Amount (Rs Lakh)
1	Employee expense in Rs Lakh as claimed in APR for 19-20	100594
2	Number of permanent employees as on 31.03.20	7886
3	Per capita actual employee cost in FY20 (1 / 2)	12.76
4	Per capita employee cost in 20-21 with 7.54% escalation on above (3)	13.72
5	Per capita employee cost in 21-22 with 7.54% escalation on above (4)	14.75
6	Per capita employee cost in 22-23 with 7.54% escalation on above (5)	15.86
7	Projected employee number of 20-21	7398
8	Projected employee number of 21-22	6953



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No	Particulars	Amount (Rs Lakh)
9	Projected employee number of 22-23	6462
10	Employee cost estimated by WBERC for 20-21 (4 x 7)	101500.56
11	Employee cost estimated by WBERC for 21-22 (5 x 8)	102556.75
12	Employee cost estimated by WBERC for 22-23 (6 x 9)	102487.32

5.2.5 The total own employee cost as estimated above is apportioned to different cost centres based on the projection of CESC Limited as follows:

(Rs lakh)

Own Employee cost							
Sl. No.	Generating Station	Projected			Estimated by WBERC		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	Budge Budge	8879	9333	9801	8530	8628	8623
2	Titagarh	1087	604	145	1044	558	128
3	Southern	5915	6210	6520	5683	5741	5736
	Sub-total	15881	16147	16466	15257	14927	14487
4	Distribution including sales	89769	94792	100024	86243	87630	88001
	Total	105650	110939	116490	101501	102557	102487

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

Rs lakhs

Own Employee cost				
Sl. No.	Generating Station	Admitted		
		20-21	21-22	22-23
1	Budge Budge	8530	8628	8623
2	Titagarh	1044	558	128
3	Southern	5683	5741	5736
	Sub-total	15257	14927	14487
4	Distribution including sales	86243	87630	88001
	Total	101501	102557	102487

5.2.6 Regarding expenditure claimed by CESC Limited for contracted manpower in regular establishment in generating station, 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 2400 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. 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).

5.2.7 From the APR petition of CESC Limited for the year 2019 – 20, this is found that the contract manpower cost at Budge Budge and Southern generating stations were Rs 6.73 lakh/Man and Rs 3.57 lakhs/Man respectively. The per capita contractual employee cost of 2020 – 2021, 2021 – 2022 and 2022 – 2023 has been determined by applying 7.54% inflation over 2019 – 2020, similar to own employee cost as below:

Generating Stations	The per capita contractual employee cost (Rs Lakhs/Man)			
	2019 - 20	2020-21	2021-22	2022-23
[1]	[2]	[3] = [2] x 1.0754	[4] = [3] x 1.0754	[5] = [4] x 1.0754
Budge Budge	6.73	7.24	7.79	8.38
Southern	3.57	3.84	4.13	4.44

The number of contracted man power in regular establishment of generating stations of CESC Limited is estimated by deducting number of projected own employee from normative as follows:

Generating	Normative	Number of own Employee	Normative Less Own Employee
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Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Station	Manpower	20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
Budge Budge	1185	626	626	626	559	559	559
Southern	473	328	328	328	145	145	145

5.2.8 The Commission estimates cost of contracted manpower in regular establishment in generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 by multiplying the per capita estimated annual cost of contracted manpower with such numbers of contracted manpower as derived in preceding two tables.

Estimated Employee cost for contracted man power in regular establishment				
Sl. No.	Generating Station	As admitted by the Commission		
		2020-21	2021-22	2022-23
1	Budge Budge	4047.00	4355.00	4684.00
2	Titagarh	0.00	0.00	0.00
3	Southern	557.00	599.00	644.00
	Total	4604.00	4954.00	5328.00

5.2.9 The Commission admits lower of the projection and above estimation for the cost of contracted manpower in regular establishment in generating station for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 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		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	Budge Budge	4438	4438	4438	4047.00	4355.00	4438.00
2	Titagarh				0.00	0.00	0.00
3	Southern	1721	1721	1721	557.00	599.00	644.00
	Total	6159	6159	6159	4604.00	4954.00	5082.00

CESC Limited shall submit actual manpower and expenditures under employee cost for contracted manpower in regular establishment at generating stations in



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

APR petitions for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 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.

5.2.10 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.

5.2.11 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 projected Rs. 1090 lakh, Rs 1177 lakh and Rs. 1270 lakh for 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively towards coal and ash handling expenses considering 8% increase over the latest estimated level of 2019 – 20 from 2020 – 21 onwards. 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 but 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.

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.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- a) Since there is variation in normative generation of 2020 – 21, 2021 – 22, 2022 – 23 (6202 MU), compared to generation at normative level during 2019 – 2020 (6219 MU), the Commission decides to bring the admitted expenditure for 2019 – 2020 in the tariff order of sixth control period (Rs 1163.53 lakh) at normative generation level of seventh control period (Rs 1160 lakh).
- 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 2019 – 2020, as shown in Annexure – 5A comes at 7.54%. The Commission considers a successive hike in coal and ash handling cost @ 7.54% over the admitted expenditure of 2019 – 2020 at normative level of generation of 2020 – 21, 2021 – 22, 2022 – 23 (Rs 1160 lakh) to estimate the cost of 2020 – 2021 onwards to arrive at the allowable expenditure for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023.

Generating station	Normative generation in 2019 – 2020	Normative generation in 20-21, 21-22, 22-23	Admitted expenditure in 2019 – 2020	Admitted expenditure of 19-20 at normative generation level of 20-23	Expenditure during 2020-21 with escalation of 7.54% over 2019-20	Expenditure during 2021-22 with escalation of 7.54% over 2020-21	Expenditure during 2022-23 with escalation of 7.54% over 2021-22
	(MU)	(MU)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Generating station	Normative generation in 2019 – 2020	Normative generation in 20-21, 21-22, 22-23	Admitted expenditure in 2019 – 2020	Admitted expenditure of 19-20 at normative generation level of 20-23	Expenditure during 2020-21 with escalation of 7.54% over 2019-20	Expenditure during 2021-22 with escalation of 7.54% over 2020-21	Expenditure during 2022-23 with escalation of 7.54% over 2021-22
Budge Budge	5270	5256	906.64	904	972	1045	1124
Southern	949	946	256.89	256	276	297	319
Total	6219	6202	1163.53	1160	1248	1342	1443

The expenditure claimed by CESC Limited under this head is based on their projected generation for the respective generating stations. Expenditure for the year 2019 – 2020, 2020 – 2021 and 2022 – 2023 as derived based on the above methodology and admitted in below table 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 2019 – 2020, 2020 – 2021 and 2022 – 2023. 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:

(Rs lakh)

Generating Station	Projected by CESC			Admitted by the Commission		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Budge Budge	988	1067	1152	972	1045	1124
Southern	102	110	118	276	297	319
Total	1090	1177	1270	1248	1342	1443



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. CESC Limited has stated that water charges are estimated with rise @ 6.03% p.a. from the latest estimated level of 2019 – 20. The Commission decides to allow water charges based on the following considerations:

- a) Since there is variation in normative generation of 2020 – 21, 2021 – 22, 2022 – 23 (6202 MU), compared to generation at normative level during 2019 – 2020 (6219 MU), the Commission decides to bring the admitted expenditure for 2019 – 2020 in the tariff order of sixth control period (Rs 72.61 lakh) at normative generation level of seventh control period (Rs 72.4 lakh).
- b) Since the item of cost is predominantly sensitive to inflation index of WPI, the Commission decides to consider WPI inflation rate of related period.

The item of cost has been viewed considering the amount claimed by CESC Limited and present inflation as per Wholesale Price Index (WPI) index published in the website of the Economic Advisor, Government of India for 2019 – 2020 as shown in Annexure 5A to this order. The average inflation rate as per WPI for the aforementioned period of 2019 – 2020 comes at 1.67%. The Commission considers a hike in water charges @ 1.67% over the admitted expenditure of 2019 – 2020 at normative level of generation of 2020 – 21, 2021 – 22, 2022 – 23 (Rs 72.4 lakh) to estimate the cost of 2020 – 2021 onwards to arrive at the allowable expenditure for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Generating station	Normative generation in 19 – 20	Normative generation in 20-21, 21-22, 22-23	Admitted expenditure in 19 – 20	Admitted expenditure of 19-20 at normative generation level of 20-23	Expenditure during 2020-21 with escalation of 1.67% over 2019-20	Expenditure during 2021-22 with escalation of 1.67% over 2020-21	Expenditure during 2022-23 with escalation of 1.67% over 2021-22
	(MU)	(MU)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)	(Rs. in lakh)
Budge Budge	5270	5256	6.77	6.8	6.9	7.0	7.1
Southern	949	946	65.84	65.7	66.8	67.9	69
Total	6219	6202	72.61	72.4	73.7	74.9	76.1

The expenditure claimed by CESC Limited under this head is based on their projected generation for the respective generating stations. Expenditure for the year 2019 – 2020, 2020 – 2021 and 2022 – 2023 as derived based on the above methodology and admitted in below table 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 2019 – 2020, 2020 – 2021 and 2022 – 2023. 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:

. (Rs lakh)

Generating Station	Projected by CESC			Admitted by the Commission		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Budge Budge	5	5	6	5.0	5.0	6.0
Southern	23	24	25	66.8	67.9	69.0
Total	28	29	31	71.8	72.9	75.0

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 or/and 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 seventh control period, the Commission proceeds to finalize the rate by applying average inflation rate of sub sequent years giving 60:40 weightage to WPI:CPI over the rates 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 – 2018, 2018 – 2019 and 2019 – 2020 respectively. In absence of any norms specified for the years 2018 – 2019 and 2019 – 2020 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 year 2019 – 2020 is worked out @Rs 14.73 lakh/MW for Budge Budge and Rs 17.43 Lakh/MW for Southern in tariff order of the Commission for sixth control period. Continuing the weighted average inflation rate of 4.02% of the year 2019 – 2020 for the seventh control period, the admissible rate of O&M expense for generating stations of CESC for 2020 – 2021, 2021 – 2022 and 2022 – 2023 come as follows:

Sl. No	Generating Station	Installed Capacity (MW)	Norms of 2016-17 (Lakh/MW)	Rate for 2019-20 considering inflation 3.04%, 4.72% and 4.02% (Lakh)	Rate for 2020-21 considering inflation 4.02% (Lakh)	Rate for 2021-22 considering inflation 4.02% (Lakh)	Rate for 2022-23 considering inflation 4.02% (Lakh)
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Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

[1]	[2]	[3]	[4]	$[5] = [4] \times 1.0304 \times 1.0472 \times 1.0402$	$[6] = 5 \times 1.0402$	$[7] = [6] \times 1.0402$	$[8] = [7] \times 1.0402$
1	Budge Budge	750	13.12	14.73	15.32	15.94	16.58
2	Titagarh	240	15.25	0	0	0	0
3	Southern	135	15.53	17.43	18.13	18.86	19.62

5.5.2 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 the control period. The admissible O&M expense amount for generating stations of CESC for 2020 – 2021, 2021 – 2022 and 2022 – 2023 comes as follows:

Rs lakh

Sl. No	Generating Station	Installed Capacity (MW)	Admissible Amount for 2020-21 (Rs lakh)	Admissible Amount for 2021-22 (Rs lakh)	Admissible Amount for 2022-23 (Rs lakh)
[1]	[2]	[3]	$[9]=[3] \times [6]$	$[10]=[3] \times [7]$	$[11]=[3] \times [8]$
1	Budge Budge	750	11490	11955	12435
2	Titagarh	240	0	0	0
3	Southern	135	2448	2546	2649
4	Total		13938	14501	15084

As decided above, recovery of O&M expenses for Titagarh is not admissible for the seventh control period and accordingly, the admitted figures for O&M for generation function is as follows:

in Rs lakhs

O & M expenses for generation as proposed and admitted by the Commission			
Sl. No.	Generating Station	As Proposed by CESC	As admitted by the Commission



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

		20-21	21-22	22-23	20-21	21-22	22-23
1	Budge Budge	11625	12325	13069	11490	11955	12435
2	Titagarh	764	764	764	0	0	0
3	Southern	2477	2626	2784	2448	2546	2649
	total	14866	15715	16617	13938	14501	15084

The O&M expenditure for 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 2020 – 2021, 2021 – 2022 and 2022 – 2023, if no norms for 2020 – 2021, 2021 – 2022 and 2022 – 2023 are specified in Tariff Regulations subsequently.

5.5.3 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 seventh control period (2020 – 2021, 2021 – 2022 and 2022 – 2023) the following considerations have been done.

- 5.5.3.1 CESC Limited has referred the average inflation rate of 6.03% [p-126 of Vol-2] with reference to tariff order of the Commission dated 28.10.2016 for the year 2016 – 2017. Commission finds no merit in considering such inflation rate for estimate purpose. The Commission instead of considering the rate of 6.03% [p-126 of Vol-2] in general for projection purpose decides to proceed in a further rational manner by following a methodology that considers the sensitivity parameter as was determined in the previous tariff order and increasing it by applying the average inflation rate for 2019 – 2020 giving 60:40 weightage to

WPI:CPI as detailed in Annexure-5A:

5.5.3.2 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 for the year 2019 – 2020 in the Tariff Order of sixth control period 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 1st April 2019 and 31st March, 2020 as admitted in the tariff order of sixth control period 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) at the beginning and end of the years 2020 – 2021, 2021 – 2022, 2022 – 2023 are estimated as follows:

Table 5.5.3.2

	Particulars	Unit	19 – 20	20 – 21	21 – 22	22 – 23
A1	Distribution Line Length (DLL) as on 1 st April	(CKM)	22589	22953	23203	23456
A2	Distribution Line Length (DLL) as on 31 st March	(CKM)	22953	23203	23456	23712
A3	Average Line Length of the year	(CKM)	22771	23078	23330	23584
B1	Total consumers on 1st April	(Number)	3267000	3329000	3382282	3436417
B2	Total consumers on 31st March	(Number)	3329000	3382282	3436417	3491419
B3	Average Consumer of the year	(Number)	3298000	3355641	3409350	3463918

5.5.4 O&M Expense for distribution function:

Based on the laid down principle in paragraph 5.5.3.1 and 5.5.3.2 above admissible expenses under different sub-heads of O&M are determined in Annexure-5B.

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

5.5.4.2 CESC Limited has stated that pursuant to introduction of GST the effect of Entry tax /GST has been shown under Repairs.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

5.5.4.3 The admitted amounts of different components of O&M expenses under distribution segment for 2020 – 2021, 2021 – 2022 and 2022 – 2023 are given below:

(Rs lakh)

Sl No.	Particulars	As Claimed by CESC Ltd			As Admitted by the Commission		
		20-21	21-22	22-23	20-21	21-22	22-23
1.	R & M Charges	19092	20619	25574	19092	20619	24208
2.	Rent	2876	2979	3209	1467	1543	1622
3.	Audit Fees	317	342	370	249	262	275
4.	Legal charges	1189	1284	1387	751	794	839
5.	Other A&G expenses	21926	23680	22269	19462	20569	21738
6.	A&G expenses (2+3+4+5)	26308	28285	27235	21929	23168	24474
7.	O&M expenses for distribution (1+6)	45400	48904	52809	41021	43787	48682

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

a) Rates & Taxes:

Distribution: The Commission decides to consider the hybrid inflation rate as determined in the Annexure-5A along with increase due to business volume growth is used to determine the estimated cost for 2020 – 2021, 2021 – 2022 and 2022 – 2023. However, for generation, the Commission does not consider business volume growth and limits the admissible amount to claim amount and no Rates & taxes is admitted for Titagarh.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Particulars	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2019-20 (Rs lakh)	Cost/sensitivity parameter	Admissible per unit cost for 20-21 after inflation of 4.02% (lakh/km)	Admissible per unit cost for 21-22 after inflation of 4.02% (lakh/km)	Admissible per unit cost for 22-23 after inflation of 4.02% (lakh/km)	Admissible Cost for 20-21 (Rs lakh)	Admissible Cost for 21-22 (Rs lakh)	Admissible Cost for 22-23 (Rs lakh)
[1]	[2]	[3]	[4] = [3]/A3 of 19-20	[5]=[4] x 1.0402	[6]=[5]x1.0402	[7]=[6]x1.0402	[8]=[5]x A3 of 20-21	[9]=[6]x A3 of 21-22	[10]=[7]x A3 of 22-23
Distribution	DLL	346	0.0152	0.0158	0.0164	0.0171	367	386	406

Generation:

(Rs lakh)

Sl No	Generating Stations	Inflationary Basis	Admitted in TO for 2019-20 (Rs lakh)	As estimated by WBERC for 2020-21 with 4.02% inflation (Rs lakh)	As estimated by WBERC for 2021-22 with 4.02% inflation (Rs lakh)	As estimated by WBERC for 2022-23 with 4.02% inflation (Rs lakh)
	[1]		[3]	[4]=[3]x1.0402	[5]=[4]x1.0402	[6]=[5]x1.0402
1	Budge Budge	WPI+CPI	420	437	455	473
2	Titagarh	WPI+CPI	0	0	0	0
3	Southern	WPI+CPI	12	12	12	12
	Sub-Total	WPI+CPI	432	449	467	485

Rupees in Lakh

Rates and Taxes



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No	Power Station	As Proposed by CESC			As admitted by the Commission		
		20-21	21-22	22-23	20-21	21-22	22-23
1.	Budge Budge TPS	389	420	454	389	420	454
2.	Titagarh TPS	83	83	83	0	0	0
3.	Southern TPS	2	2	2	2	2	2
	Sub-Total	474	505	539	391	422	456
4	Distribution	421	454	490	367	386	406
	Total:	895	959	1029	758	808	862

b) Insurance:

The Commission decides to consider the hybrid inflation rate as determined in Annexure-5A along with increase due to business volume growth to determine the estimated cost for 2020 – 2021, 2021 – 2022 and 2022 – 2023. However, for Generation, business volume growth is not considered. The Commission limits the admissible amount to claim amount and no amount is admitted for Titagarh as follows:

Distribution:

Particulars	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2019-20 (Rs lakh)	Cost/sensitivity parameter	Admissible per unit cost for 20-21 after inflation of 4.02% (lakh/km)	Admissible per unit cost for 21-22 after inflation of 4.02% (lakh/km)	Admissible per unit cost for 22-23 after inflation of 4.02% (lakh/km)	Admissible Cost for 20-21 (Rs lakh)	Admissible Cost for 21-22 (Rs lakh)	Admissible Cost for 22-23 (Rs lakh)
[1]	[2]	[3]	$[4] = [3]/A3 \text{ of } 19-20$	$[5] = [4] \times 1.0402$	$[6] = [5] \times 1.0402$	$[7] = [6] \times 1.0402$	$[8] = [5] \times A3 \text{ of } 20-21$	$[9] = [6] \times A3 \text{ of } 21-22$	$[10] = [7] \times A3 \text{ of } 22-23$
Distribution	DLL	183	0.0080	0.0084	0.0087	0.0090	194	204	214

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Generation:

Power Station	Inflationary Basis	Admitted in TO for 2019-20 (Rs lakh)	As estimated by WBERC 2020-21 on HI (Rs lakh)	As estimated by WBERC 2021-22 on HI (Rs lakh)	As estimated by WBERC 2022-23 on HI (Rs lakh)
[1]		[3]	[4]=[3]x1.0402	[5]=[4]x1.0402	[6]=[5]x1.0402
Budge Budge	WPI+CPI	517.00	538	560	583
Titagarh	WPI+CPI	0.00	0		0
Southern	WPI+CPI	110.00	114	119	124
Total	WPI+CPI	627.00	652	679	707

Rupees in Lakh

Insurance							
Sl. No	Power Station	As Proposed by CESC			As admitted by the Commission		
		20-21	21-22	22-23	20-21	21-22	22-23
1.	Budge Budge TPS	1225	1324	1429	538	560	583
2.	Titagarh TPS	6	6	6	0	0	0
3.	Southern TPS	179	194	209	114	119	124
	Sub-Total	1410	1524	1644	652	679	707
4	Distribution	402	435	469	194	204	214
	Total:	1812	1959	2113	846	883	921

5.5.4.5 The admitted amounts of O&M expenses for distribution, Outsourcing Expenses for distribution, Lease Rental for 2020 – 2021, 2021 – 2022 and 2022 – 2023 are based on amount admitted in Tariff Order 2019 – 2020 along with projected business volume parameters. During truing up exercise in APR of the concerned ensuing years in 7th Control period the estimated expenditures of all the elements of different heads as mentioned in paragraph 5.5.2.3 above for 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 2020 – 2021, 2021 – 2022 and 2022 – 2023. In case while finalizing APR for 2020 – 2021, 2021 – 2022 and 2022 – 2023 the actual value of DLL/CS is found to be higher/Lower than the admitted value in Tariff Order 2020 – 2021, 2021 – 2022 and 2022 – 2023 then impact of such amount will be adjusted to the projected value of



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

DLL/CS for the period 2020 – 2021, 2021 – 2022 and 2022 – 2023.

5.5.4.6 The above expenditure 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. CESC Limited has projected Rs 79.0 lakh, Rs 86.0 lakh and Rs 93.0 lakh for the years 2020 – 2021, 2021 – 2022, 2022 – 2023 respectively whereas the admitted amount for the year 2019 – 2020 was Rs 43.00 lakh as per projection in tariff order of the sixth control period. In absence of any clarification of such hike, the Commission admits Rs. 44.73 lakh, Rs 46.53 lakh and Rs 48.40 lakh considering hybrid inflation rate of 4.02% successively for 2020 – 2021, 2021 – 2022, 2022 – 2023 respectively for Southern generating station.

5.7 Lease Rental:

5.7.1 CESC Limited has claimed lease rental to the extent of Rs. 1197.00 lakh for all the years 2020 – 2021, 2021 – 2022, 2022 – 2023 of seventh control period 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 2020 – 2021, 2021 – 2022, 2022 – 2023 are given in Table below:

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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

	20-21	21-22	22-23	20-21	21-22	22-23
Outsourcing cost (allocated under distribution function)	1596	1723	1861	1149	1208	1270

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 seventh 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:

		Rupees in Lakh		
Sl. No.	Borrowing Particulars	20-21	21-22	22-23
1	Outstanding Balance at the beginning of the year	273836	267177	267191
2	Add: Drawal of loan on capital account	43919	52120	56021
	Sub-Total (1 + 2)	317755	319297	323212
3	Less: Repayment of existing loan during the year	50578	52106	54738
4	Outstanding balance at the end of the year	267177	267191	268474
5	Gross interest on capital account for the year	25942	26473	27344
6	Less: Interest capitalized during the year	0	500	700
7	Net interest on capital account (5 – 6)	25942	25973	26644

5.9.2 The rates of interest on existing and proposed rupee borrowings from different financial institutions are projected between 7.90% and 10.30% for the year 2020 – 2021, between 7.90% and 10.0% for the year 2021 – 2022 and 2022 – 2023.

5.9.3 CESC Limited has shown a drawal of loan of Rs. 43919.00 lakh, Rs 52120.00 lakh and Rs 56021.00 lakh during the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 in Form-C to Annexure – 1 of the tariff petition and claimed interest of Rs. 4172.00 Lakh, Rs. 4951.00 Lakh and Rs 5322.00 lakh all at an interest rate of 10.0% and repayment for these fresh loans in respective years are Rs 2196.0 lakh, Rs 2606.0 lakh and Rs 2801.0 lakh respectively.

5.9.4 The Commission noted that weighted average rate of interest on borrowed capital as



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

per Form C to Annexure – 1 of Tariff Regulations, comprising of existing loan and fresh drawal is around 9.59%, 9.91% and 10.21% respectively for the years 2020 – 2021, 2021 – 2022, 2022 – 2023. The Commission, accordingly, decides to allow interest rate of 9.59%, 9.91% and 10.21% to compute allowable interest on fresh drawal of loan capital. Further, the Commission has considered Rs 252160.0 lakhs of outstanding loan of 2019 – 2020 in tariff order of the sixth control period as the original amount of loan for 2020 – 2021 [Sl. No-1 of below table] and restricted the admitted amount of fresh Drawl of loan on capital account [Sl. No-2 of below table] to Rs 28689.00 lakh, Rs 21505.00 lakh and Rs 18792.00 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 Rs 49816 lakh, Rs 50575 lakh and Rs 52877 lakh considering standard practice of ten (10) years repayment as followed in Commercial Banks alongwith midyear drawal. Admitted Gross interest on capital account for the year [Sl. No-6 of below table] is derived by applying interest rate of 9.59%, 9.91% and 10.21% on admitted average balance of loan for 2020 – 2021, 2021 – 2022 and 2022 – 2023. Admitted gross interest on loan thus works out as follows:

Rs in lakh

Sl. No.	Borrowing Particulars	Proposed by CESC			Admitted by WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Outstanding Balance at the beginning of the year	273836	267177	267191	252160	231033	201963
2	Add: Drawal of loan on capital account	43919	52120	56021	28689	21505	18792
3	Sub-Total (1 + 2)	317755	319297	323212	280849	252538	220755
4	Less: Repayment of existing loan during the year	50578	52106	54738	49816	50575	52877
5	Outstanding balance at the end of the year (3 - 4)	267177	267191	268474	231033	201963	167878
6	Gross interest on capital account for the year	25942	26473	27344	23169	21451	18879



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Borrowing Particulars	Proposed by CESC			Admitted by WBERC		
7	Less: Interest capitalized during the year	0	500	700	1065	1016	911
8	Net interest on capital account (6 – 7)	25942	25973	26644	22104	20435	17968

5.9.5 Admitted interest on capital borrowing is Rs 22104 lakh, Rs 20435 lakh and 17968 lakh for 2020 – 2021, 2021 – 2022, 2022 – 2023 [Sl. No-8 of above table] but CESC Limited is directed to take necessary steps to swap the existing high cost borrowings at a cheaper rate of interest.

5.9.6 The amount allowed by the Commission is allocated to generating stations and distribution system for the years 2020 – 2021, 2021 – 2022, 2022 – 2023 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		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Budge Budge	1321	1314	1129	1325	1331	1166
2	Titagarh	0	0	0	0	0	0
3	Southern	122	88	57	123	89	59
4	Sub Total	1443	1402	1186	1448	1420	1225
5	Distribution	20591	18768	16214	20656	19014	16743
6	Total	22035	20170	17401	22104	20435	17968

5.10 Interest on Temporary Accommodation:

5.10.1 CESC Limited has claimed Rs. 29474.0 lakh on account of interest on temporary accommodation for all the years of seventh control period. 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.

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. 29474 Lakh have been projected towards interest on short term loan on revenue accounts for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023. 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 2020 – 2021, 2021 – 2022 and 2022 – 2023. 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. 10879.00 lakh, Rs. 11479.00 lakh and Rs. 12179.00 lakh for 2020 – 2021, 2021 – 2022 and 2022 – 2023 on account of interest payable to the consumers on their projected security deposits at the rate specified in the regulation. The Commission estimates the consumers security deposit at Rs 167098.0 lakh, Rs 171509.0 lakh and Rs 176036.0 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively by applying three years CAGR on actual security deposit from 2017 – 2018 to 2019 – 2020. Thus, the Commission allows Rs. 10026.0 lakh, Rs 10291.0 lakh and 10562.0 lakh as interest on consumer security deposit at the admissible rate of 6% on estimated security deposit for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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 year.

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		
		20- 21	21 – 22	22 – 23
1	Other borrowing cost (Net)(front end fees / arrangement fees for loans and bank facilities)	389	461	496
2	Bank charges for financial services	370	399	431
3	Bank charges for cash management services	316	342	369
4	Other miscellaneous finance charges	73	79	86
5	Total	1148	1282	1382

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. 754.00 lakh (Rs. 389.00 lakh + Rs. 370.00 lakh - Rs 5.00 lakh), Rs 856.00 lakh (Rs 461.00 lakh + Rs 399.00 lakh - Rs 4.00 lakh) and Rs 925.00 lakh (Rs 496.00+ Rs 431.00 lakh – Rs 3.00 lakh) as other finance charges for 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively.

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

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Other finance charges							
Sl. No	Power Station	As Proposed by CESC			As admitted by the Commission		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1.	Budge Budge TPS	289	311	322	193	210	217
2.	Titagarh TPS	5	4	3	0	0	0
3.	Southern TPS	26	29	31	17	20	21
	Sub-Total	320	344	356	210	230	238
4.	Distribution	829	937	1025	544	626	685
	Total:	1149	1281	1381	754	856	923

5.14 Interest on Working Capital:

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

Generating station	Rupees in lakh		
	2020 – 2021	2021 – 2022	2022 – 2023
Budge Budge	1744	1765	1783
Southern	157	163	171
Distribution	4928	5249	5610
Total	14006	14741	7564

5.14.2 The Commission noted that CESC Limited holds a considerable amount of Rs 162800.00 lakh of consumers' security deposit as on 31.03.2020 as per Annual Accounts of 2019 - 2020 [p-314 of Vol-18] and estimated it Rs 181317.00 lakh, Rs. 191317.00 lakh and Rs. 203317.00 lakh for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 which the petitioner is 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 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 years 2020 – 2021, 2021 – 2022



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

and 2022 – 2023 are Rs 3995.00 lakh, Rs. 4172.00 lakh and Rs 4406.00 Lakh respectively.

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 2020 – 2021, 2021 – 2022 and 2022 – 2023 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	2020 – 21	2021 – 22	2022 – 23
1	Generation Assets	6457	6627	6845
2	Distribution Assets	31094	32705	34489
3	Metering Assets	3912	4248	4511
4	Other Assets	1374	1917	2412
	Sub-total	42837	45497	48257
5	Less: Depreciation on assets created by utilizing proceeds from sale of old assets	392	392	392
	Total	42445	45105	47865

5.16.2 The 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 retirement has been considered as proposed by the petitioner. However, the Commission has not considered any asset addition for generation function and reduced the amount for distribution function based on CAGR trend of distribution asset addition. Accordingly, Net asset addition has been reduced proportionately. While admitting the cost of asset to be depreciated, lease hold land has been treated at par with free hold land. Consequently, depreciation for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023,



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

are derived for derived from data furnished by CESC Limited as follows:

Rs lakh

DEPRECIATION FOR THE YEAR 2020 – 21								
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] = [3] + [4]-[5]	[8]=[7] x (ii) / (i)	[9]
A	Generating Asset							
(i)	Cost	429422	-900	240394	184623	183120	6256	428522
(ii)	Depreciation for the year				6307			
B	Distr. Asset							
(i)	Cost	993405	32850	65236	969439	956665	30627	1026255
(ii)	Depreciation for the year				31036			
C	Metering Asset							
(i)	Cost	53729	1274	13320	42385	41683	3847	55003
(ii)	Depreciation for the year				3912			
D	Other Asset							
(i)	Cost	23566	3470	5100	22320	21936	1350	27036
(ii)	Depreciation for the year				1374			
	Total						42080	
							392	
							Less: Sale of Old Asset	
							Net Admitted Depreciation	41688

Rs lakh



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

DEPRECIATION FOR THE YEAR 2021 – 22								
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] = [3] + [4]-[5]	[8] = [7] x (ii) / (i)	[9]
A	Generating Asset							
(i)	Cost	428522	-900	241143	190125	181471	6291	427622
(ii)	Depreciation for the year				6591			
B	Distr. Asset							
(i)	Cost	1026255	22387	77876	1010883	966454	31214	1048642
(ii)	Depreciation for the year				32649			
C	Metering Asset							
(i)	Cost	55003	264	13355	44290	41912	4020	55267
(ii)	Depreciation for the year				4248			
D	Other Asset							
(i)	Cost	27036	2094	5200	27620	23930	1661	29130
(ii)	Depreciation for the year				1917			
	Total						43186	
							392	
							Less: Sale of Old Asset	
							Net Admitted Depreciation	42794

(Rs in lakh)

DEPRECIATION FOR THE YEAR 2022 – 23								
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Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

DEPRECIATION FOR THE YEAR 2022 – 23								
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] = [3] + [4]-[5]	[8] = [7] x (ii) / (i)	[9]
A	Generating Asset							
(i)	Cost	427622	-900	241178	194137	180536	6226	426722
(ii)	Depreciation for the year				6695			
B	Distr. Asset							
(i)	Cost	1048642	19488	78778	1065100	985040	31845	1068130
(ii)	Depreciation for the year				34433			
C	Metering Asset							
(i)	Cost	55267	114	13733	46206	41648	4066	55381
(ii)	Depreciation for the year				4511			
D	Other Asset							
(i)	Cost	29130	1782	5350	32870	25562	1876	30912
(ii)	Depreciation for the year				2412			
	Total						44013	
							392	
							Less: Sale of Old Asset	
							Net Admitted Depreciation	43621

5.16.3 The chargeable depreciation with such capitalization programme involving considerable amounts 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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

commercial operations. The Commission, therefore, stipulates that the amounts 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 year in due course after prudence check by the Commission. The amounts 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		
		20-21	21-22	22-23	20-21	21-22	22-23
1	Budge Budge	5560	5725	5940	5387	5435	5403
2	Titagarh	549	549	549	532	521	499
3	Southern	348	353	356	337	335	324
4	Generation Assets (1+2+3)	6457	6627	6845	6256	6291	6226
5	Distribution Assets Net off sale of old Assets	30702	32313	34097	30235	30822	31453
6	Metering assets	3912	4248	4511	3847	4020	4066
7	Other assets	1374	1917	2412	1350	1661	1876
8	Distribution (5:7)	35988	38478	41020	35432	36503	37395
9	Total (4+8)	42445	45105	47865	41688	42794	43621

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. 50578.00 lakh, Rs. 52106.00 lakh and Rs. 54738.00 lakh for 2020 – 2021, 2021 – 2022 and 2022 – 2023 respectively. However, admissible loan repayment is determined Rs 49816.00 lakh, Rs. 50575.00 lakh and Rs 52877.00 lakh in Sl. No-4 of table under para-Interest on capital borrowing. Thus, allowable advances against depreciation in terms of the Tariff Regulations work out as under:

Rs lakh

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Particulars	20 – 21	21 – 22	22 – 23
1	Admitted Loan repayment	49816	50575	52877
2	Admitted Depreciation (vide paragraph 5.16 above)	41688	42794	43621
3	Additional fund requirement (1-2)	8128	7781	9256
4	Original Admitted loan	560239	536744	510286
5	Maximum ceiling of advance against depreciation (1/10th of Original loan)	56024	53674	51029
6	Allowable advance against depreciation (lower of 3 & 5)	8128	7781	9256

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 on information furnished by the CESC Limited in its application for tariff for the seventh 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		
		20-21	21-22	22-23	20-21	21-22	22-23
1	Budge Budge	1065	889	853	1064	988	1149
2	Titagarh	105	85	79	105	94	106
3	Southern	67	55	51	67	61	69
4	Generation Assets (1+2+3)	1237	1029	983	1236	1143	1324
5	Distribution	6896	5972	5890	6892	6637	7932
6	Total (4+5)	8133	7001	6873	8128	7781	9256

This is further mentioned in terms of Tariff Regulations that it is required to be ensured that the depreciation admitted should not go beyond 90% of the original cost of the fixed asset and after repayment of entire loan, the balance depreciation should be spread over the balance useful life of the asset. This calls for consideration of cumulative depreciation and cumulative loan repayment to track the actual/admissible amounts for proper and justifiable consideration of AAD and interest credit applying prudence. Commission will consider AAD/Interest credit on cumulative basis accordingly during trueing up exercise while dealing the APR



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

petitions of respective years in the 7th control period. CESC Limited is directed to furnish year wise details of actual vis-à-vis admitted loan repayment along with actual vis-à-vis depreciation admitted since 2007 – 08 in APR.

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 years 2020 – 2021, 2021 – 2022 and 2022 – 2023. 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 2020 – 2021, 2021 – 2022 and 2022 – 2023 based on actual financial results.

5.19 Return on Equity (ROE):

5.19.1 CESC Limited has claimed return on equity at Rs. 70373.00 lakh, Rs 73436.0 lakh and Rs 76747.00 lakh for the year 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 2020 – 2021, 2021 – 2022 and 2022 – 2023 are given in paragraph 5.19.2 below and the detailed computations of the ROE on the basis of such observations are shown below:

Rs lakh

Sl. No.	Particulars	2020 – 21			2021 – 22			2022 – 23		
		Gen	Dis	Total	Gen	Dis	Total	Gen	Dis	Total
1	Actual Equity base at the beginning of the year	272367	558031	830398	295711	605858	901569	320086	655796	975882
2	Opening balance of admissible equity base at the beginning of the year	126324	299363	425687	126743	315907	442650	128618	334322	462940



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Particulars	2020 – 21			2021 – 22			2022 – 23		
		Gen	Dis	Total	Gen	Dis	Total	Gen	Dis	Total
3	Additional / withdrawal to / from equity base during the year	23344	47827	71171	24374	49939	74313	25461	52165	77626
4	Actual Equity base at the end of the year – computed [(1)+(3)]	295711	605858	901569	320085	655797	975882	345547	707961	1053508
5	Net addition to the original cost of fixed assets	-900	37594	36694	-900	24745	23845	-900	21384	20484
6	Normative addition to Fixed Assets @ 30%	-270	11278	11008	-270	7424	7154	-270	6415	6145
7	Normative addition to Equity Base [lower of (3) and (6)]	-270	11278	11008	-270	7424	7154	-270	6415	6145
8	Admissible Equity base at the end of the year [(2)+(7)]	126054	310641	436695	126473	323331	449804	128348	340737	469085
9	Average equity base for the year $\frac{[(2)+(8)]}{2}$	126189	305002	431191	126608	319619	446227	128483	337530	466013
10	Rate of return	15.50%	16.50%	-	15.50%	16.50%	-	15.50%	16.50%	
11	Allowable return	19559	50325	69884	19624	52737	72361	19915	55692	75607

5.19.2 The Commission has allocated ROE to the generating stations and to the 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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Particulars	Claimed by CESC			Admitted by the Commission		
		20-21	21-22	22-23	20-21	21-22	22-23
1	Budge Budge TPS	16825	17001	17238	16779	16857	17140
2	Titagarh TPS	1464	1464	1464	1460	1452	1456
3	Southern TPS	1324	1327	1327	1320	1316	1319
4	Sub-Total	19613	19792	20029	19559	19624	19915
5	Distribution	50760	53644	56718	50325	52737	55692
6	Total	70373	73436	76747	69884	72361	75607

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 year.

5.20 Income Tax:

5.20.1 The applicant has projected the provision of Rs 37793.00 lakh and Rs 39437.00 lakh and Rs 41217.00 for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 towards taxes payable under the provisions of the Income Tax Act, 1961, computed @ 34.94% being the current 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 consumers. The Commission, therefore, allows the provision for payment of income tax considering the rate 17.47% of 2019 – 2020 (15% MAT, 1.67% Cess and 0.67% Surcharge) for all the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 on admitted Return on Equity as follows, subject to adjustments on the basis of tax assessment and payments made accordingly.

(Rs in Lakh)

Power Station	Claimed by CESC			Admitted by WBERC		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Budge Budge	9037	9130	9258	2931	2945	2994
Titagarh	785	786	786	255	254	254
Southern	711	712	713	231	230	230
Sub Total	10533	10628	10757	3417	3429	3478
Distribution, selling	27260	28809	30460	8792	9213	9729
Total	37793	39437	41217	12209	12642	13207

5.20.2 CESC Limited is directed in terms of regulation 5.13 of the Tariff Regulations to furnish 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 seventh control period and thus, the Commission does not consider any incentive for the said period

5.22 Reserve for Unforeseen exigencies:

5.22.1 The petitioner has claimed nothing towards Reserve for Unforeseen exigencies during the seventh control period and thus, the Commission does not consider any incentive for the said period.

5.22.2 CESC Limited is, however, directed that investment of the amounts 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 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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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 The petitioner has stated that on effective implementation of Voluntary Separation Scheme (VSS), such sum would be duly included in the APR Petitions in due course but projected nothing towards terminal benefit during the seventh control period. Thus, the Commission does not consider any such amount for the said period.

5.24 Corporate Social Responsibility:

5.24.1 The petitioner has claimed nothing on account of corporate social responsibility during the seventh control period as well as the Commission does not consider it be a pass through and such cost should be appropriated out of profit of the company.

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 Tariff Order for 2017 – 2018. The petitioner has stated that pursuant to introduction of GST the effect of Entry tax /GST has been shown under Repairs during the seventh control period. Thus, the Commission does not consider any Service & Entry Tax for the said period separately.

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	20 – 21	21 – 22	22 – 23
1	Rental of meters and other apparatus hired out including External subsidy for meter rent	5111	5229	5343
2	Testing & Reconnection Charges/ Sale and repair of lamp and other apparatus	200	200	200
3	contribution from consumers	6000	12000	12000



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Sl. No.	Particulars	20 – 21	21 – 22	22 – 23
4	Income from Investments and Bank Balances etc.	109	109	109
5	Surcharge for Late Payments	3360	3360	3360
6	Other General receipts arising from and ancillary or incidental to the business of electricity	1608	1608	1608
7	Total	16388	22506	22620

5.26.2 Income from contribution from consumers amounting Rs 6000.00 lakh, Rs 6000.00 lakh and Rs 15000.00 lakh for both the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 have been considered while determining asset addition, depreciation and return on equity. Therefore, the same is not considered here. 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. 10388.00 lakh for 2020 – 2021, Rs 10506.00 lakh for 2021 – 2022 and Rs 10620.00 lakhs for 2022 – 2023. 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

Year	Income from Non-tariff Sources	Budge Budge TPS	Titagarh TPS	Southern TPS	Distribution System	total
2020-2021	Income from Investments and General Receipts	429	37	34	1108	1608
	Other income from distribution system	0	0	0	8780	8780
	Total	429	37	34	9888	10388
2021-	Income from Investments and	416	36	32	1124	1608



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

Year	Income from Non-tariff Sources	Budge Budge TPS	Titagarh TPS	Southern TPS	Distribution System	total
2022	General Receipts					
	Other income from distribution system	0	0	0	8898	8898
	Total	416	36	32	10022	10506
2022- 2023	Income from Investments and General Receipts	404	34	31	1139	1608
	Other income from distribution system	0	0	0	9012	9012
	Total	404	34	31	10151	10620

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 not projected any income from Auxiliary Services (advertisements on bill face) as well as other business (Consultancy service) and sharing thereof to consumers. The licensee has stated that income from business relating to Auxiliary Services to be shared with the consumers in terms of Regulations 5.15.2 (vii) and any sum actually received towards Consultancy Services is proposed to be shared with the consumers in the respective APR Petitions, in terms of the Regulations. The Commission has noted in Form 1.24 that the net income from advertisements shown for previous years ranges from Rs 90.0 lakh to Rs 220.0 lakh but Rs (-) 28.0 lakh in base year 2019 – 2020. The net income other business (Consultancy service) has been shown negative since 2016 – 2017. The Commission agrees to the projection of the utility at tariff determining stage. The net income it derives from such other auxiliary services and other business, if any, at actuals shall be dealt in APR for respective years as per the Tariff Regulations.

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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

the same for adjustment with the expenses of distribution system before arriving at the net revenue requirement for 2020 – 2021, 2021 – 2022 and 2022 - 2023 as under:

Rs in lakh

Sl. No.	Particulars	20 – 21	21 – 22	22 – 23
1	Earnings from commercial usage of assets (user fee)	1331	1464	1464
2	Allowable benefit to consumers @ 40%	532	586	586

5.28 Expenses related to COVID19

CESC Limited has stated that the unprecedented Covid-19 induced pandemic and related restrictions have impacted the operations of the Company immensely due to significant additional expenses to meet various operational requirements, conforming to relevant Government advisories (like social-distancing norms, sanitization, providing masks to employees) , for the sake business continuity, specially during lockdown (like arrangement of necessary transport) as well as certain medical expenses required for treatment / hospitalisation / Quarantine facilities of the affected employees. The petitioner has claimed Rs 2500.0 lakh for such expenses for the year 2020 – 2021 however, the licensee has not projected any expenses related to Covid-19 for the year 2021-22 and 2022-23 in tariff petition stating that it will be claimed on actual basis during respective APR Petitions. The claim among different cost centres of CESC is as follows:

(Rs lakh)

Power Station	Claimed by CESC		
	2020-21	2021-22	2022-23
Budge Budge	598	0	0
Titagarh	47	0	0
Southern	52	0	0
Sub Total	697	0	0
Distribution, selling	1803	0	0
Total	2500	0	0



The Commission finds that CESC Limited has not provided break up of Rs 2500.0 lakh. The Commission does not admit any amount under this head. However, expenses like transport will be treated under R&M, expenses for pandemic related SOPs will be treated under A&G and medical expenses for affected employees will be treated under Employee cost in APR petitions for 2020 – 2021, 2021 – 2022 and 2022 – 2023.

5.29 Amphan Damage Expenses

The petitioner has also stated that on 20 May 2020, during the Covid-19 related lockdown, the city of Kolkata-Howrah and adjoining areas were swept through by super cyclonic storm Amphan and it resulted in immense damage to installations and infrastructure of the Company. CESC Limited has claimed Rs 2800.0 lakhs for recovery of mitigating expenses for the year 2020 – 2021. The claim among different cost centres of CESC is as follows:

(Rs lakh)

Power Station	Claimed by CESC		
	2020-21	2021-22	2022-23
Budge Budge	600	0	0
Titagarh	0	0	0
Southern	200	0	0
Sub Total	800	0	0
Distribution, selling	2000	0	0
Total	2800	0	0

It is evident from the Balance Sheet of CESC Limited as on 31.03.2020 that the amount of Reserve for Unforeseen exigencies stands at Rs. 27910.00 lakh on that date including Rs.1867 lakh [p-288, Vol-18] appropriated in the previous year towards Reserve for unforeseen exigencies including interest accrued on such investment. The Commission decides that no amount will be considered under the head as investment of the amounts so far created under the head reserve for unforeseen exigencies under regulation 5.11.1 should be utilized for dealing with unforeseen exigencies like Amphan.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 5A

INFLATION TRENDS			
DESCRIPTION	Financial Year		
	2017-18	2018-19	2019-20
Wholesale Price Index (WPI) in %	2.96	4.26	1.67
Consumer Price Index (CPI) in %	3.10	5.40	7.54
Hybrid Index Combined WPI & CPI (60 : 40) in %	3.04	4.72	4.02



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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

SI No	Particulars	Units	Inflationary Basis	Sensitivity Parameter & degree of sensitivity	Admitted in TO for 2019-20 (Rs lakh)	Cost / sensitivity parameter	Admissible per unit cost for 20 – 21 after inflation of 4.02%	Admissible per unit cost for 20 – 21 after inflation of 4.02%	Admissible per unit cost for 22 – 23 after inflation of 4.02%	Admissible Cost for 2020 – 21	Admissible Cost for 2021 – 22	Admissible Cost for 2022 – 23	Claimed by CESC for 2020-21	Claimed by CESC for 2021-22	Claimed by CESC for 2022-23	Admitted by WBERC for 2020 – 21	Admitted by WBERC for 2021 – 22	Admitted by WBERC for 2022 – 23
	[1]			[2]	[3]	[4]=[3]/A 3 or B3 of 19-20	[5] = [4] x 1.0402	[6] = [5] x 1.0402	[7] = [6] x 1.0402	[8] = [5] x A3 or B3 of 20-21	[9] = [6] x A3 or B3 of 21-22	[10] = [7] x A3 or B3 of 22-23	[11]	[12]	[13]	[14] = Min of [8] and [11]	[15] = Min of [9] and [12]	[16] = Min of [10] and [13]
1	Repair & Maintenance Expenditure	Rs Lakh	WPI+CPI	DLL	20655	0.9071	0.944	0.981	1.021	21893	23021	24208	19092	20619	25574	19092	20619	24208
2	- Rent	Rs Lakh	WPI+CPI	DLL	1384	0.0608	0.063	0.066	0.068	1467	1543	1622	2876	2979	3209	1467	1543	1622
3	- Auditors Fees	Rs Lakh	WPI+CPI	DLL	235	0.0103	0.011	0.011	0.012	249	262	275	317	342	370	249	262	275
4	- Legal Charges	Rs Lakh	WPI+CPI	CSM	704	0.0002	0.000	0.000	0.000	751	794	839	1189	1284	1387	751	794	839
5	- Others Administrative and General Expenses	Rs Lakh	WPI+CPI	CSM	18244	0.0055	0.006	0.006	0.006	19462	20569	21738	21926	23680	22269	19462	20569	21738
6	Total Administrative & General Expenses (2+3+4+5)	Rs Lakh			20567					21929	23168	24474	26308	28285	27235	21929	23168	24474
7	Total O&M Function Expenses (1+6)	Rs Lakh			41222					43822	46189	48682	45400	48904	52809	41021	43787	48682



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

CHAPTER - 6

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT FOR THE YEARS 2020 – 2021, 2021 – 2022 AND 2022 – 2023 & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2020 – 2021 AND 2021 – 2022

- 6.1 Based on the analyses and findings recorded in the foregoing chapters , Aggregate Revenue Requirements (ARR) separately for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 under seventh control period have been computed. 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 years 2020 – 2021, 2021 – 2022 and 2022 – 2023 work out as under.

Rs. in Lakh

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2020 – 2021						
Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2020 – 2021	151197.64	3359.31	35899.54	467715.72	658172.21
2	Fuel Cost / Power Purchase Cost	97976.37	0.00	24647.33	215297.57	337921.27
3	Capacity Charges / Fixed Charges (1-2)	53221.27	3359.31	11252.21	252418.15	320250.95

Rs. in Lakh



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2021 – 2022						
Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2021 – 2022	150278.84	2843.36	36327.04	480491.93	669941.17
2	Fuel Cost / Power Purchase Cost	95961.02	0.00	24889.82	221667.63	342518.47
3	Capacity Charges / Fixed Charges (1-2)	54317.82	2843.36	11437.22	258824.30	327422.70

AGGREGATE REVENUE REQUIREMENT, CAPACITY CHARGES AND FIXED CHARGES IN 2022 – 2023						
Sl. No	Particulars	Generation			Distribution	Total
		Budge Budge	Titagarh	Southern		
1	Net Aggregate Revenue Requirement (ARR) for 2022 – 2023	152081.78	2408.57	36496.62	519244.63	710231.60
2	Fuel Cost / Power Purchase Cost	96753.91	0.00	24913.96	251473.84	373141.71
3	Capacity Charges / Fixed Charges (1-2)	55327.87	2408.57	11582.66	267770.79	337089.89

6.3 The Commission has considered 8 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 2020 – 2021, 2021 – 2022 and 2022 – 2023 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 8 MU of energy comes to Rs. 523.00 lakh, which will be deducted from the net ARR of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023 to arrive at the revenue to be earned through sale to own consumers.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

6.4 Adjustment of Regulatory Assets

6.4.1 In the APR order dated 02.03.2020 in respect of CESC Limited for the year 2013-14 in cases no. FPPCA-71/14-15 and APR-44/14-15, the Commission 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 decided 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. The Commission now decides to adjust an amount of **Rs 15274.00 lakh** with the ARR for seventh control period.

6.4.2 In the APR orders in respect of CESC Limited for the year 2014 – 2015, 2015 – 2016, 2016 – 2017 and 2017 – 2018, the net refundable/recoverable amount for the APR orders for the years 2014 – 15 to 2017 – 18 comes as follows:

(Rs Lakh)

Description	Amount
Recovery (+)/Refund (-) in APR & FPPCA Order for the year 14 – 15 dated 16.07.2022 in Case No: FPPCA-74/15-16 and APR -49/15-16	-9697.00
Recovery (+)/Refund (-) in APR & FPPCA Order for the year 15 – 16 dated 01.08.2022 in Case No: FPPCA-79/16-17 and APR-58/16-17	-11880.25
Recovery (+)/Refund (-) in APR & FPPCA Order for the year 16 – 17 dated 01.08.2022 in Case No: FPPCA-85/16-17 and APR-65/17-18	11326.94
Recovery (+)/Refund (-) in APR & FPPCA Order for the year 17 – 18 dated 01.08.2022 in Case No: FPPCA-93/18-19 and APR-73/18-19	11695.03

6.4.3 The Commission has decided that the entire recoverable/refundable amount or part thereof shall be adjusted with the amount of Aggregate Revenue Requirement (ARR) for the year 2020 – 2021 or that for any other ensuing year or through separate order, as may be decided by the Commission.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

6.4.4 Now the Commission decides to adjust the recoverable/refundable amount or part thereof for the APR & FPPCA orders from 2013 – 14 onwards as follows to avoid tariff shock:

(Rs lakh)

Description		Adjustment in 20 – 21	Adjustment in 21 – 22	Adjustment left for 22 – 23 onwards
(1)	(2)	(3)	(4)	(5)=(2)-(3)-(4)
1) Part adjustment of APR 13 -14	15274.00	15274.00		0.00
2) Adjustment for APR 14-15	-9697.00	-9697.00		0.00
3) Part adjustment for APR 15-16	-11880.25	-10872.48	-1007.77	0.00
4) Adjustment for APR 16-17	11326.94		11326.94	0.00
5) Part adjustment for APR 17-18	11695.03		900.03	10795.00
Total adjustment		-5295.48	11219.20	10795.00

The Commission decides to adjust refundable amount of Rs 5295.48 lakh with the ARR of 2020 – 21, recoverable amount of Rs 11219.20 lakh with the ARR of 2021 – 22. The balance recoverable amount of Rs 10795.00 lakh will be adjusted with the ARR of 2022 – 23 or as decided by the Commission.

6.5 The Commission now works out the revenue to be recovered through tariff for 2020 – 2021 and 2021 – 2022 and the same is shown in the table below:

Rs in lakh

REVENUE TO BE RECOVERED THROUGH TARIFF				
Sl. No	Particulars	Unit	20 – 21	21 – 22
1	Net ARR for the year 20 –21 and 21 –22 as shown in table under paragraph 6.2 above.	Rs lakh	658172.21	669941.17
2	Less: Revenue earned from sale to WBSEDCL	Rs lakh	523.20	523.20
3	Part Adjustment for APR 13-14 to 17-18	Rs lakh	-5295.48	11219.20
4	Total revenue to be recovered through tariff (4) = (1) - (2) + (3)	Rs lakh	652353.53	680637.17
5	Energy sale to own consumers	MU	8930.00	9316.00
6	Average tariff for the consumers [(6)=(4)/(5)*10]	Paisa/ KWh	730.52	730.61



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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

Sl. No.	Particulars	Unit	2020 – 21	2021 – 22
1	Revenue Recoverable for supply of power to the consumers as per para 6.5 above	Rs. lakh	652353.53	680637.17
2	Revenue from sale of power to consumers at existing at tariff (including MVCA) [#]	Rs lakh	652243.59	680515.00
3	Revenue Gap (-)/ surplus (+) [(2)-(1)]	Rs. Lakh	-109.94	-122.17

6.7 The Financial Years of 2020 – 2021 and 2021 – 2022 have been completed. The existing tariff including the MVCA at existing rate is sufficient to recover the ARR for the years 2020 – 2021 and 2021 – 2022. Thus, there is no requirement for additional recovery or refund from/to the consumers during the year 2020 – 2021 and 2021 – 2022 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 2020 – 2021 and 2021 – 2022 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 2020 – 2021 and 2021 – 2022 are provided in chapter -7 of this order.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 6A

AGGREGATE REVENUE REQUIREMENT FOR BUDGE BUDGE GENERATING STATION (Rs lakh)							
	ITEM	PRPOSED BY CESC			ALLOWED BY WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Fuel	122167	124291	125421	97976.37	95961.02	96753.91
2	Power Purchase	0	0	0	0.00	0.00	0.00
3	Coal & Ash Handling related charges	988	1067	1152	972.00	1045.00	1124.00
4	Employee Cost	8879	9333	9801	8530.27	8627.82	8622.87
5	Cost of Contracted Manpower	4438	4438	4438	4047.00	4355.00	4438.00
6	O&M Expenses	11625	12325	13069	11490.00	11955.00	12435.00
7	Rent for generation	0	0	0	0.00	0.00	0.00
8	Rates & taxes	389	420	454	389.00	420.00	454.00
9	Amphan, Covid19	1198			0.00	0.00	0.00
10	Insurances	1225	1324	1429	538.00	560.00	583.00
11	Financing Charges	289	311	322	193.00	210.00	217.00
12	Interest on capital expenditure	1555	1692	1729	1325.00	1331.00	1166.00
13	Interest on Temporary Accommodation	7528	7249	6946	0.00	0.00	0.00
14	Interest on consumer security deposit	0	0	0	0.00	0.00	0.00
15	Foreign Exchange Rate Variation	0	0	0	0.00	0.00	0.00
16	Interest on Working Capital	1744	1765	1783	0.00	0.00	0.00
17	Bad Debt	0	0	0	0.00	0.00	0.00
18	Lease rental	0	0	0	0.00	0.00	0.00
19	Depreciation	5560	5725	5940	5387.00	5435.00	5403.00
20	Advance Depreciation	1065	889	853	1064.00	988.00	1149.00
21	Water Charges	5	5	6	5.00	5.00	6.00
22	Reserve for Unforeseen Exigencies	0	0	0	0.00	0.00	0.00
23	Intangible Assets written off	0	0	0	0.00	0.00	0.00
24	Cost of Outsourcing	0	0	0	0.00	0.00	0.00
25	Tax on Income & profit	9037	9130	9258	2931.00	2945.00	2994.00
26	Return on Equity	16825	17001	17238	16779.00	16857.00	17140.00
27	Incentive	0	0	0	0.00	0.00	0.00
28	Gross Average Revenue Requirement	194517	196965	199839	151626.64	150694.84	152485.78
29	Less : Misc. other income	429	416	404	429.00	416.00	404.00
30	Less :Benefit passed on for auxiliary services	0	0	0	0.00	0.00	0.00
31	Less: Earnings from commercial usage of assets	0	0	0	0.00	0.00	0.00
32	Net Aggregate Revenue Requirement	194088	196549	199435	151197.64	150278.84	152081.78



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 6B

(Rs lakh)

AGGREGATE REVENUE REQUIREMENT OF TITAGARH GENERATING STATION							
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		20 – 21	21 – 22	22 - 23	20 – 21	21 – 22	22 - 23
1	Fuel		0		0.00	0.00	0.00
2	Power Purchase				0.00	0.00	0.00
3	Coal & Ash Handling related charges				0.00	0.00	0.00
4	Employee Cost	1087	604	145	1044.31	558.36	127.57
5	Cost of Contracted Manpower				0.00	0.00	0.00
6	O&M Expenses	764	764	764	0.00	0.00	0.00
7	Rent for generation				0.00	0.00	0.00
8	Rates & taxes	83	83	83	0.00	0.00	0.00
9	Amphan, Covid19	52			0.00	0.00	0.00
10	Insurances	6	6	6	0.00	0.00	0.00
11	Financing Charges	5	4	3	0.00	0.00	0.00
12	Interest on capital expenditure				0.00	0.00	0.00
13	Interest on Temporary Accommodation				0.00	0.00	0.00
14	Interest on consumer security deposit				0.00	0.00	0.00
15	Foreign Exchange Rate Variation				0.00	0.00	0.00
16	Interest on Working Capital				0.00	0.00	0.00
17	Bad Debt				0.00	0.00	0.00
18	Lease rental				0.00	0.00	0.00
19	Depreciation	549	549	549	532.00	521.00	499.00
20	Advance Depreciation	105	85	79	105.00	94.00	106.00
21	Water Charges				0.00	0.00	0.00
22	Reserve for Unforeseen Exigencies				0.00	0.00	0.00
23	Intangible Assets written off				0.00	0.00	0.00
24	Cost of Outsourcing				0.00	0.00	0.00
25	Tax on Income & profit	785	786	786	255.00	254.00	254.00
26	Return on Equity	1464	1464	1464	1460.00	1452.00	1456.00
27	Incentive				0.00	0.00	0.00
28	Gross Average Revenue Requirement	4900	4345	3879	3396.31	2879.36	2442.57
29	Less : Misc. other income	37	36	34	37.00	36.00	34.00
30	Less :Benefit passed on for auxiliary services	0		0	0.00	0.00	0.00
31	Less: Earnings from commercial usage of assets	0		0	0.00	0.00	0.00
32	Net Aggregate Revenue Requirement	4863	4309	3845	3359.31	2843.36	2408.57



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 6C

AGGREGATE REVENUE REQUIREMENT OF SOUTHERN GENERATING STATION (Rs lakh)							
Sl. No	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Fuel	2984	3461	3854	24647.33	24889.82	24913.96
2	Power Purchase	0	0	0	0.00	0.00	0.00
3	Coal & Ash Handling related charges	102	110	118	276.00	297.00	319.00
4	Employee Cost	5915	6210	6520	5682.69	5740.79	5736.26
5	Cost of Contracted Manpower	1721	1721	1721	557.00	599.00	644.00
6	O&M Expenses	2477	2626	2784	2448.00	2546.00	2649.00
7	Rent for generation	79	86	93	44.73	46.53	48.40
8	Rates & taxes	2	2	2	2.00	2.00	2.00
9	Amphan, Covid19	247	0	0	0.00	0.00	0.00
10	Insurances	179	194	209	114.00	119.00	124.00
11	Financing Charges	26	29	31	17.00	20.00	21.00
12	Interest on capital expenditure	144	113	87	123.00	89.00	59.00
13	Interest on Temporary Accommodation	676	670	667	0.00	0.00	0.00
14	Interest on consumer security deposit				0.00	0.00	0.00
15	Foreign Exchange Rate Variation				0.00	0.00	0.00
16	Interest on Working Capital	157	163	171	0.00	0.00	0.00
17	Bad Debt				0.00	0.00	0.00
18	Lease rental				0.00	0.00	0.00
19	Depreciation	348	353	356	337.00	335.00	324.00
20	Advance Depreciation	67	55	51	67.00	61.00	69.00
21	Water Charges	23	24	25	66.80	67.90	69.00
22	Reserve for Unforeseen Exigencies				0.00	0.00	0.00
23	Intangible Assets written off				0.00	0.00	0.00
24	Cost of Outsourcing				0.00	0.00	0.00
25	Tax on Income & profit	711	712	713	231.00	230.00	230.00
26	Return on Equity	1324	1327	1327	1320.00	1316.00	1319.00
27	Incentive				0.00	0.00	0.00
28	Gross Average Revenue Requirement	17182	17856	18729	35933.54	36359.04	36527.62
29	Less : Misc. other income	34	32	31	34.00	32.00	31.00
30	Less :Benefit passed on for auxiliary services				0.00	0.00	0.00
31	Less: Earnings from commercial usage of assets				0.00	0.00	0.00
32	Net Aggregate Revenue Requirement	17148	17824	18698	35899.54	36327.04	36496.62



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 6D

AGGREGATE REVENUE REQUIREMENT FOR DISTRIBUTION (Rs lakh)							
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Fuel	0.00	0.00	0.00	0.00	0.00	0.00
2	Power Purchase including DSM	269617	296315	321023	215297.57	221667.63	251473.84
3	Coal & Ash Handling related charges	0.00	0.00	0.00	0.00	0.00	0.00
4	Employee Cost	89769	94792	100024	86243.29	87629.77	88000.62
5	Cost of Contracted Manpower	0.00	0.00	0.00	0.00	0.00	0.00
6	O&M Expenses	45400	48904	52809	41021.00	43787.00	48682.00
7	Rent for generation	0.00	0.00	0.00	0.00	0.00	0.00
8	Rates & taxes	421	454	490	367.00	386.00	406.00
9	Amphan, Covid19	3803	0.00	0.00	0.00	0.00	0.00
10	Insurances	402	435	469	194.00	204.00	214.00
11	Financing Charges	829	937	1025	544.00	626.00	685.00
12	Interest on capital expenditure	24242	24167	24827	20656.00	19014.00	16743.00
13	Interest on Temporary Accommodation	21270	21555	21861	0.00	0.00	0.00
14	Interest on consumer security deposit	10879	11479	12199	10025.86	10290.52	10562.17
15	Foreign Exchange Rate Variation	0.00	0.00	0.00	0.00	0.00	0.00
16	Interest on Working Capital	4928	5249	5610	0.00	0.00	0.00
17	Bad Debt	3995	4172	4406	0.00	0.00	0.00
18	Lease rental	1197	1197	1197	1197.00	1197.00	1197.00
19	Depreciation	35988	38478	41020	35432.00	36503.00	37395.00
20	Advance Depreciation	6896	5972	5890	6892.00	6637.00	7932.00
21	Water Charges	0.00	0.00	0.00	0.00	0.00	0.00
22	Reserve for Unforeseen Exigencies	0.00	0.00	0.00	0.00	0.00	0.00
23	Intangible Assets written off	0.00	0.00	0.00	0.00	0.00	0.00
24	Cost of Outsourcing	1596	1723	1861	1149.00	1208.00	1270.00
25	Tax on Income & profit	27260	28809	30460	8792.00	9213.00	9729.00
26	Return on Equity	50760	53644	56718	50325.00	52737.00	55692.00
27	Incentive	0.00	0.00	0.00	0.00	0.00	0.00
28	Gross Average Revenue Requirement	599252	638282	681889	478135.72	491099.93	529981.63
29	Less : Misc. other income	15887	22022	22150	9888.00	10022.00	10151.00
30	Less : Benefit passed on for auxiliary services	0.00	0.00	0.00	0.00	0.00	0.00
31	Less: Earnings from commercial usage of assets	532	586	586	532.00	586.00	586.00
32	Net Aggregate Revenue Requirement	582833	615674	659153	467715.72	480491.93	519244.63



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

ANNEXURE – 6E

AGGREGATE REVENUE REQUIREMENT OF CESC (Rs lakh)							
Sl. No.	ITEM	PROPOSED BY CESC			ALLOWED BY WBERC		
		20 – 21	21 – 22	22 – 23	20 – 21	21 – 22	22 – 23
1	Fuel	125151	127752	129275	122623.70	120850.84	121667.87
2	Power Purchase including DSM	269617	296315	321023	215297.57	221667.63	251473.84
3	Coal & Ash Handling related charges	1090	1177	1270	1248.00	1342.00	1443.00
4	Employee Cost	105650	110939	116490	101500.56	102556.75	102487.32
5	Cost of Contracted Manpower	6159	6159	6159	4604.00	4954.00	5082.00
6	O&M Expenses	60266	64619	69426	54959.00	58288.00	63766.00
7	Rent for generation	79	86	93	44.73	46.53	48.40
8	Rates & taxes	895	959	1029	758.00	808.00	862.00
9	Amphan, Covid19	5300	0	0	0.00	0.00	0.00
10	Insurances	1812	1959	2113	846.00	883.00	921.00
11	Financing Charges	1149	1281	1381	754.00	856.00	923.00
12	Interest on capital expenditure	25941	25972	26643	22104.00	20434.00	17968.00
13	Interest on Temporary Accommodation	29474	29474	29474	0.00	0.00	0.00
14	Interest on consumer security deposit	10879	11479	12199	10025.86	10290.52	10562.17
15	Foreign Exchange Rate Variation	0	0	0	0.00	0.00	0.00
16	Interest on Working Capital	6829	7177	7564	0.00	0.00	0.00
17	Bad Debt	3995	4172	4406	0.00	0.00	0.00
18	Lease rental	1197	1197	1197	1197.00	1197.00	1197.00
19	Depreciation	42445	45105	47865	41688.00	42794.00	43621.00
20	Advance Depreciation	8133	7001	6873	8128.00	7780.00	9256.00
21	Water Charges	28	29	31	71.80	72.90	75.00
22	Reserve for Unforeseen Exigencies	0	0	0	0.00	0.00	0.00
23	Intangible Assets written off	0	0	0	0.00	0.00	0.00
24	Cost of Outsourcing	1596	1723	1861	1149.00	1208.00	1270.00
25	Tax on Income & profit	37793	39437	41217	12209.00	12642.00	13207.00
26	Return on Equity	70373	73436	76747	69884.00	72362.00	75607.00
27	Incentive	0	0	0	0.00	0.00	0.00
28	Gross Average Revenue Requirement	815851	857448	904336	669092.21	681033.17	721437.60
29	Less : Misc. other income	16387	22506	22619	10388.00	10506.00	10620.00
30	Less : Benefit passed on for auxiliary services	0	0	0	0.00	0.00	0.00
31	Less: Earnings from commercial usage of assets	532	586	586	532.00	586.00	586.00
32	Net Aggregate Revenue Requirement	798932	834356	881131	658172.21	669941.17	710231.60



CHAPTER - 7

TARIFF ORDER FOR 2020 – 21 and 2021 – 22

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 2020 – 21, 2021 – 22 and 2022 – 23. 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 2020 – 21 and 2021 – 22.

7.2 Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2020 – 21:

7.2.1 Considering the analysis made in paragraph 6.5, Commission proposes no change in the tariff schedule and other terms and conditions of tariff for the year 2020 – 21 from that of 2019 - 20. Accordingly, the Tariff schedule for 2020 – 21 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 2019 – 20 shall continue during the year 2020 – 21.

7.2.2 The above rates as mentioned in Annexures 7A1 and 7A2 to this order are the rates subsuming the MVCA realized by CESC Limited during the year 2020 – 2021. Any variation between the revenue realised by CESC Limited (including MVCA) during the period vis-à-vis the amount realizable as per the tariff schedule is subject to truing up during FPPCA and APR for the year as per provision of Tariff Regulations.

7.2.3 All the rates and conditions of tariff mentioned above are effective from 1st April 2020.

7.3 Tariff schedule and conditions of Tariff for consumers of CESC Limited during 2021 – 22:



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 7.3.1 From the analysis made in previous chapter the average tariff for consumers of CESC Limited for 2021 – 22 remains same as that of the existing rate of tariff during 2019 – 20 after adjustment of regulatory assets and revenue from consumers Accordingly, the Tariff schedule for 2021 – 22 is given in Annexure 7B1 for LV & MV consumers and at Annexure 7B2 for HV & EHV consumers.
- 7.3.2 The MVCA realized by CESC Limited in terms of Tariff Regulations during year 2021 -22 is subsumed in the above rates as mentioned in Annexures 7B1 and 7B2 to 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 01.04.2022 to till date shall be made by CESC Limited in 6 (six) equal monthly instalments in the bills for the month of September 2022 and onwards.
- 7.3.3 Other associated conditions of the tariff as per tariff order for the year 2019 – 2020 shall continue during the year 2021 – 2022.
- 7.3.4 All the rates and conditions of tariff mentioned above are effective from 1st April 2021 and will continue till further order of the Commission **except the green tariff and promotional EV charging tariff specified in paragraphs 7.4 and 7.5, which will be effective from the next billing cycle from issuance of this order.**

7.4 Green Tariff

- 7.4.1 Clause (b) of sub-section (1) of section 86 of the Electricity Act 2003 inter-alia specifies that, while discharging its function, the State Commission shall promote procurement of renewable energy. The Ministry of Power, Government of India has also issued various directions for promotion of renewable energy in India. The Government of India has a vision to achieve 43% of its energy requirement through renewables by 2030. A vibrant market segment termed as GTAM has also been introduced for trading in renewable energy. Further, the Ministry of Power, Gol, has also notified Green Open Access Rules as a major reform to promote



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

renewable energy through Green Open Access by enabling the commercial and industrial consumers to 'Go Green'.

7.4.2 The Commission has also noted the initiative taken by the Government of West Bengal and CESC for promotion of roof top solar. The Commission has also noted that many State Electricity Regulatory Commissions have introduced a 'Green Tariff' in the range of 50 paise per unit to 70 paise per unit for promotion of renewable energy.

7.4.3 Keeping all these factors in mind and the fact that there is growing consciousness among the consumers to opt for 100 percent green energy to contribute in their own ways towards achieving zero carbon economy, the Commission decides to introduce a 'Green Tariff' of 50 paise per unit for all consumers other than domestic consumers. The 'Green Tariff' is to be levied over and above the retail tariffs who intend to consume 100 percent green power for an uninterrupted period of at least six months. The additional 'Green Tariff' ensures that there will be no adverse tariff impact on the remaining consumers.

7.4.4 CESC shall specifically indicate the 'Green Tariff', if any, in their electricity bills along with amount of 'Green Tariff' payable by the consumers for the relevant period. The Commission may, from time to time, review the green tariff. The details of category wise green tariff collected including the total energy therein shall be furnished in the APR application by CESC.

7.5 Promotional tariff for Electric Vehicle charging stations

7.5.1 In addition to promoting the renewables, the Government has also decided for promotion Electric Vehicles to achieve overall reduction of carbon footprint. The Commission in line with such Government Policy has already allowed single part tariff at average cost of supply i.e., at 731.47 paise per unit for EV Charging Stations in the Tariff Order of 2019 - 20. However, no significant increase in Electric Vehicle Sector in the State has yet been noticed during these years. Further, it is noticed that there is surplus power with the licensee during 'other than

peak period' and with increasing solar integration availability during day hours will also increase. Thus, to balance the need of EV promotion as well as better management of surplus availability, the Commission decides to allow following promotional time-of-day single part tariff for EV charging stations:

a) Rs. 6.00 per unit during the peak hours (17:00 hrs to 23:00 hours)

b) Rs. 5.50 per unit during other than peak hours.

The rates will be effective from the next billing month of the date of issuance of the order. Prior to giving effect of the above rate, the EV charging station tariff as per tariff schedule will continue.

7.5.2 Any EV Charging Station has the liberty to go for complete green resource by applying for 100% green energy with payment of 'Green Tariff' as specified in paragraph 7.4 above.

7.6 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.

7.7 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



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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.

- 7.8 CESC shall clearly indicate in the consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) amount payable for green tariff, if any (c) the amount of the State Government subsidy, if any and (d) the net amount payable as per provisions of the Tariff Regulations.
- 7.9 The Commission notes that, in terms of regulation 6.1.1 of the Tariff Regulations, the recovery of capacity charges for its thermal generating stations shall be based on plant availability factor. CESC Limited shall comply with the requirements of regulation 6.4.2 and submit information regarding availability and actual generation to SLDC in line with regulation 6.4.2 of the Tariff Regulations, in such format as may be required by SLDC.
- 7.10 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.

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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	
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											
				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												

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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	
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	

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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
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												

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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
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	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				

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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	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										

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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
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											

LOW AND MEDIUM VOLTAGE CONSUMERS

2020-21

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
				23.00 hrs to 06.00 hrs	On all Units	526											

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.

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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	
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	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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	
5.	Commercial (33 KV)	Rate B1	Normal	All Units	681	678	675	384	Not Applicable						

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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	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	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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	
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		

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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								P/kWh				(Rs./KVA/month)
						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	Not Applicable								
				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		

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2020-21

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	
17	MES	Rate R - M	Normal	All Units	742	739	736	26	Not Applicable						

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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					
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				23:00 hrs to 06:00 hrs	736		17:00 hrs to 23:00 hrs	838		
				Next	50	793															
				Next	150	849														23:00 hrs to 06:00 hrs	713
				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																

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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	
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	

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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
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												

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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		
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					

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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	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										

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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
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											

LOW AND MEDIUM VOLTAGE CONSUMERS

2021-22

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
				23.00 hrs to 06.00 hrs	On all Units	526											

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.

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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	
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	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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	
5.	Commercial (33 KV)	Rate B1	Normal	All Units	681	678	675	384	Not Applicable						

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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	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	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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	
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		

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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								P/kWh				(Rs./KVA/month)
						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	Not Applicable								
				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		

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

2021-22

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	
17	MES	Rate R - M	Normal	All Units	742	739	736	26	Not Applicable						

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 2020 – 21 and 2021 – 22 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 or associated facilities of a distribution licensee for wheeling of electricity through that facility and derived based on total distribution network cost, total unit salable 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 2020 – 21 and 2021 – 22 respectively. After prudent analysis of the amounts of ARR for the years 2020 – 21 and 2021 – 22 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. 251663.29 lakh and Rs. 257933.77 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. 251663.29 lakh and Rs. 257933.77 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

Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

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	
		2020 – 21	2021 – 22
1	Employee Cost	19874.51	20249.92
2	O&M Expenses	9130.33	9815.90
3	Rates & taxes	81.94	88.42
4	Service Tax & Entry Tax	0.00	0.00
5	Insurances	0.00	0.00
6	Financing Charges	356.32	419.56
7	Interest on capital expenditure	973.07	879.61
8	Interest on Temporary Accommodation	0.00	0.00
9	Foreign Exchange Rate Variation	0.00	0.00
10	Lease rental	61.00	60.00
11	Depreciation	4004.17	4241.51
12	Advance Depreciation	778.55	771.28
13	Reserve for Unforeseen Exigencies	0.00	0.00
14	Intangible Assets written off	0.00	0.00
15	Tax on Income & profit	0.00	0.00
16	Return on Equity	2803.76	2875.54
17	Gross Amount of Fixed charges	38063.65	39401.74

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. 48483.65 lakh and Rs 50009.74 lakh respectively for the years 2020 – 21 and 2021 – 22.

8.5 Based on the foregoing analyses, the amount of fixed charges attributable to the distribution function of CESC Limited for the years 2020 – 21 and 2021 – 22 for determination of rate of wheeling charges payable by the open access customers including the captive generating plants comes as under:

Rs. in Lakh



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

	2020 – 21	2021 – 22
a) Gross Amount of Fixed charges relating to distribution function including sale	251663.29	257933.77
b) Less:		
i) Expense relating to and incidental to retail sales	38063.65	39401.74
ii) Non Tariff Income	10420.00	10608.00
Total [(i) + ii)]	48483.65	50009.74
c) Net admissible amount of fixed charges relating to distribution wheeling	203179.64	207924.03
d) Estimated Sales to own consumers and WBSEDCL (MU)	8938.00	9324.00
e) Average Rate of recoverable wheeling charges (p/kwh)	227.32	223.00

8.6 With the estimated sales of 8938.00 MU and 9324.00 MU for the years 2020 – 21 and 2021 – 22 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 **227.32 paise per unit (kWh) and 223.00 paise per unit (kWh)**.

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:

	20 – 21	21 – 22
U) Total Fuel and Power Purchase Cost in Rs lakh (vide Annexure-6E of this Tariff Order).	337921.27	342518.47
V) Quanta of energy pooled in the distribution system		
i) Sent out from own generation (MU)	5703.68	5763.46



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

	ii) Purchase of Energy (MU) [para-4.7 of Chapter-4 of this Tariff Order]	4772.3993	5163.0277
x)	Weighted average unit cost of pooled energy in paise / kwh [(U) / (V)]	322.56	313.48
Y)	Distribution loss allowed for the year (%)	14.30	14.30
Z)	Avoided cost excluding wheeling charge in paise/kwh [X / (100 - Y) x 0.01]	376.38	365.79

Avoided Cost in paise / kwh will be [Z + Wheeling Charge]

For 2020-21 = **376.38 paise / kWh** + Wheeling charges per unit applicable to the relevant open access case.

For 2021-22 = **365.79 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 2020 – 2021 and 2021 – 2022 come to 227.32 paise per unit (kWh) and 223.00 paise per unit (kWh) as shown in this chapter and the same is recoverable from different categories of open access customers including captive 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.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 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 376.38 paise per kWh and 365.79 paise per kWh for the years 2020 – 2021 and 2021 – 2022 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 years 2020 – 2021 and 2021 – 2022 as per this order are 1 April, 2020 and 1 April, 2021 and will continue till further order in this regard. The adjustments, if any, for over-recovery / under-recovery for the period from 01.04.2020 to 31.03.2022 shall be made in 6 (six) equal monthly instalments starting from the billing month of September, 2022.
- 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.



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Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 8.13 CESC Limited shall mention the applicable wheeling charges in the gist of their tariff order.

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	
		2020-21	2021-22
1	Employee Cost	86243.29	87629.77
2	O&M Expenses	41021.00	43787.00
3	Rates & taxes	367.00	386.00
4	Service Tax & Entry Tax	0.00	0.00
5	Insurances	194.00	204.00
6	Financing Charges	544.00	626.00
7	Interest on capital expenditure	20656.00	19014.00
8	Interest on Temporary Accommodation	0.00	0.00
9	Foreign Exchange Rate Variation	0.00	0.00
10	Lease rental	1197.00	1197.00
11	Depreciation	35432.00	36503.00
12	Advance Depreciation	6892.00	6637.00
13	Reserve for Unforeseen Exigencies	0.00	0.00
14	Intangible Assets written off	0.00	0.00
15	Tax on Income & profit	8792.00	9213.00
16	Return on Equity	50325.00	52737.00
17	Gross Amount of Fixed charges	251663.29	257933.77

CHAPTER - 9

DIRECTIONS

9.1 The Commission had given certain directions to CESC Limited in the tariff orders issued for the years 2018 – 2019 and 2019 – 2020. Some of the directions are of continuous in nature for the seventh control period and CESC Limited has to continue with compliance of these directions for the subsequent period also. The Commission has also given some directions in different chapters of this order. CESC Limited shall also comply with those directions in addition to the directions mentioned hereinabove. In addition, CESC Limited shall further comply with the following directions:

9.2 While submitting application of APR, CESC shall have to submit the following through affidavit:

That no expenditure has been claimed by CESC Limited through the APR petition on employee or infrastructure or any other support or O&M activity pertaining to any other business of CESC Limited unrelated to their licensed business.

9.3 CESC Limited along with its APR application shall also submit a reconciliation statement, duly certified by the auditor, for items of expenditure wherever the amount claimed in APR petition differs from the Annual Accounts.

9.4 CESC Limited shall endeavor to fulfil its RPO obligation specified in the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Energy Sources) Regulations, 2013 as amended from time to time. CESC Limited shall also endeavor to purchase low-cost fossil fuel-based cogeneration power from the plants located within the state subject to ceiling rate specified in the regulation. CESC Limited shall submit a quarterly report of regarding compliance of RPO.



Tariff Order of CESC Limited for the years 2020 – 2021, 2021 – 2022 and 2022 – 2023

- 9.5 All the directions called for in this chapter are in addition to what are statutorily required to be submitted, either in terms of the Act, any of the Regulations made thereunder, or both, for the purpose of submission in the Annual Performance Review of 2020 – 2021, 2021 – 2022 and 2022 – 2023.

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

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

Date : 01.08.2022

**Sd/-
SECRETARY**