



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

**In Case No. WBERC/OA-129/11-12**

IN RE APPLICATION SUBMITTED BY DPSC LIMITED FOR FINAL APPROVAL OF INVESTMENT PROPOSAL IN 2<sup>ND</sup> STAGE IN RESPECT OF 1 X 12 MW GENERATING STATION AT DISHERGARH, DIST. BURDWAN AS PER REGULATION 2.8.1.4.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED.

**PRESENT:**

**SRI PRASADRANJAN RAY, CHAIRPERSON**

**SRI SUJIT DASGUPTA, MEMBER**

**DATE: 14.02.2013**



Order of the West Bengal Electricity Regulatory Commission on the application submitted by DPSC Limited for final approval of investment proposal in 2<sup>nd</sup> stage in respect of 1 x 12 MW Generating Station at Dishergarh, Dist. Burdwan as per regulation 2.8.1.4.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		14.02.2013	<p style="text-align: center;"><b><u>ORDER</u></b></p> <p>1.0 DPSC Limited (hereinafter referred to as 'DPSC') has submitted an application on 14.09.2011 for approval of investment proposal in 2<sup>nd</sup> stage (final approval) in respect of 1 x 12 MW generating station at Dishergarh, Dist. Burdwan in terms of regulation 2.8.1.4.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (hereinafter referred to as the 'Tariff Regulations').</p> <p>2.0 DPSC submitted that they followed two stages bidding process and adopted process for selecting the successful bidder in following way :</p> <p>a) Technical bids were evaluated on 27<sup>th</sup> August 2010 and 28<sup>th</sup> August 2010. The following parties were emerged as successful after technical bid evaluation:-</p> <ul style="list-style-type: none"><li>i) Bharat Forge Infrastructure Limited</li><li>ii) Shristi Infrastructure Development Corporation Limited (in short 'Shristi')</li><li>iii) The Indure Private Limited</li></ul> <p>b) Commercial evaluation was done on 28<sup>th</sup> August 2010. The result of Commercial evaluation is as follows:-</p> <ul style="list-style-type: none"><li>i) Shristi (L<sub>1</sub>)</li><li>ii) Bharat Forge Limited (L<sub>2</sub>)</li><li>iii) The Indure Private Limited (L<sub>3</sub>)</li></ul> <p>c) The successful bidder after commercial evaluation was Shristi.</p>



Order of the West Bengal Electricity Regulatory Commission on the application submitted by DPSC Limited for final approval of investment proposal in 2<sup>nd</sup> stage in respect of 1 x 12 MW Generating Station at Dishergarh, Dist. Burdwan as per regulation 2.8.1.4.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

			<p>The chronological history of the bidding process and bidding process documents are enclosed As Annexure – A in the application.</p> <p>3.0 DPSC submitted that no environmental clearance is required for this project as per letter no. EN/3474/T-II-1/068/2010 dated 21.12.2010 issued by the Department of Environment, Government of West Bengal. Copy of the said letter is also enclosed as Annexure-B in the petition.</p> <p>4.0 DPSC already obtained NOC for chimney height clearance from Airport Authority of India. A copy of the NOC letter is enclosed with the application.</p> <p>5.0 DPSC has also submitted the following documents for consideration.</p> <ul style="list-style-type: none"><li>a) The net Turbine Cycle heat rate (Kcal/ kWh) at different loading guaranteed by the Manufacturer</li><li>b) Different Guaranteed Parameters certified by the Boiler Manufacturer</li><li>c) Station Heat rate calculations</li><li>d) They have submitted Minutes of the Meeting with EPC vendors regarding guaranteed parameters. From the minutes it is noted that Shristi who quoted lowest rate agreed to ensure Boiler Efficiency at minimum 84% and Turbine heat rate of 2688 Kcal/ kWh with Siemens Turbine.</li></ul> <p>6.0 After scrutinizing the application, DPSC was asked vide letter dated 11.11.2011 of this Commission to submit the following documents.</p> <ul style="list-style-type: none"><li>a) Clearance for fuel linkage</li></ul>
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			<p>b) Experience of Shristi to undertake EPC job with supporting documents.</p> <p>6.1a) DPSCCL vide their letter dated 22.11.2011 submitted that they have approached the Ministry of Coal for transfer of coal linkage from the existing old units of 12.5 MW using B &amp; C grade coal to 1 x 12 MW unit requiring F grade coal. They have submitted the correspondence made in this regard but could not submit any final approval from the concerned department regarding their fuel linkage till date.</p> <p>b) DPSCCL submitted the company profile of Shristi and its experience.</p> <p>6.2 DPSCCL subsequently vide their letter dated 21.04.2012 submitted a copy of letter of Ministry of Coal, Government of India dated 30<sup>th</sup> January, 2012. Through that letter Ministry of Coal requested Eastern Coal Fields Limited (in short 'ECL') to take appropriate action as per norms to convert existing coal linkage of DPSCCL from B and C grade to F grade. DPSCCL intimated that Fuel Supply Agreement (FSA) could not be signed with ECL till that date. In the mean time they have made arrangement for procurement of coal from a private agency selected through a tendering process and to maintain generation for the time being and they shall continue with the same till supply of allocated coal commences as per FSA with ECL. It is also stated by them that even after signing of FSA with ECL, any shortfall in quantity of coal required to generate with full capacity will be procured from the agency. They have also submitted a copy of the agreement for supply of coal from the selected private agency viz. Swaymbhu</p>
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			<p>Natural Resources Private Ltd. along with their letter dated 21.04.2012.</p> <p>7.0 After going through the agreement submitted by DPSCCL executed between Swaymbhu Natural Resources Private Ltd. (in short 'SNRPL') and DPSCCL, the Commission considers to allow DPSCCL to purchase coal from the indigenous sources (here SNRPL) till finalization of the FSA with ECL and commencement of supply of coal from ECL as per FSA subject to the condition that the cost of fuel for procurement of coal from SNRPL in respect of 1 x 12 MW generating unit will be allowed as per provision in regulation 5.8.2 of the Tariff Regulations. It is further directed that if DPSCCL procures coal from SNRPL, after commencement of supply of coal from ECL against executed FSA, for any shortfall in quantity of coal required to generate in the full capacity of plant, the cost of coal procured from SNRPL will also be allowed as per provisions of regulation 5.8.2 of the Tariff Regulations. DPSCCL is to modify the agreement accordingly and send a copy of the same to the Commission for record.</p> <p>8.0 After considering all the above and subject to condition as stipulated in para 7.0 above the Commission hereby gives final investment approval on the proposal of DPSCCL in respect of 1 x 12 MW Generating Station at Dishergarh, Dist. Burdwan as per regulation 2.8.1.4.3 for an estimated project cost of Rs. 6,654 lakh (Rupees Six Thousand Six Hundred Fifty Four lakh) including interest during construction (IDC) and taxes, duties etc. as per details given below:</p>
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Sl. No.	Description of cost Component	Basic Value in Rs. Lakhs	Excise Duty in Lakhs	CST	Service Tax	Total
1	Equipment Cost for 1 x 12 MW STG Set along with its auxiliaries	4000	412	176	-	4588
2	Erection & Commissioning including Civil Services	900	-	-	93	993
3	CW Line & Steam Line Rerouting	50	-	-	5	55
4	Equipment Cost for Raw Water Pump including New Switchgear and Transformer and Pipeline Between Raw water Pump House to DPS Power Station	80	8	4	-	92
5	Erection & commissioning of Raw Water Pump installation including New Switchgear and Transformer and Pipeline Between Raw water Pump House to DPS Power Station	30	-	-	3	33
6	Equipment cost for Power Evacuation of 1 x 12 MW, 11 KV/ 33 KV	220	23	10	-	253
7	Installation & commissioning of Power Evacuation of 1 x 12 MW, 11 KV/ 33 KV	30	-	-	3	33
8	Consultancy services towards preparation of Technical Specifications and other promotional expenses	30	-	-	3	33
9	Overhead Expenses	60	-	-	-	60
10	Guesthouse renovation	10	-	-	-	10
11	Misc. Expenses	25	-	-	-	25
12	Making of Coal Stock Yard including boundary Wall	200	-	-	-	200
13	IDC	-	-	-	-	279
	Grand Total					6654

9.0 It is further ordered that :

- DPSCCL shall submit all the documents within 15 days of contract agreement along with approval of their Board as detailed in tariff regulation 2.8.1.4.8 of the Commission. DPSCCL shall also submit all important applicable design performance parameters and Performance Guarantee Test Report within scheduled time as per regulations 2.8.1.4.9 and 2.8.1.4.10.
- DPSCCL shall follow all other applicable provisions of

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			<p>Tariff Regulations applicable for new units.</p> <p>iii) On completion of the project for the purpose of capitalization, the actual project cost is to be got approved by the Commission along with actual interest during construction and all actual expenditure incurred or apportioned to the project cost on account of spares, supervision charges, transportation, insurance, tax, establishment charges, tools and plants, audit and accounts, maintenance and losses during construction and consultancy charges and also any actual expenditure met out of contingency. DPSCCL is to provide the cost break-up showing the actual vis-à-vis estimation included in the total project cost as above.</p> <p>iv) In case of escalation in project cost due to cost overrun, DPSCCL shall justify the same and take due approval from the Commission before capitalization of assets.</p> <p>v) In case of escalation in project cost due to time overrun with reference to the period mentioned in the contract agreement, DPSCCL shall justify such time overrun and indicate the action taken as required under contractual agreement against such time overrun.</p> <p>10.0 A compliance report in respect of all above directions shall be submitted to the Commission time to time.</p> <p>11.0 The petition is thus disposed of. Let a copy of the order be served upon DPSCCL.</p> <p style="text-align: center;">Sd/- (Sujit Dasgupta) Member</p> <p style="text-align: right;">Sd/- (Prasadranjan Ray) Chairperson</p> <p>Dated : 14.02.2013</p>
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