



WEST BENGAL ELECTRICITY REGULATORY COMMISSION



Ref No. WBERC/TP-58/13-14/0730

Dated, Kolkata, the 22nd July, 2016

From:
Dr. Jiban Chandra Chakraborty, I.A.S. (Retd)
Secretary, WBERC

To
The Chief Executive Officer
India Power Corporation Limited
(Formerly known as DPSC Limited)
Plot No X1-2&3, Block – EP, Sector-V,
Salt Lake City, Kolkata – 700 091



Sub: Tariff Order dated 21st July, 2016 passed by the West Bengal Electricity Regulatory Commission for the years 2014-15, 2015-16 and 2016-17 in Case No. TP-58/13-14 in regard to the Tariff Application of India Power Corporation Limited for the years 2014-15, 2015-16 and 2016-17

Sir,

I am directed to send herewith a certified copy of the Tariff Order dated 21st July, 2016 passed by the West Bengal Electricity Regulatory Commission for the years 2014-15, 2015-16 and 2016-17 in Case No. TP-58/13-14 in regard to the Tariff Application of India Power Corporation Limited for the years 2014-15, 2015-16 and 2016-17 for necessary action. The above Tariff Order passed by the Commission shall be subject to any other order as may be passed by the Hon'ble Division Bench in the High Court at Calcutta in MAT 1643 of 2015.

Your attention is also drawn to paragraph No. 6.6 of Chapter 6, No. 7.6 of Chapter 7 and No 8.6 of Chapter 8 of the aforesaid tariff order in the matter of submission of gist of tariff order for approval of the Commission and publication thereof after due approval.

Yours faithfully

Secretary

Encls: As Stated

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ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

FOR THE YEARS 2014 – 2015, 2015 – 2016 AND 2016 – 2017

IN

CASE NO: TP – 58 / 13 – 14

IN RE THE TARIFF APPLICATION OF
INDIA POWER CORPORATION LIMITED FOR THE
YEARS 2014-15, 2015-16 AND 2016-17
UNDER SECTION 64(3)(a) READ WITH SECTION
62(1) AND SECTION 62(3) OF THE
ELECTRICITY ACT, 2003

DATE: 21.07.2016



Certified true Copy



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 section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 has come into effect with effect from 29th April, 2011. The said Tariff Regulations, 2011 was amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012 in the extra ordinary edition of The Kolkata Gazette dated 27th August, 2012 and was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 in the extra ordinary edition of the Kolkata Gazette dated 30th July, 2013.
- 1.3 A generating Company or a licensee, whose tariff is to be determined by the Commission as per the provisions of the Act, is required to submit their application for determination of tariff for the ensuing years of the fourth control period under the multi-year tariff framework complying with the provisions of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, (hereinafter referred to as the "Tariff Regulations"). Though as per the Tariff Regulations the last date for submission of the application to the Commission by a generating company or a licensee for determination of tariff for the fourth control period comprising three years from 2014 – 2015 to 2016 – 2017 (hereinafter referred to as the fourth control period) was 31.12.2013, the Commission extended the date for the purpose





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

of submission of application for determination of tariff for the fourth control period upto 15th January, 2014, based on the application made by IPCL on behalf of DPSCL.

- 1.4 India Power Corporation Limited (hereinafter referred to as 'IPCL' or 'Applicant'), submitted an application for Multi-Year Tariff (MYT) under fourth Control Period (2014-2015, 2015-2016 and 2016-2017) for the distribution function of erstwhile DPSC Limited (in short "DPSC"), a deemed licensee under the Act, on 15.01.2014 for determination of tariff for each year of the control period. The Commission, however, rejected the said application through its order dated 25.04.2014 in case no. WBERC/TP-58/13-14 on the ground that India Power Corporation Limited is not a licensee under West Bengal Electricity Regulatory Commission and is not entitled to make any application for determination of tariff on behalf of the licensee namely DPSC Limited. The Commission had already decided by an order dated 07.07.2014 that the alleged amalgamation of India Power Corporation Limited with DPSC Limited is void in terms of section 17(3) and section 17(4) of the Electricity Act, 2003.
- 1.5 India Power Corporation Limited filed a writ petition (W.P.22561 (W) of 2014) with Hon'ble High Court Calcutta challenging the order dated 07.07.2014 of the Commission. The Hon'ble High Court, after hearing both the sides passed an interim order on 19.09.2014 directing that all applications filed by India Power Corporation Limited be treated as applications filed by DPSC Limited. The Court further directed to consider the applications on the basis of assets and liabilities reflected in the Balance Sheet of IPCL pertaining to DPSC division alone.
- 1.6 West Bengal Electricity Regulatory Commission filed as application (M.A.T.1959 of 2014) with Civil Appellate Jurisdiction of the High Court at Calcutta seeking stay of operation of the order dated 19.09.2014. The ground





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

of the appeal was aimed at the fact that the Hon'ble High Court had passed the impugned order dated 19.09.2014 without quashing the order of the Commission dated 07.07.2014 which was challenged by IPCL in the writ petition (W.P.22561 (W) of 2014). The Commission also highlighted that by virtue of the interim order dated 19.09.2014 the writ petitioner had been granted relief by the Hon'ble Court to raise bills to consumers in the name of IPCL without deciding legality of the order of the Commission dated 07.07.2014.

- 1.7 The application (M.A.T.1959 of 2014) was heard in the Hon'ble Division Bench of Calcutta High Court and an order was passed directing respondents/Writ petitioner to maintain status-quo so far as charges to be collected from consumers as per the rates prevalent prior to the amalgamation. The Court also directed that the respondents/Writ petitioner can move learned single bench for early hearing on other issues.
- 1.8 The petition was heard in the single bench of Hon'ble Justice I. P. Mukherjee and an order was passed (case No.W.P.22561 (W) of 2014) on 17.08.2015 quashing the order of the Commission dated 07.07.2014 and the impugned letter dated 12th March 2014 read with letter dated 1st April 2014. The Commission filed an appeal petition on 08.10.2015. The petition has been admitted in Hon'ble Division Bench at Calcutta High Court on 14.03.2016 in MAT 1643 of 2015.
- 1.9 The application submitted by IPCL on 15.01.2014 has now been scrutinized with reference to requirements of tariff regulations and observed numerous deficiencies. The Commission made references with IPCL on different occasions and IPCL completed their submission through a number of letters dating between 27.01.2014 and 14.01.2016. The tariff application was admitted by the Commission on 20.01.2016 and was numbered as TP-58/13-14. The admission of the tariff application of IPCL is, however, subject to any





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

order passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.

- 1.10 IPCL was thereafter directed to publish, as required under section 64(2) of the Act, the gist of the tariff application, as approved by the Commission, in the website and newspapers, as specified in the Tariff Regulations. The gist was accordingly published simultaneously on 23.01.2016 in 'Anandabazar Patrika', 'The Telegraph', 'Ajka' and 'Sanmarg'. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for the determination of tariff of IPCL for the fourth control period and requested for submission of suggestions, objections and comments etc., if any, on the tariff application to the Commission by 17.02.2016 at the latest. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.
- 1.11 No objection / suggestion / comments have been received within the due date i.e., 17.02.2016.





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CHAPTER – 2 THE SUBMISSION OF IPCL

- 2.1 IPCL has submitted the application for determination of Annual Revenue Requirements (ARR) and tariffs for the fourth control period, covering the years 2014-15 to 2016-17, in accordance with the Tariff Regulations. The applicant has projected the ARR and tariff for each ensuing year of the fourth control period and has prayed for allowing the same. The applicant has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 DPSCL (now approached the Commission as IPCL), founded in 1919, being one of the oldest power generation and distribution company in the country is now a deemed licensee for distribution of electricity in the State of West Bengal. The licensed area of the licensee stretches over 618 Sq. Km in the Asansol - Ranigunj belt.
- 2.3 With the enactment of Damodar Valley Corporation Act, 1948 erstwhile DPSCL were debarred from extending their generating capacity beyond unit capacity of 10 MW without obtaining the prior approval of Damodar Valley Corporation (in short 'DVC'). In view of restriction imposed on expansion of their own generation capacity, DPSCL made one agreement with DVC in the year 1951 for supply of power by DVC to their four receiving stations to meet their increasing consumers' demand. Moreover, DPSCL entered into an agreement with erstwhile West Bengal State Electricity Board [(now West Bengal State Electricity Distribution Company Limited) (hereinafter referred to as 'WBSEDCL')] in the year 1962 for the bulk supply of power by them to DPSCL to overcome the acute shortage of power in eastern part of their licensed area. DPSCL also entered into agreement with WBGEDCL for purchase of power at other two points also.





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 2.4 DPSCCL's license restricted its operating voltage to the range of 550 V to 30 kV. Most of all its consumers are supplied at 11 kV. A small section of consumers are supplied at 3.3 kV and 550 V.
- 2.5 IPCL has spread its distribution network in Asansol Raniganj industrial belt. As on 31.03.2014, IPCL caters to around 567 consumers who are primarily industrial consumers. Its consumers mix includes coal mine, paper mill, railways, hospitals, television station, water pumping stations, technical institutions and large, medium and small scale industries including a small number of Domestic & Commercial category of consumers. IPCL has a consumer density of less than one per Sq. Km. in its licensed area. DPSCCL primarily supplied to industries that have more than 50 KVA of contract demand. The major singular consumer of IPCL is indicated as Eastern Coal Field Ltd., and the rest being the other industries, a small number of L&MV consumers and WBSEDCL. The projected number of consumers during 2014-15, 2015-16 and 2016-17 are 8813, 18815 and 28500 respectively. IPCL has forecasted huge growth of consumer in L&MV category. They submitted that such increase is due to massive urbanization of the license area during the control period. IPCL submitted capital investment plan for an amount of Rs. 179 Crore during the control period for sub-stations and LT infrastructure.
- 2.6 IPCL receives power at its receiving stations from DVC and WBSEDCL apart from its own power stations. Out of five receiving stations at four receiving stations they receive power from DVC and at Bankola Station they receive power from WBSEDCL. About 07% of its requirements are made from own generation. Rest of the power requirement is being met from purchase of power from DVC and WBSEDCL.
- 2.7 IPCL's capability to meet additional demand is depending on the extent of additional power that IPCL can procure either from DVC or WBSEDCL. Based on





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

their demand growth IPCL has to increase its own generation capacity. IPCL's own generating station at Dishergarh of capacity 12.2 MW has been de-commissioned on 24.11.2012 and has been replaced by a 1 x 12 MW power plant. The 30 MW plant of IPCL at Chinakuri remained in-operative as the lease agreement was not extended by ECL beyond 31.03.2012.

2.8 Regarding their Business Environment, IPCL has stated the following:

- 2.8.1. Out of 567 nos. consumers of IPCL around 540 nos. consumers have the contract capacity of more than 1 MW who can exercise through option for open access in future. IPCL will face significant demand uncertainty in this aspect.
- 2.8.2. IPCL is not connected to the grid at present and it depends on DVC and WBSEDCL for power supply. With the implementation of Availability Based Tariff (ABT) and interconnection with State Grid there could be a potential opportunity where IPCL can source power from sources other than the existing points. At present about 77% of its total Power Purchase Cost is from DVC. Power procured by IPCL from DVC and WBSEDCL provides limited freedom to reduce power procurement cost.
- 2.8.3. The open access to transmission under Electricity Act, 2003, enables IPCL to negotiate power purchase contracts with suppliers who offer the best contractual terms. IPCL could purchase power from captive generators, central generating station and new generators. This aspect is important as IPCL would have direct control over power purchase costs which may help in bringing the benefits of competition towards reducing power purchase costs.
- 2.8.4. The possibility of existing consumers approaching DVC and other suppliers for direct sale of power cannot be ruled out in future. This has serious repercussions on the revenues of IPCL since close to half of its revenues are generated from consumers with more than 1 MVA load. Since tariff of DVC is lower than that of





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

IPCL, potential exists for some of the consumers to consider shifting from IPCL to DVC. IPCL needs to maintain its high service standards and competitive tariff to retain its consumer base.

- 2.8.5. With the Open Access Regulations traders may also play a major role in power distribution business. Different traders are already designing portfolios of capacity available with them to cater the HT consumers in states vulnerable to Open Access.
- 2.8.6. To avoid migration of its consumers' base to other competitors, IPCL must continue its measures towards consumer satisfaction like timely grievance redressal, educating the consumers, timely billing and collection, reliable and good quality of supply and effective cost control to maintain competitive tariff.
- 2.9 To estimate the sales growth for the ensuing years during control period the historical growth rates considering category wise, season-wise and even month wise variations were analyzed by IPCL from 2007-08 to 2012-13. Based on the same analysis and the inflationary trend the sales have been assumed to increase at an inflationary rate in the inflationary years too. Moreover the effects of slow down of industrial activity across the licensee area as well as expansion of business operation in LT category were also analyzed by IPCL. IPCL has stepped up its marketing efforts to increase its share of market.
- 2.10 IPCL has undertaken various steps for reducing distribution losses. The distribution loss for the years 2014-15 to 2016-17 is set at 5.25% in the regulation. IPCL has submitted that with the increase in number of LT consumers in future it will be difficult to maintain the loss percentage at 5.25% and could pose a great challenge. Considering their projection for huge growth in LT category during the control period, IPCL has accordingly projected Distribution





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- loss at 6.5%, 7.5% and 8.5% for the years 2014-15, 2015-16 and 2016-17 respectively.
- 2.11 IPCL is currently in the process of investing in building up the network infrastructure to support additional power inflow. It is assumed that over the next 2 years IPCL would be able to source additional power from WBSEDCL and DVC depending on the cost of power and would be able to meet their demand.
- 2.12 Due to decommissioning of 12.2 MW at Dishergarh and closure of lease agreement with ECL to operate the Chinakuri generating plant of 30 MW, IPCL anticipates that total power purchase requirement from DVC and WBSEDCL will increase during the ensuing years of the fourth control period. IPCL's own generation from 12 MW plant at Dishergarh constitutes only 7.58% of the total projected energy requirement. The balance requirements are to be sourced from DVC (72.77%) and WBSEDCL (19.54%). A small quantity has been projected for purchase from WBGEDCL.
- 2.13 IPCL's own power generation cost is due to mainly the cost of fuel. In the thermal power station of IPCL, the secondary fuel i.e. oil is not required and hence the fuel cost is the cost of coal. The fuel cost has been projected by IPCL at the current level of price with an assumption of a 7% correction in coal price year-on-year. Due to non-availability of linkage based coal from CIL, IPCL has proposed to purchase 'F' grade of coal through e-auction mechanism of CIL.
- 2.14 Power purchase cost from the existing supply sources has been computed for the firm sources i.e. from WBSEDCL and DVC. The tariff of power purchase from these sources has been considered at the current levels of tariff.
- 2.15 IPCL has no proposal for capital investment in new generating plant during the control period. Besides plans for strengthening distribution network through replacements and augmentation, IPCL has plan for huge capital investment in





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- expansion of LT network including construction of 33/11 KV substations and installation of distribution transformers.
- 2.16 In compliance of directive of the Commission, like other power utilities in West Bengal, IPCL has also to incorporate the ABT metering as it has become mandatory. IPCL has also invested in smart grid to support real time data acquisition, monitoring and control. IPCL has also proposed to take steps towards investment in smart grid for real time load management and grid balancing. IPCL has introduced automated meter-reading and billing under SAP platform
- 2.17 IPCL has not submitted any compliance report on the directives given by the Commission in the previous tariff orders.
- 2.18 In the regime of Open Access IPCL has been continuously trying to keep the consumers under their belt by providing reliable power and prompt service in attending their grievances.
- 2.19 IPCL has attempted to follow the principle of average cost of supply in fixing the tariffs for its consumers. Seasonal tariff rates were introduced from 2007-08 for the majority of the consumers of IPCL. However, since the bulk of the expenditure of IPCL is on the purchase cost of power from DVC, which follows uniform tariff throughout the year, it has been submitted that the seasonal tariffs introduced result in distorting the uniform cash flow of IPCL throughout the year, since the major portion of expenditure incurred is immuned to seasonal variation. IPCL has, however, acknowledged that with planned increase of power from WBSEDCL, which charges seasonal tariffs, the effect of seasonal tariffs on cash flow is likely to be minimized.
- 2.20 As per IPCL, due to overall economic scenario and reducing industrial output, the power demand from industries over the last 5 (five) years has shown a negative





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

growth trend. IPCL accordingly projected reduction of sales to industry during the control period.

- 2.21 IPCL has submitted that its license area has huge potential for increase the number of new Domestic and Commercial consumers due to rapid urbanization and development in the area. IPCL had accordingly projected substantial growth in sales to those two categories during the control period. With a view to achieve the projected increase in sale to Domestic and Commercial categories of consumers, IPCL had projected investment in expansion of LT network in its licensed area for Rs.6200.00 Lakh, Rs.6200.00 Lakh and Rs.5500.00 Lakh during 2014-15, 2015-16 and 2016-17 respectively. Such huge amount of investment proposal for LT expansion works requires approval of the Commission in terms of regulation 2.8.4.1 of the Tariff Regulations, as amended. IPCL, though, submitted a proposal for approval of the Commission, but such submission was not in accordance with the regulations 2.4.1, 2.6.2 and 2.6.2 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations 2013 notified in the extra-ordinary edition of the Kolkata Gazette dated 11th September, 2013. The Commission accordingly could not accord approval to the proposal and intimated the views of the Commission through letter No.WBERC/TP-58/13-14/0563 dated 07.08.2015. Projections for sales during 2014-15, 2015-16 and 2016-17 have been revised by IPCL through their letter dated 01.12.2015.
- 2.22 The applicant's revised sales projections have been made at actual for 2014-15 and on trends for 2015-16 and 2016-17.
- 2.23 IPCL has attempted to comply with all necessary procedures specified in the Tariff Regulations for projection of demand and sales subject to limitation of unavailability of past data in some cases based on which future projections were





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- to be made. In such case, the applicant has sought to explain the basis followed and hopes that the same will be found acceptable.
- 2.24 The applicant has adopted certain assumptions for projecting future expenses and the same have been classified in the Commentary to Annexure 1 of the tariff application.
- 2.25 IPCL has projected an increase of 10% in salary and wages per annum over the estimates for 2013 – 2014 to account for normal increments and increase in Dearness Allowance of the employees and based on the consideration of inflation which is likely to happen in the ensuing years. Bonus to employees have been projected to increase by the same percentage on a year to year basis over that incurred in 2013 – 2014, in tandem with the increase in salaries and wages.
- 2.26 IPCL has stated that the instant application has been prepared for determination of tariffs for the control period comprising the years 2014 – 2015 to 2016 – 2017 as per Tariff Regulations.
- 2.27 The information in the specified forms which are required to be submitted financial year-wise are actuals for previous years, estimated for base year and projections for the ensuing years. The requisite data have been submitted accordingly, other than for some quantitative data for past years, where, in the absence of adequate data, necessary break-up has been made on the basis of data available for the last year. Actual figures are based on audited accounts for the respective years, with suitable adjustment / re-arrangements, where necessary.
- 2.28 As required, a Perspective Plan and a Capital Investment Plan have been submitted by the applicant for approval of the Commission. The Commission noted that the aggregate capital expenditure proposal on small schemes has exceeded the norms specified in regulation 2.8.4.1 of the Tariff Regulations and





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- requires prior approval of the Commission. IPCL did not submit any petition for investment approval, as required under regulation 2.8.4.1 of the Tariff Regulations, in accordance with the regulations 2.4.1, 2.6.1 and 2.6.2 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013. The Commission accordingly has not considered the Capital Investment Plan for the purpose of tariff determination for the control period.
- 2.29 It has been stated that the estimations for the year 2013 – 2014 and projections for the period 2014 – 2015 to 2016 – 2017 are based on certain assumptions and estimates, detailed in the submissions on the Revenue Requirement Form and Annexure thereto. It has also been stated that the submissions also contain detailed justifications for the Annual Revenue Requirements (ARR) for the ensuing years.
- 2.30 The projected ARR for 2014 – 2015, 2015 – 2016 and 2016 – 2017 are Rs. 66238.39 lakh, Rs. 72876.87 lakh and Rs. 77851.26 lakh respectively and the projected revenues for the aforesaid years at present tariff, net of surcharges and rebates, are Rs. 54234.21 lakh, Rs. 54454.02 lakh and Rs. 53370.51 lakh respectively.
- 2.31 It has been stated that the projected revenue at the current rates are inadequate to cover estimated cost of sales of energy even without consideration of Normative Return and Special Allocations and adjusting the same with other income for these years, revenue gaps to be covered by increase in tariff are Rs. 12004.18 lakh, Rs. 18422.85 lakh and Rs. 24480.75 lakh for 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively. The average increase over current average tariff that is required to cover the gap for each year works out to 125 paise / kWh for 2014 – 2015, 190 paise / kWh for 2015 – 2016 and 257 paise / kWh for 2016 – 2017. Accordingly, 689 paise / kWh, 751 paise / kWh and 817





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

paise / kWh have been proposed by the applicant as average tariffs for 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively.

- 2.32 IPCL has no linkage coal for its generating station since 2012-13. IPCL has submitted that since there is no indication of the likely prices at which coal will be available in the e-auction, there is no way by which the additional cost can be estimated. The petitioner craves leave to claim the additional cost on submission of documentary evidence at the time of filing FPPCA petition for each year.
- 2.33 In conclusion, IPCL has prayed for confirmation of the revenue requirements for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 including the Normative Return and Special Allocation claims for the years on the basis of the Forms, Annexures and submissions made in Volumes A and B of the tariff application ; approval of the Schedule of Rates as detailed in Forms under Annexure 3; grant of increases of tariff in accordance with the above submissions; approval of the capital investment plans for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017; permission for submission of additional information / documents / action taken reports, as may be required by the Commission; and permission for the proposed tariffs to be increased with effect from 1st April of each year.





CHAPTER – 3 SALES, ENERGY BALANCE AND VARIABLE COST

3.1 IPCL is supplying electricity in its area of supply covering 619 square kilometers. The consumer base is mainly industrial. Around 8.62%, 8.44% and 8.5% of the energy in its system, are projected to come from its two own generating stations at Dishergarh for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively. The balance energy need has been proposed to be met by purchase of power from DVC and WBSEDCL. IPCL has also proposed to purchase some quantum of renewable power from West Bengal Green Energy Development Corporation Limited (in short 'WBGEDCL'). The energy balance of IPCL, thus, depends on its future sales, estimated distribution loss and in-house consumption at its offices and sub-stations.

3.2 Demand Side of Energy:

3.2.1 In response to the Commission's letter dated 16.11.2015 IPCL has revised their projections for sale during each year of the control period through their letter dated 1st December 2015. The sales figure of 2014-15 are actual based on the audited Annual Reports and Accounts for the year and projections for the years 2015-16 and 2016-17 have revised downwards under changed scenario. IPCL's actual sales to its consumers for the year 2014-15 is 823.14 MU and revised projected sale of electricity to its consumers are in the order of, 810.00 MU and 820.00 MU during the years 2015 – 2016 and 2016 – 2017 respectively. Besides those sales, the actual sales to WBSEDCL at 11 KV radial feeder, connected to IPCL system for the year 2014-15 is 54.92 MU as per submission through their letter dated 02.12.2015. IPCL submitted that sale to WBSEDCL from 2015 – 2016 onwards has become nil and no projection has been made for the years 2015-16 and 2016 – 2017. Keeping in view the CAGR growth for last 4 years from 2009-2010, 2010-2011, 2011-2012 & 2012-2013, the sale to own consumers during the year 2015 – 2016 and 2016 – 2017 has been admitted to the extent re-estimated by IPCL and submitted through their letter dated 01.12.2015 at 810.00 MU and 820.00 MU





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

respectively. Following table will now show the admitted energy requirement for sale by IPCL.

Energy Requirement for Sale					
Sl. No.	Particular	Unit	As Admitted		
			2014 – 2015	2015 – 2016	2016 – 2017
1	Energy sale to consumer	MU	823.14	810.00	820.00
2	Energy sale to WBSEDCL	MU	54.92	0	0
3	Total sale of energy	MU	878.06	810.00	820.00

3.2.2 Own Consumption:

IPCL has claimed 8.00 MU, 9.00 MU and 9.00 MU as in-house consumptions in its sub-stations and colonies for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively. From the details of sales submitted by IPCL through their letter dated 16.12.2015, actual in-house consumption for the year 2014-15 is to the tune of 2.48 MU only. The Commission, thus considers the own consumption at a level of 3.00 MU for each of the years 2015 – 2016 and 2016 – 2017.

3.2.3 Distribution Loss:

Actual distribution loss as per the revised energy balance statement in form 1.19 submitted by IPCL through a letter dated 16.12.2015 is 2.46%. The Commission has considered the distribution loss at the rate of 2.46% for the year 2014 – 2015 against projected sale of energy to the consumers and consumption at own premises. The distribution loss for 2015 – 2016 and 2016 – 2017 are admitted at 5.25% in accordance with the norms as specified in the Tariff Regulations. Sharing of gain due to achieving distribution loss below normative loss during 2014-15 shall be considered in the FPPCA order of the year.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

3.2.4 Demand Side Energy Requirement:

Based on the analyses as done in the foregoing paragraphs, the total energy requirement by IPCL will, thus, come as under:

Demand Side Energy Requirement					
Sl. No.	Particular	Unit	As Admitted		
			2014 – 2015	2015 – 2016	2016 – 2017
1	Energy sale to consumers	MU	823.14	810.00	820.00
2	Energy for own consumption	MU	2.48	3.00	3.00
3	Energy sale to WBSEDCL	MU	54.92	0	0
4	Sub-total sale of energy (1 + 2 + 3)	MU	880.54	813.00	823.00
5	Distribution loss rate	%	2.46	5.25	5.25
6	Distribution Loss	MU	20.86	45.05	45.60
7	Total Requirement (4 + 6)	MU	901.40	858.05	868.60

3.3 Supply Side of Energy:

The Commission is now to take up the examination of the supply side of energy, i.e., (i) sent-out energy from the own generating stations of IPCL and (ii) purchase from outside sources:

3.3.1 Sent out Energy from own Generating Stations:

Dishergarh Thermal Power Station (DPS) with de-rated capacity of 12.20 MW has been de-commissioned from 24.11.2012 and the Chinakuri Thermal Power Station (CPS) having capacity of 3x10MW remained in-operative since 01.04.2012 since the operating lease from Eastern Coalfields Limited (ECL) had expired on 31.03.2012 and no further extension of lease has been granted by ECL. IPCL in their application has stated that new unit of 12.00 MW capacity at Dishergarh shall be the sole generating station during the fourth control period. Actual gross generation from 12.2 MW unit at Dishergarh during 2014-15 was 39.02 MU.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

The Commission admits the gross generation at Dishergarh as 89.35 MU during 2015-2016 and 2016-2017, as projected by IPCL. With normative auxiliary consumption rate of 10% each year, admitted sent out energy for 2014-15 is 35.12 MU and 80.41 MU for each year of 2015-16 and 2016-17.

3.3.2 Purchase of Energy:

IPCL to meet its total requirements of energy of 901.40 MU, 858.05 MU and 868.60 MU during the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively, has proposed for purchase of power from DVC and WBSEDCL during these years. IPCL has also proposed to purchase power from West Bengal Green Energy Development Corporation Limited in order to meet its obligation to purchase electricity from renewable and co-generation sources of electricity in pursuance of the relevant Regulations which has been considered by the Commission. Through their letter dated 01.12.2015 IPCL submitted actual power purchase from different sources during 2014-15. IPCL has revised their sales projection for the years 2015-16 and 2016-17 through their submission dated 01.12.2015. IPCL, however, submitted statements showing trend of power purchase at actual from different sources during April 2015 to November 2015. The Commission considers the power purchase requirement of IPCL during 2015-16 from DVC and WBSEDCL, as per the actual from April 2015 to November 2015 to the extent of 700 MU and 76.08 MU respectively. The Commission decides to allow power purchase requirements of IPCL from DVC and WBSEDCL for 2016-17 on 'merit order' basis, considering full projected quantum from DVC at lower price and the balance from WBSEDCL. Accordingly, the admitted power purchase quanta for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 are given in the following table:





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Sl. No.	Energy Purchase From	Unit	Energy Purchase		
			As Admitted		
			2014 – 2015	2015 – 2016	2016 – 2017
1	WBSEDCL	MU	136.74	76.08	32.72
2	DVC	MU	728.99	700.00	753.91
3	WBGEDCL	MU	0.55	1.56	1.56
4	Total	MU	866.28	777.64	788.19

3.4 Energy Balance:

Based on the analyses done and decisions recorded in the earlier paragraphs, the statement of Energy Balance in respect of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 are as below:

Figures in MU

Sl. No.	Particulars	Energy Balance		
		As Admitted		
		2014 – 2015	2015 – 2016	2016 – 2017
1	Ex-bus energy from own generation	35.12	80.41	80.41
2	Energy purchase from WBSEDCL	136.74	76.08	32.72
3	Energy purchase from DVC	728.99	700.00	753.91
4	Energy from WBGEDCL	0.55	1.56	1.56
5	Total Energy Available (1+2+3+4)	901.40	858.05	868.60
6	Energy sale to consumer	823.14	810.00	820.00
7	Energy for own consumption	2.48	3.00	3.00
8	Energy sale to WBSEDCL	54.92	0	0
9	Total sale of energy (6+7+8)	880.54	813.00	823.00
10	Distribution loss rate (%)	2.46	5.25	5.25
11	Distribution Loss	20.86	45.05	45.60
12	Total Utilization (9+11)	901.40	858.05	868.60

3.5 Fuel Cost:

3.5.1 Submission on Fuel Cost:

IPCL has submitted that in their thermal power stations at Dishergarh, the secondary fuel i.e., oil is not required and hence the fuel cost of IPCL is the





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

cost of coal only. IPCL has projected generation of 89.35 MU for each year of the control period from the Dishergarh 12 MW new unit. In their submission for MYT under fourth control period IPCL has highlighted, inter alia, the following factors which they have considered for determination of fuel cost.

- a) Station heat rate has been taken as 3480 Kcal/ kWh as per report of the National Productivity Council.
- b) Heat value of coal has been taken at the weighted average mid value of the UHV ranges of the respective grade mix of coal, proposed to be used.
- c) Computed cost of coal for the base year 2013-14 on the basis of coal prices as on 1st October 2013 for the different grades of coal proposed to be used during that year.
- d) Coal prices have been escalated @ 7% per annum for each year of the control period.

IPCL has failed to submit filled up details of different grades of coal as per form D (3) to Annexure – I of the Tariff Regulations, 2011 in response to the letters of the Commission dated 5.2.2014 and 14.3.2014. In reply to the letter of the Commission dated 14.3.2014, IPCL, however, confirmed that they will purchase coal through e-auction and will recover additional cost, if any, on the basis of actual expenditure incurred on submission of documentary evidence, at the time of filling FPPCA petition for each year of fourth control period in compliance of the Regulation 5.8.2 of the Tariff Regulations, 2011. IPCL assumed that full quantity of coal for generation at 85% Plant Load Factor will be available at E-auction price. Accordingly based on the average coal price for 2013-14 with an annual escalation of 7%, IPCL projected fuel cost for three years of the fourth control period.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

IPCL has projected 7% escalation in coal price on year to year basis over the price calculated for the year 2013-14, for each ensuing year of fourth control period. The Commission, however, observed from the notification on Annual Escalation Rates applicable for the period between 01.10.2014 and 31.09.2014 for the purpose of payment vide no. Eco-1/2014-CERC dated April 17, 2014 issued by the Central Electricity Regulatory Commission (CERC), the escalation rate for domestic coal was 13.5%. The Commission has also observed from the notification on Annual Escalation Rate applicable for the period 01.10.2014 and 31.03.2015 for the purpose of payment vide no. Eco-2/2014-CERC dated October 1, 2014 issued by the Central Electricity Regulatory Commission the escalation rate for domestic coal is at 1.24%. The Commission further observed from the notification on Annual Escalation Rate applicable for the period 01.10.2015 and 30.09.2015 for the purpose of payment vide no. Eco-1/2015-CERC dated April 7, 2015 issued by the Central Electricity Regulatory Commission the escalation rate for domestic coal is nil. It has also been seen from the monthly Wholesale Price Index (WPI) for the period January 2014 to September 2014, available from the website of Economic Advisor, Govt. of India, Ministry of Commerce & Industry that there is no change in price Index for both coking & non-Coking coal during the period January 2014 to September 2014. The Commission, accordingly, does not consider any hike in coal price for the years 2014-15, 2015-16 & 2016-17.

IPCL submitted Form D (2) to Annexure – I of the Tariff Regulation, 2011, but without any transportation charges. It is stated that coal shall be purchased through e-auction and as such colliery is not fixed. In absence of any specific submission in this regard, the Commission does not consider any separate transportation charges. The unit price of coal for the year 2013-14 as submitted in the Form 1.11 of the MYT petition is, however, considered for the three years of the fourth control period.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

3.5.2 After careful consideration, the Commission decides to allow price and useful heat value of coal as projected by IPCL for 2013-14 in their submission in Form 1.11 to Annexure-I of the Tariff Regulations, 2011 without considering any hike in coal price for the reasons stated in paragraph 4.5.1 above. The coal price and heat value of coal admitted for three years of the fourth control period are given below.

Power Station	Average Coal Price in Rs./MT								
	2014 – 2015			2015 – 2016			2016 – 2017		
	Coal price	Transportation cost	Total	Coal price	Transportation cost	Total	Coal price	Transportation cost	Total
DTPS (New)	4000.00	0	4000.00	4000.00	0	4000.00	4000.00	0	4000.00

Power Station	Heat Value of coal (Kcal/Kg)		
	2014 – 2015	2015 – 2016	2016 – 2017
DTPS (New)	3700	3700	3700

3.5.3 IPCL's actual gross generation from the 12 MW plant is 39.02MU during 2014-15 as per their submission of Form 1.9 through letter dated 16.12.2015. Gross generation during 2015-16 and 2016-17 is 89.35 MU for each year as projected by IPCL. On the basis of above average price of coal as per above heat value of fuel and normative parameters as specified in Schedule 9A of the Tariff Regulations, the allowable fuel cost is shown by detailed computation in the table at Annexure - 3A to this chapter.

3.6 Energy Charge:

Energy charge for 2014 – 2015 for their own power stations now stands as follows:

Power Station	Fuel Cost (Rs. in Lakh)	Ex-bus Generation MU	Energy Charge Paise/ kWh
Dishergarh TPS (New)	1396.25	35.12	397.57



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Energy charge for 2015 – 2016 for their own power stations now stands as follows:

Power Station	Fuel Cost (Rs. in Lakh)	Ex-bus Generation MU	Energy Charge Paise/ kWh
Dishergarh TPS (New)	3197.21	80.41	397.61

3.7 Power Purchase Cost:

The average rate of power purchase from DVC, WBSEDCL and WBGEDCL for the years 2014 – 15 is at Rs. 4.32/ kWh, Rs. 5.70/ kWh and Rs. 5.00/ kWh respectively as per the information furnished by IPCL through their letter dated 16.12.2015. The Commission, however, admits the average rate per unit of power purchase from WBGEDCL at the rate as proposed by IPCL.

In their petition, IPCL has submitted that the cost of power purchase from DVC for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 are computed with escalation of 7% on the basis of cost incurred for 2013 – 2014. It is also submitted that as per bill received from DVC for the first half of 2013 – 2014, the cost per unit is Rs. 4.40. The rate of power sale by DVC to IPCL has not been determined in the tariff order of DVC as no such proposal was made in the tariff petition of DVC. The Commission decides that the rate of power purchased by IPCL from DVC for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 shall be same as the rate at which DVC claimed the power purchase bills during the period 2014 – 2015 and 2015 – 2016 prior to issue of the tariff order for DVC for the year 2014 – 2015 and 2015 – 2016. The escalation @ 7% in power purchase rate as proposed by IPCL has not been considered by the Commission. Any FCA / FPPCA / MVCA claimed by DVC in any month shall be adjusted through the MVCA to be claimed by IPCL for the respective months.





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

The Commission, however, considers the power purchase rate of IPCL from WBSEDCL as admitted in the tariff order dated 04.03.2015 in respect of WBSEDCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 in case no. TP-61/13-14.

The cost of power purchase from DVC, WBSEDCL and WBGEDCL based on the above rates and with reference to the quantum of power purchase as admitted and given in the table under paragraph 3.3.2 stands as follows:

POWER PURCHASE COST							
SI No.	Particulars	As Admitted					
		2014 – 2015		2015 – 2016		2016 – 2017	
		MU	Rs. in lakh	MU	Rs. in lakh	MU	Rs. in lakh
1	Energy purchase from WBSEDCL	136.74	7796.57	76.08	4336.56	32.72	1865.04
2	Energy purchase from DVC	728.99	31479.89	700.00	30240.00	753.91	32568.91
3	Energy from WBGEDCL	0.55	27.33	1.56	78.00	1.56	78.00
4	Power Purchase Cost (4 = 1 + 2 + 3)	866.28	39303.79	777.64	34654.56	788.19	34511.95





ANNEXURE – 3A

Sl. No.	Particular	Unit	2014-15	2015-16	2016-17
1	Generation	MU	39.02	89.35	89.35
2	Rate of Anxiliary Consumption	%	10.00	10.00	10.00
3	Auxiliary consumption	MU	3.90	8.94	8.94
4	Ex-bus generation (4=1-3)	MU	35.12	80.41	80.41
5	Station Heat rate	Kcal/KWh	3300	3300	3300
6	Total Heat required (6=1 x 5)	M.Kcal	128766.00	294855.00	294855.00
7	Heat Value of Coal	Kcal/Kg	3700	3700	3700
8	Coal required [(6/7)x1000]	MT	34801.62	79690.54	79690.54
9	Coal required at 0.30% Transit Loss	MT	34906.34	79930.33	79930.33
10	Average Price of coal	Rs./MT	4000.00	4000.00	4000.00
11	Cost of Coal [(8x10)/100000]	Rs. In lac	1396.25	3197.21	3197.21
12	Total Cost of Fuel	Rs. In lac	1396.25	3197.21	3197.21





CHAPTER – 4 FIXED CHARGES

- 4.1 The examination of the projected fixed charges claimed by IPCL for the ensuing years 2014-15, 2015-16 and 2016-17 of the fourth control period under different heads for its power stations and distribution system has been taken up in this chapter.
- 4.2 IPCL has submitted that the old unit of DPS (12.2 MW) has been de-commissioned on 24.11.2012. The new DPS unit (1 x 12 MW) has been commissioned and made operational with effect from 25.09.2012. The Chinakuri Plant of IPCL (3 X 10 MW) is out of operation due to expiry of the lease period on 31.03.2012. In regard to Chinakuri plant submissions of IPCL are as stated below:
- The 3 x 10 MW thermal power plant at Chinakuri was leased to IPCL by ECL w.e.f. for 01.04.1991.
 - The tenure of lease was extended up to 31.3.2012.
 - Initially the plant was leased out with a generation capacity of 20 MW. The capacity was increased by IPCL by another 10 MW from its own resources.
 - Though the lease of the plant has expired, IPCL is in possession of the plant. ECL has neither paid the written down value of the plant as claimed by IPCL nor has taken possession of the plant. IPCL has filed a Writ Petition in this regard before Division Bench of Calcutta High Court and the matter is sub-judice.
 - IPCL is owner of 10 MW plant and the plant is available for generation.
 - In absence of renewal of lease for other two units, the plant is not in a position to generate power.





4.3 Project cost of Dishergarh 12 MW Plant:

4.3.1 The project cost of Dishergarh 12 MW plant has not yet been finalized. The power plant was commissioned for commercial operation on 25.09.2012. The Commission accorded approval of provisional project cost at 2nd stage for a total sum of Rs.6654.00 lakh in case no. WBERC/OA-129/11-12. IPCL could not submit requisite documents in pursuance of regulation 2.8.1.4.13 of the Tariff Regulations for determination of final project cost. For the purpose of determination of ARR for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017, the Commission has taken the following decisions:

- (a) The report as per regulation 2.8.1.4.13 of the Tariff Regulations has not yet been submitted by IPCL. In terms of the aforesaid regulation, therefore, 5% of the provisional project cost amounting to Rs. 332.70 lakh is being withheld for the time being.
- (b) There are other elements in the project cost of Dishergarh 12 MW plant, which will be finalized by the Commission on submission of relevant data and for which additional deduction from the provisional project cost of the power plant could have been made at this stage. The Commission, however, has not made any deductions on these accounts at this stage and the same will be considered during finalization of the project cost of the plant by the Commission.
- (c) Withholding of 5% of the provisional project cost as per clause (a) above and thereby reduction of the provisional project cost would have effect on different fixed charge components viz. depreciation, interest, return on equity and reserve for unforeseen exigencies. However, while determining the ARR for IPCL for 2014 – 2015, 2015 – 2016 and 2016 – 2017, though deduction has been made from the allocation under depreciation head, no deduction shall





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

be made from the allocation under advance against depreciation head, if admissible; rather the allocation under this head will be increased by the amount disallowed under depreciation head for 2014 – 2015, 2015 – 2016 and 2016 – 2017, subject, however, to the ceiling as specified in the Tariff Regulations, in order to facilitate loan repayments as per schedule. Similarly, in order to facilitate interest payment, no reduction in the allocation under interest head has been effected. These allowances under the heads advance against depreciation and interest, however, will not be detrimental to the interest of the consumers as the total withheld amount under clause (a) above and proportionate disallowance in the head 'return on equity' due to reduction in the provisional project cost as per clause (a) above will be sufficient to take care of the allowances mentioned above. These allowances under the head 'advance against depreciation' and 'interest' shall not be construed as approval of the Commission to the project cost applied for.

(d) The total withheld amounts as per clause (a) and (c) above are Rs. 32.82 lakh, Rs. 32.82 lakh and Rs. 32.82 lakh for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively.

4.4 In view of above submissions, the Commission proceeds for determining the different components of fixed charges in a practicable and rational manner in terms of the Tariff Regulations.

4.5 Employees' Cost

4.5.1 IPCL has submitted revised form 1.17(h) for each year of the control period in reply to the Commission's letter dated 16.11.2015. Form 1.17(h) for the year 2014-15 is based on the audited figures as available in the submitted Annual Reports and Accounts for the year in respect of DPSC Division of IPCL. The total amount of employees' cost excluding Director's fee and commission projected by





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

IPCL for the years 2015-16 and 2016-17 and actual for the year 2014-15 are as follows:-

Rupees in Lakh	
2014-15	4069.56
2015-16	5119.89
2016-17	5651.68

4.5.2 The Commission has viewed the detailed component wise break-ups of the employees' cost under different functional heads as provided in the specified formats. Actual employee cost for 2014-15 as stated above includes expenses for payment to contract labour for Rs. 258.33 lakh, Staff Training Expenses for Rs. 5.26 lakh besides other regular components but excludes Director's fees and commission for Rs.43.07 lakh. The expenses on contract labour are to be included under Repairs & Maintenance expenses and cannot be included under the head Employees' Cost. Similarly, Staff Training Expenses could not be considered as Employees' Cost and it should be included under Administrative and General Expenses. IPCL has claimed Rs. 43.07 lakh, Rs. 60.50 lakh and Rs. 66.55 lakh as Director's fees and Expenses for the years 2014-15, 2015-16 and 2016-17 respectively. The Commission noted from the audited Annual Reports and Accounts for the year 2014-15 that IPCL has considered payment of commission to the non-Executive Director in pursuance of Section 309 of the Companies Act, 1956 (in short 'Companies Act') for an amount of Rs. 37.80 lakh besides Director's fees of Rs.5.27 lakh. The Companies Act terms such payment of commission as 'remuneration' and stipulates that the total payment of such remuneration to all the non-Executive Directors shall not exceed 03% of the net profit of the company, calculated under provisions of Companies Act. Such 'remuneration' is payable through specific resolution passed by the company in its Annual General Meeting. The Director's fees and commission of Rs.43.07 lakh as claimed for the year 2014-15 based on the audited accounts is admitted





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

by the Commission. The Commission, however, decides not to allow such cost for the years 2015-16 and 2016-17 of the fourth control period at this stage on the following grounds:

- a) Uncertainty of making profit.
- b) Amount of net profit is not ascertainable.
- c) Uncertainty of the approval by share holders in the Annual General Meeting.

Actual amount paid on this account may be claimed by IPCL in the APR petition of the respective years. The Commission will allow actual admissible cost as per tariff regulations and through prudence check. However, sitting fee of the Directors to the extent of Rs. 5.00 lakh and Rs. 5.50 lakh are admitted by the Commission for 2015-16 and 2016-17 respectively.

Admitted Employee Cost including Director's fees and commission for the year 2014-15 is thus arrived at Rs.3849.04 lakh(Rs.4069.56 lakh – Rs.258.33 lakh – Rs.5.26 lakh + Rs.43.07 lakh).

The Commission has carefully examined the projected amount of expenses on different heads of employee cost and it has been observed that IPCL has considered a growth rate of 32.86% for the year 2015-16 over the actuals of 2014-15 and at a rate of 11.69% for 2016-17 over the estimates of 2015-16. Estimate of the base year 2013-14 is, however, found to be at a rate of 7.87% over the actual of 2012-13.

Employee Cost is sensitive to Consumer's Price Index (CPI). The Commission considers CPI based inflation rate for projection of Employee Cost in fourth Control period. The month wise rate of inflation as per CPI for industrial workers for the years 2010-11 to 2014-15 (up to September 2014) are shown in Annexure





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4A. The average inflation rate as per CPI for the year 2013-14 comes to 9.72%, applicable to industrial workers. Average inflation rate as per CPI for the period from October 2011 to September 2014 (36 months) comes to 9.15%. The Commission also considers to allow increase in employee cost for the years 2015-16 and 2016-17 at a rate of 9.15% over the actual for 2014-15 to take care of the inflationary trend. Admitted employee cost including Director's fees and commission are given in the table below:

Rupees in Lakh

Sl. No.	Particulars	Years		
		2014-15	2015-16	2016-17
1	Employee Cost	3805.97	4154.22	4534.33
2	Directors' fee and commission	43.07	5.00	5.50
	Total	3849.04	4159.22	4539.83

4.5.3 The Commission thus decides to admit the following amounts towards employees' cost inclusive of Directors' fees and expenses as admitted in para 4.5.2 of this order. The allocations of such cost among the power stations and distribution system are done in proportion to such allocations as proposed by IPCL which include the centrally maintained employees' cost also.

Rupees in Lakh

Employee Cost allocation							
Sl. No	Particulars	As Proposed by IPCL			As admitted by the Commission		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1	Dishergarh TPS (new)	229.81	631.96	695.15	215.08	505.63	551.89
2	Distribution System including centrally maintained employee cost	3882.82	4566.43	5023.08	3633.96	3653.59	3987.94
4	Total	4112.63	5198.39	5718.23	3849.04	4159.22	4539.83

4.5.4 It is, however, necessary to mention that the employees' cost is uncontrollable and is subject to adjustment in APR on actual basis as per audited accounts of the respective year.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.5.5 IPCL is directed to furnish:-

- i) the number of employees engaged in their generating stations and manpower engaged in business other than generating station with name of the business and with detailed break-up separately.
- ii) the actuarial report for liability towards employees benefit fund i.e. terminal benefit fund for Gratuity and Pension with the application of the APR for the respective years.
- iii) any policy of capitalization of Employees' Cost and Terminal Benefit with Board's approval and resolution. Also, amounts of capitalization may be shown separately under different heads of expenses in the APR application of respective years.

4.6 Coal & Ash Handling Charges

4.6.1 The proposal of IPCL for coal and ash handling charges has been analyzed by the Commission for all the three years of 2014-15, 2015-16 and 2016-17. As per annual Reports and Accounts for 2014-15 actual Coal and Ash handling expense is Rs.36.03 lakh and actual gross generation during the year is 39.02 MU. IPCL has projected Rs.151.96 lakh and Rs.167.16 lakh for the years 2015-16 and 2016-17 respectively in this respect. Reason for such abnormal projections has not been highlighted by IPCL in their submission.

4.6.2 IPCL has projected generation of 89.35 MU only from their new unit at Dishergarh (1 x 12 MW) during each year of the control period. In their submission for MYT, IPCL has not put forward any reason for such abnormal projections for the year 2013-14 over the actual for the year 2012-13.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

The Commission decides to consider Rs. 36.03 lakh as the Coal and Ash Handling expenses for the year 2014-15 and decides to escalate the actual for 2014-15 in the ratio of projected generation of 89.35 MU during each year of 2015-16 and 2016-17 to the actual generation of 39.02 MU during 2014-15, to determine the admitted cost for the years 2015-16 and 2016-17. Admitted Coal and Ash handling charges are given in the table below:

Rs. in Lakh		
2014-15	2015-16	2016-17
36.03	82.50	82.50

4.6.3 However, the admitted amounts will be reviewed by the Commission during the APR for the respective years as per audited annual reports and accounts and actual generation.

4.7 Water Charges:

4.7.1 As per audited Annual reports and Accounts for the year 2014-15 actual Expenses towards Water Cess paid to DVC is Rs.10.93 lakh. IPCL, however, projected Rs.156.00 lakh each for the years 2015-16 and 2016-17 as water charges and cess without highlighting any justification for such abnormal estimation. The Commission decides to consider Rs. 10.93. lakh as the Water Cess for the year 2014-15. The Commission also decides to consider Rs. 10.93 lakh for the years 2015-16 and 2016-17. The Commission decides that the cost of water cess is for generation function only and admitted amounts are given below:

Rs. in Lakh		
2014-15	2015-16	2016-17
10.93	10.93	10.93





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

However, the admitted amounts will be reviewed by the Commission during the APR for the respective years as per audited annual reports and accounts and actual generation.

4.8 Operation and Maintenance (O&M) Expenses, Rates & Taxes and Insurance:

4.8.1. O&M Expenses for Generation:

IPCL has proposed operation of sole 12 MW generating unit during the control period. As far as O&M expense of generation function is concerned, the Commission goes in accordance with the norms specified in schedule 9A of the Tariff Regulations. Accordingly, the Commission admits the O & M expenses for generation function of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017, as given below:

Rupees in Lakh

Operation and Maintenance Expenses for Generation Function			
Unit	2014 – 2015	2015 – 2016	2016 – 2017
12 MW unit at Dishergarh	76.68	81.24	86.16
Total O&M Expenses	76.68	81.24	86.16

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

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

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



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

(iii) Insurance charges.

While determining fixed charges on such heads for the fourth control period (2014-15, 2015-16 & 2016-17) the following considerations have taken place.

4.8.2.1 IPCL in their submission has assumed an inflation rate of 10 % year to year for determination of O&M expenses for Distribution function for the control period. Estimate of base year 2013-14 is, however, considered at the lower side compared to actual for 2012-13. Commission finds no merit in considering the inflation rate for estimate purpose when such estimate will be applicable for thirty six months. The Commission instead of considering the inflation rate of 10% in general for projection purpose decides to proceed in a further rational manner by following a methodology that has been applied for all distribution licensees subject to case specific differences in some cases to protect the interest of the consumers as far as possible after meeting requirement of reasonable tariff determination to provide end of justice to all of the concerned stakeholders as deemed fit by the Commission. The Commission decides to determine projected inflation rate and the resultant escalation rate in view of such inflation rate as detailed out in subsequent paragraphs.

Commission observes that Central Electricity Regulatory Commission based on a hybrid index of WPI (Wholesale Price Index) & CPI (Consumer Price Index) has observed an annual inflation trend of 8.35% while fixing the norms of O&M expenses in Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter refer to as 'CERC Tariff Regulations') for central sector utilities for the period 2014-2019. This inflation trend of 8.35 % is computed based on five year average of WPI and CPI indices for FY 2008-09 to FY 2012-13 considering 60% and 40% weightage on WPI and CPI respectively. However, while fixing norms of O&M cost (which includes employee cost also) by CERC the annual escalation rate on O&M expenses during the period 2014-2019



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

has been considered as 3.32% for A.C. transmission system as per the statement of reasons of the CERC Tariff Regulations for the said period. This 3.32% is the 110% of the actual Compounded Annual Growth Rate (CAGR) (3.02%) of O&M expenses for A.C. transmission system during the period 2008-09 to 2012-13 computed on the basis of 70% weightage on actual O&M cost of per bay of sub-station and 30% weightage on actual O&M cost of per CKM transmission line.

Taking the above mentioned principle adopted by CERC as a guideline Commission also decides to find out a reasonable annual escalation rate for IPCL for all sub-heads of O&M expenses for distribution function, rates & Taxes and insurance with certain deviation based on certain reasons as explained below:

- a) The inflation trend between October, 2011 and September 2014 has been computed where weightage has been given to WPI & CPI at the ratio of 60:40 in line with the norms fixation methodology under CERC Tariff Regulations. This is being done in order to capture the realistic trend of 2014-15 as far as possible so that projection for fourth control period can have better accuracy. Accordingly based on the WPI numbers and CPI numbers as available in the website of Economic Advisor of GOI for WPI and Labour Bureau of GOI for CPI the computed inflation trend for the above 36 months are given in the following table 4.8.2.1-I.

Table- 4.8.2.1-I

TREND OF INFLATION RATE FOR THE PERIOD OCTOBER 2011 TO SEPTEMBER 2014	
Average inflation rate as per WPI from October 2011 to September 2014	6.62
Average inflation rate as per CPI from October 2011 to September 2014	9.15
Average inflation rate as per WPI + CPI (60:40) from October 2011 to September 2014	7.63
Note : For detail data at Annexure – 4A may be seen	





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- b) Different sub heads under O&M expenses, rates and taxes and insurance are affected by inflationary trend but at different degrees depending on the characteristics of such head or sub-head. In this context two recognized inflationary trends used in the country are WPI index and CPI index. Along with this two types of inflationary rate for power sector another third type inflationary rate used by the Commission is based on hybrid index (WPI+CPI) as explained in paragraph (a) above. In table-2 in Annexure-4B the basis of inflationary rate considered for such heads and sub-heads of expenditure are given. In this context it is to be noted that all these heads of expenditure are treated as heads under O&M function of CERC tariff regulations. Accordingly the above inflation rate as given in the table above are used for applicability in giving escalation in 2015-16 & 2016-17 with respect to the previous years' admitted expenditure to find out the admitted expenditure of the referred heads in those years. Thus the inflation rate considered for tariff computation is as per the following table 4.8.2.1- II.

Table 4.8.2.1-II

INFLATION TRENDS				
Financial Years	CPI	WPI	Combined WPI & CPI (60 : 40)	Remarks
2010-11	10.53	9.57	9.96	Actual
2011-12	8.42	8.96	8.74	Actual
2012-13	10.43	7.36	8.59	Actual
2013-14	9.72	5.98	7.47	Actual
2014-15	6.81	4.78	5.59	As per 6 months trend
2015-16	9.15	6.62	7.63	As per Table 4.6.2.1-I & as explained above
2016-17	9.15	6.62	7.63	
2011-12 to 2013-14	9.52	7.43	8.27	Averaged on annual basis
2010-11 to 2013-14	9.78	7.97	8.69	

Note : For detail data at Annexure – 4A may be seen





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

In 2014-15 as the trend is downward than the value under Table 4.8.2.1-II and the years 2014 – 2015 and 2015 – 2016 has covered in full, such value has been considered with due insulation against uncertainty wherever required through providing necessary certain additional float.

- c) For finding out the expenditure to be admitted by the Commission, the estimated expenditures of 2013-14 submitted by IPCL are scrutinized by the Commission so that overestimated value can be rationalized to a reasonable extent. This is being done as otherwise the existence of overestimated expenditure for 2013-14 may result into unreasonably higher admitted amount for fourth control period as because the computation for projection of expenditure for 2014-15 to 2016-17 is done by applying the annual escalation rate over the estimated figure of 2013-14. On the estimated value as provided by IPCL for 2013-14 Commission finds that against some elements the estimation of expenditure seems to be on higher side as it has been noticed that the estimated expenditure for some elements in 2013-14 as made by IPCL has a sharp increase which does not commensurate with the previous trend of expenditure admitted by the Commission in APR for earlier years even after considering the inflationary trend. For realistic projections for 2013-14 the impact of business volume increase has been given as 2% on items which are sensitive to consumer strength moderately. Such impact has been considered as 1% where the expenditure on items is sensitive to distribution line length. The elements of expenditure which are identified to be overestimated by IPCL for 2013-14 are on the heads of repair & maintenance, audit fees, Legal and consultancy charges and other administrative and general expenses. In such case Commission has done its own estimation based on the Table-1 of Annexure-4B by applying its prudence which is explained below item wise.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- i) Commission estimates the expenditure for 2013-14 by analyzing the past trend of expenditure on Repair & Maintenance Expenditure head as admitted by the Commission in the tariff orders based on the projection of the applicant for the first two year of the third control period as is being shown in the following table.

Particulars	Rs. in lakh	
	2011-12	2012-13
R&M expenditure for distribution as proposed in tariff application of third control period	244.36	261.13
Actual expenditure claimed in APR	362.13	524.09

The Commission, however, admitted Rs. 244.36 lakh and Rs. 261.13 lakh on account of R&M expenses for distribution function for the years 2011 – 2012 and 2012 – 2013 in the tariff order for third control period.

The Commission also admitted Rs. 244.36 lakh in APR order for 2011 – 2012, the cost being controllable in nature. From the above table it is seen that actual expenditure in each year had exceeded IPCL's own projection in the MYT petition for third control period. IPCL could not substantiate with reasons for such abnormal increase of a controllable cost in their tariff petition of the forth control period. The Commission admits Repair & maintenance expenses for the year 2013-14 for Rs.289.06 lakh by applying the inflation rate of 7.47% for the year as given in the Table 4.8.2.1-II above on the Repair & maintenance expenses of Rs. 261.13 lakh admitted in the tariff order for 2012-13. Additional float of 3% has also been considered by the Commission for the element of cost which is sensitive to both consumer strength and distribution line length.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

The estimated expenditure of Audit fees by IPCL for 2013-14 is Rs.25.29 lakh. The Commission admitted an amount of Rs.7.79 lakh as Auditor's fee in the tariff order for the year 2012-13. Thus, by applying the inflation rate of 7.47% for the year as given in the Table 4.8.2.1-II above on the admitted Repair & maintenance expenses for 2012-13 the Commission admits Audit Fee at the level of Rs.8.37 lakh for 2013-14.

- ii) The Commission estimates the expenditure on rent, rates and taxes of 2013 – 2014 by giving inflationary impact of 7.47% over the amount of Rs. 14.28 lakh admitted under this head for the year 2012 – 2013 in the tariff order for 2011 – 2012 and 2012 – 2013. No additional impact for business volume increase has been considered by the Commission for the reasons stated in para. 4.8.2.1(c) of this order. Accordingly the estimated expenditure by the Commission on rates & taxes for 2013-14 is Rs 15.35 lakh.
- iii) The Commission estimates the expenditure on Insurance for 2013 – 2014 by giving the inflationary impact of 7.47% over the admitted amount of Rs. 22.67 lakh under this head in the tariff order for 2012 – 2013. No additional impact for business volume increase has been considered by the Commission for the reasons stated in para. 4.8.2.1(c) of this order. Accordingly the estimated expenditure by the Commission on insurance for 2013-14 is Rs 24.36 lakh.
- iv) The Commission noted that there is huge increase in actual expenditure under the head 'legal and professional charges' and 'other administrative and general expenses' during first two years of the third control period compared to past trend and the amount admitted in tariff order. IPCL could not submit explanation for such abnormal increase in the tariff





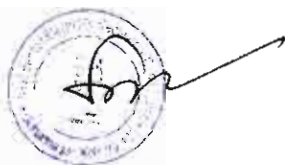
Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

petitions. The Commission allowed cost under "legal and professional charges' and 'other administrative and general expenses' in the APR order for 2011-12 to the extent admitted in the tariff orders. Accordingly, by giving inflationary impact of 7.47% over the admitted cost under these head for 2012 – 2013 in the tariff order for 2011 – 2012 and 2012 – 2013, the estimated cost for 2013-14 are considered as under:

Particulars	Legal and professional charges	Other A&G charges
Expenditure as proposed in tariff application (Rs Lakh) for 2012-13	91.00	194.85
Actual expenditure in 2012-13	448.36	686.58
Expenditure as admitted in tariff order 2012-13 (Rs Lakh)	56.76	194.85
Expenditure considered for 2013-14 (Rs Lakh)	61.00	209.41

All the above estimated expenditure for 2013-14 will be used by the Commission only for the projection of expenditure during ensuing years of fourth control period.

- d) Where the past CAGR of expenditure of any above referred elements for any period between 2010 – 2011 and 2013 – 2014 which has been considered as basis for escalation rate for future projection for the fourth control period and is lesser than the corresponding inflationary rate of the same period as provided in table 4.8.2.1-II in such case in line with CERC's principle 110% (an additional 10% margin over actual growth rate) of such growth rate is considered as the annual escalation rate for 2014-15 to 2016-17 for the following reasons.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- i) To ensure the interest of different stakeholders in a better way from the point of view of availability considerations of the network asset and different services.
- ii) Also to provide a comfort to IPCL in carrying out O&M of the assets by extending an additional insulation against uncertainty arising out of increased expenditure for any unforeseen reason.

It is to be noted that for the said period the expenditure considered for 2013-14 is the estimated one by the Commission and for 2010-11, 2011-12 & 2012-13 actual expenditure has been taken. In general, the non zero least positive value out of the three periods (2010-11 to 2013-14, 2011-12 to 2013-2014 and 2012-13 to 2013-2014) is considered for projection of estimated expenditure of heads of any year under the fourth control period. The CAGR for certain period is also considered where Commission finds that such decision will provide more rationale and better accuracy in the projected admitted cost.

- e) Where the projected expenses by IPCL is less than the estimated value of 2013-14 by the Commission and also the amount admitted in tariff order for 2012-13 in such case no escalation is being allowed for fourth control period because IPCL's projection is considered as admitted figure.
- f) Where the past data shows irrational/asymmetric character in such case the Commission by applying due prudence take an appropriate escalation rate which is discussed in relevant portions.
- g) Where annual escalation rate or CAGR of past period crosses the concerned inflation rate of the said past period in such case escalation rate for projected expenditure due to business volume increase is computed from past trend by





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

reducing it with the concerned inflation rate of the relevant past period and that has been explained in the relevant portions. In such case the annual escalation rate for 2014-15, 2015-16 and 2016-17 are as follows:

Annual Escalation Rate (%) for any ensuing year = $A + R \times BGR + Ad_F$

Where A = Inflation rate (%) based on CPI or WPI or hybrid (WPI+CPI) index as applicable for the fixed charge element.

R = Ratio of percentage annual increase in expenses in the past period and percentage increase in business volume parameter during the same period.

BGR = Projected growth rate (%) for the ensuing year of the business volume parameter to which the fixed charge element under consideration is sensitive.

Ad_F = Additional float in % as decided by commission to provide insulation against uncertainty in projected inflation or business volume growth.

For such annual escalation rate calculation the annual increase (%) in expenses as required for calculation of R is decided by the Commission by taking the lowest positive CAGR value from among CAGR of 2013-14 (i.e., annual increase rate) or CAGR of 2011-12 to 2013-14 or CAGR of 2010-11 to 2013-14 subject to different aspects considering rationality or level of asymmetric character of past data as has been explained in the relevant portion. However, principally wherever R on computation found to be higher





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

than one then in such case R is considered not more than 1 (one) as Commission is of the opinion that rate of increase in expenses due to business volume increase cannot surpass the rate of increase in business volume parameter unless there is any specific reason which can be established by the licensee. Similarly when R is found to be a value between 0.5 and 1 then also in ensuing year annual escalation rate is further reduced by a small quantum with an objective of gradual improvement in efficiency of the licensee in expenditure control by utilizing different resources in a more effective manner.

Where necessary while computing additional expenditure represented by $(R \times BGR)$ of any element of fixed charge due to increase in business volume that additional expenditure is modified in a reasonable and rational manner after taking the impact of above mentioned sensitivity parameter on the additional expenditure. Detail of such modification and any other specific consideration are detailed out in relevant portion where each element of fixed charge is dealt with. For controllable factor additional float of 0.5% is given to cover any expenditure hike due to any unforeseen reasons.

- h) Commission decides that for the ARR determination in the tariff order of fourth control period the impact of increase in business volume on different sub-heads/ heads will also be considered from the point of sensitivity of the head/sub-heads to certain business volume parameter. For such purpose in the business process of IPCL there are two important business volume parameters such as Distribution line length (DDL) in Circuit Kilometer (CKM) and Consumer strength. Different elements of fixed charge elements are sensitive to either of the above two parameters and where such element is sensitive to consumer strength there is variation in the degree of such sensitivity. After applying such degree of sensitivity the number of business





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

parameters considered in this tariff order are Distribution Line Length (DLL), Consumer Strength in moderate degree(CSM), Consumer Strength in high degree (CSH) and Consumer strength with lesser degree than CSM (CSM-L). The Table 1 under Annexure 4B shows the concerned business volume parameter sensitivity against different elements of the fixed charges.

- i) IPCL has submitted through their letter dated 14.01.2016 the line length and consumer strength annually for the years 2010-11 to 2014-15 from where CAGR for the period 2010-11 to 2013-14, 2011-12 to 2013-14 and 2012-13 to 2013-14 has been determined. The lowest growth rates of the above periods have been considered as the growth rates for 2014 – 2015, 2015 – 2016 and 2016 – 2017.

During truing up in Annual Performance Review (APR) of the above ensuing years of 2014-15 to 2016-17 such projected distribution line length in CKM and Consumer Strength in number as given above shall be considered as the basis against which the expenditure has been admitted during concerned tariff order and accordingly truing up will be taken up.

- j) For computation of computed expenditure by the Commission on different heads for 2014-15 to 2016-17 the base expenditure over which the above escalation rates are applied has been considered by the Commission as explained in paragraph (c) and (g) above.
- k) Based on the above principle the projected expenditure on above mentioned different elements of fixed charges for 2014-15, 2015-16 and 2016-17 has been computed and then compared with the claimed amount of IPCL for the said year and whichever is lower is being admitted in this tariff-order.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- I) IPCL has submitted Audited Annual Reports and Accounts for 2014-15 with break-up of expenses under different O&M head. The computed expenditure under different sub-heads of fixed charges for 2014-15 has been compared with the actual expenditure and whichever is lower is being admitted in this order.

4.8.2.2 O&M Expense determination for distribution function: Based on the laid down principle in paragraph 4.8.2.1 above following different sub-heads of O&M function are determined. In this context tables in Annexure – 4B may be referred to for the past trend of expenditure.

- a) **Repair & Maintenance Expenditure :** For this elements, the escalation rate that is considered for projection of expenditure in 2014-15, 2015-16 and 2016-17 is on the basis of CAGR of the period 2010-11 to 2013-14 because other two periods under consideration has either negative growth rate or higher growth rate. The past trend of expenditure in third control period also shows very insignificant growth rate in expenditure on this head. Accordingly the escalation rate thus selected is the CAGR of 2010-11 to 2013-14 which is found to be higher than the average inflation rate for the above period. Then by using such escalation rate in the methodology as mentioned in sub-paragraphs (g), (j) and (k) of Paragraph 4.8.2.1 the admitted amount found for ensuing years of 2014-15 to 2016-17 are given in Table 4.8.2.2-1.
- b) **Audit fee:** For this element of expenditure the escalation rate considered is also CAGR of 2011-12 to 2013-14 as such rate is found to be more logical in view of past data trend of actual expenditure between 2010-11 to 2012-13 and also in view of inflationary trend. Such escalation rate is however lower than the average inflation rate of the above period. Thus by using such escalation rate in the methodology as mentioned in sub-paragraphs (d), (j)





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

and (k) of Paragraph 4.8.2.1 the admitted amount found for ensuing years of 2014-15 to 2016-17 are given in Table 4.8.2.2-I.

- c) **Other administrative and general expenses:** For these elements, the escalation rate that is considered for projection of expenditure in 2014-15, 2015-16 and 2016-17 is on the basis of CAGR of the period 2012-13 to 2013-14 because other two periods under consideration has higher growth rate. The past trend of expenditure in third control period also shows very insignificant growth rate in expenditure on this head. Accordingly the escalation rate thus selected is the CAGR of 2012-13 to 2013-14 which is found to be higher than the average inflation rate for the above period. Then by using such escalation rate in the methodology as mentioned in sub-paragraphs (g), (j) and (k) of Paragraph 4.8.2.1 the admitted amount found for ensuing years of 2014-15 to 2016-17 are given in Table 4.8.2.2-I.
- d) **Legal and professional charges:** For these elements, the escalation rate that is considered for projection of expenditure in 2014-15, 2015-16 and 2016-17 is on the basis of CAGR of the period 2010-11 to 2013-14 because other two periods under consideration have negative growth rate. The past trend of expenditure in third control period also shows very insignificant growth rate in expenditure on this head. Accordingly the escalation rate thus selected is the CAGR of 2010-11 to 2013-14 which is found to be higher than the average inflation rate for the above period. Then by using such escalation rate in the methodology as mentioned in sub-paragraphs (g), (j) and (k) of Paragraph 4.8.2.1 the admitted amount found for ensuing years of 2014-15 to 2016-17 are given in Table 4.8.2.2-I.
- e) Thus the admitted expenditure for IPCL under O&M expenses for distribution function are as follows:





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Table 4.8.2.2-I (Rs. in lakh)

Sl. No.	Particulars	As Claimed			As Admitted		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1.	R & M Charges	526.79	590.72	656.66	313.00	339.00	367.00
2.	Audit Fees	27.82	30.60	33.66	9.00	9.00	9.00
3.	Other A&G expenses	763.10	839.41	923.33	223.00	237.00	252.00
4.	Legal & prof. charges	404.32	444.76	489.23	66.00	72.00	78.00
5.	A&G expenses (2+3+4)	1195.24	1314.77	1446.22	298.00	318.00	339.00
6.	O&M expenses (1+5)	1722.03	1905.49	2102.88	611.00	657.00	706.00

Note : For detail calculation tables 1, 2 & 3 under Annexure-4B may be seen

4.8.2.3 Some Small Expenditure: Some of the small items viz., a) rates & taxes and b) insurance are uncontrollable in nature till the third control period and thus they are all dealt separately under paragraphs as below.

a) Rent, Rates & Taxes:

For this element the escalation rate that is considered for projection of expenditure in 2014-15, 2015-16 and 2016-17 is on the basis of CAGR of the period 2010-11 to 2013-14 because other two periods under consideration have negative growth rate. Thus by using such escalation rate for projection purpose of this uncontrollable item for the period 2014-15 to 2016-17 the sub-paragraphs (g), (i) and (k) of Paragraph 4.8.2.1 have been applied. The admitted amounts are given in Table below. The entire amount is allocated to the Distribution function as proposed by IPCL.

(Rs. in lakh)

Sl No.	Expenditure Head	As Claimed			As Admitted		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1.	Rent, Rates & Taxes	59.76	63.36	67.28	17.00	18.00	20.00

Note : For detail calculation tables 1,2 & 3 under Annexure-4B may be seen





4.9 Lease Rental (For Generating Station)

Two units (2x10 MW) of Chinakuri power station were being operated by IPCL under operating lease from ECL. The lease agreement ceases to operate on and from 01.04.2012 and no further extension has been granted by ECL. It is seen from the audited Annual Reports & Accounts for 2014-15 that no expenditure was incurred by IPCL during the year under the head under DPSC division. The Commission, therefore, admits no expenditure on lease rental during the fourth control period.

4.10 Insurance

4.10.1 For this element the escalation rate that is considered for projection of expenditure in 2014-15, 2015-16 and 2016-17 is on the basis of CAGR of the period 2010-11 to 2013-14 because other two periods under consideration have negative growth rate. Thus by using such escalation rate for projection purpose of this uncontrollable item for the period 2014-15 to 2016-17 the sub-paragraphs (g), (i) and (k) of Paragraph 4.8.2.1 have been applied. The admitted amounts and allocation between generation and distribution functions are given in Table below:

Rupees in Lakh

Sl. No	Particulars	Insurance Premium					
		As Proposed			As admitted		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1	Dishergarh TPS (12 MW)	0.09	0.10	0.12	0.09	0.10	0.10
3	Distribution System	41.90	49.05	55.19	25.91	27.90	29.90
4	Total	41.99	49.15	55.31	26.00	28.00	30.00

4.10.2 Insurance Premium paid being uncontrollable is subject to adjustment in APR where IPCL would be required to confirm that provisions under regulation 5.23.1 of the Tariff Regulations are complied with.





4.11 Interest on Loan Capital and Finance Charges

4.11.1 IPCL has submitted detail of finance cost as per audited Annual Reports and Accounts 2014-15 through their letter dated 03.12.2015 and also projected the requirement of Rs.2235.78 lakh, Rs.2740.11 lakh and Rs. 3118.63 lakh towards Interest on Capital Borrowings for the years 2014-15, 2015-16 and 2016-17 respectively, vide submission in Form 1.17 and Form E (B).

4.11.2 IPCL has submitted Form-C without indicating purpose of drawl of fresh loan and detailed computations of chargeable interest thereon. The projected claims are summarized as under:

Rupees in Lakh

Loan				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Opening balance	14736.07	19011.50	22348.63
2	Fresh drawal	5862.51	5187.46	4452.69
	Total	20598.58	24198.96	26801.32
3	Less: Repayment due	1587.08	1850.33	2076.29
4	Balance at the end of the year	19011.50	22348.63	24725.03

During the year 2012-13 IPCL had drawn term loan from IDBI Bank and South Indian Bank for completion of 12 MW plant at Dishergarh and construction of 220 KV substation and Transmission lines at J.K.Nagar. Closing balance of term loan at the end of the year 2012-13 was Rs.8565.05 lakh. There was no term loan for investment in distribution segment till 31.03.2013. The Commission now views project-wise requirement vis-à-vis drawl of term loan for the fourth control period.

- a. Dishergarh 12 MW Plant: IPCL has drawn term loan for 4000.00 lakh from IDBI Bank at a interest rate of 12.75% with a moratorium period of 24 months from 01.04.2012 repayable in 36 equal quarterly installments. The Commission noted that total drawl of loan for 12 MW plant is within





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

70% of the approved project cost of 6654.00 lakh approved by the Commission at 2nd stage. Actual interest on the term loan during 2014-15, 2015-16 and 2016-17 is thus calculated at Rs.510.00 lakh, Rs.453.39 lakh and Rs.396.78 lakh respectively.

- b. J.K.Nagar 220 KV Sub-station and Transmission lines : The Commission noted from the Audited Annual Reports and Accounts for 2014-15 submitted by IPCL through their letter dated 01.12.2015 that balance of term loan from South Indian Bank for the project as on 31.03.2015 is 7493.00 Lakh. The Loan carries interest rate of 13% is repayable from 01.12.2015 in 9(Nine) years in equal quarterly installment. The Commission accorded approval of revised capital investment for the project with a total investment of Rs.9628.00 Lakh in the order dated 13.02.2013 in case No. WBERC/OA-57/09-10. Considering normative debt Equity ratio of 70:30, the Debt is restricted to Rs.6739.60 Lakh. IPCL submitted through their letter dated 21.12.2015 that the asset has been put into commercial operation on 11.12.2015 Interest on the loan @13% shall be charged to Revenue account from 11.12.2015. The Commission thus admits interest on the admissible debt of Rs.6739.60 lakh for J.K.Nagar S/S and Transmission lines at Rs.268.50 Lakh and Rs. 876.15 Lakh for 2015-16 and 2016-17 respectively.
- c. Distribution Projects: IPCL projected Capital expenditure plan in Distribution segment for Rs.8375.00 lakh, Rs.7411.00 Lakh and Rs.6361.00 Lakh during 2014-15, 2015-16 and 2016-17 respectively. The proposed plan includes Rs.6200.00 Lakh, Rs.6200.00 Lakh and Rs.5500.00 Lakh for expansion of LT Network in the licensed area during 2014-15, 2015-16 and 2016-17 respectively. Such huge amount of investment proposal for LT expansion work requires approval of the Commission in terms of regulation 2.8.4.1 of the Tariff Regulations. IPCL,





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

though, submitted an exhaustive report on LT Network Rollout Plan of Rs. 17900.00 lakh on 20.08.2014 in compliance with the order dated 13.08.2014 of the Commission in case no. SM-11/14-15 but no application for investment approval in terms of regulation 2.8.2.3 of the Tariff Regulations has been submitted by IPCL following the procedure laid down in West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations 2013. The Commission accordingly could not accord approval to the proposal and intimated the views of the Commission through its letter No. WBERC/TP-58/13-14/0563 dated 07.08.2015. The Commission further noticed that IPCL has proposed capital investment plan for a total amount of Rs. 950.00 lakh, Rs. 661.00 lakh and Rs 395.00 lakh during 2014 – 2015, 2015 – 2016 and 2016 – 2017 respectively but could not submit details of projects, in respect of the following schemes of capital investment:

- (i) 220 KV Downstream proposal for utilization of surplus power after commission of J. K. Nagar 220 KV sub-stations and lines in Luchipur area.
- (ii) Infrastructure development for enhancing existing consumer base in Luchipur area.
- (iii) Switchgear replacement in Seebpur area.
- (iv) Infrastructure development for enhancing existing consumer base in Seebpur area.

Moreover, most of the above schemes are developmental investment in a new area for which details of scheme are required for examination of the Commission before admission. The Commission, accordingly, considers the projected investment in distribution segment to the extent of Rs.1225.00 Lakh (Rs.8375.00 Lakh - 6200.00 Lakh – Rs. 950.00 lakh),





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Rs.550.00 Lakh (Rs.7411.00 Lakh – Rs.6200.00 Lakh – Rs. 661.00 lakh) and Rs.466.00 Lakh (Rs.6361.00 Lakh – Rs.5500.00 Lakh – Rs. 395.00 lakh) for the years 2014-15, 2015-16 and 2016-17 respectively. Based on the admitted investment and addition to fixed assets, the normative requirement of debt for the works is calculated as given in the table below:

Rupees in Lakh

Particulars	Derivative	2012-13	2013-14	2014-15	2015-16	2016-17
Opening normative debt (closing balance of 2011-12) as admitted in APR order for 2011-12	a	2426.11	3721.05	5133.12	5990.62	6375.62
Actual addition to Debt	b	0.00	0.00	0.00	0.00	0.00
Addition to the fixed assets during the year	c	1849.91	2017.25	1225.00	550.00	466.00
Normative addition to debt @ 70% of the addition to fixed asset during the year	$d = c \times 0.7$	1294.94	1412.08	857.50	385.00	326.20
Closing balance of additional normative debt	$e = a + d - b$	3721.05	5133.13	5990.62	6375.62	6701.82
Average normative debt	$f = (a + e)/2$	3073.58	4427.09	5561.87	6183.12	6538.72
Weighted average rate of interest paid on term loan during the year	i	12.75%	12.75%	12.75%	12.75%	12.75%
Interest on normative debt allowed	$g = f \times i$	391.88	564.45	709.14	788.35	833.69

4.11.3 With reference to the findings in paragraph 4.11.2 above the Commission admits interest on capital borrowing to the extent as stated below:

Rupees in Lakh

Interest on Loan				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Interest on borrowings for 12 MW Plant	510.00	453.39	396.78
2	Interest on borrowings for J.K.Nagar S/S	0	268.50	876.15
2	Interest on normative loans for Distribution works	709.14	788.35	833.69
3	Less: Amount to be capitalized	-	-	-
4	Interest admitted	1219.14	1510.24	2106.62





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.11.4 IPCL is directed to furnish the purpose of each loan capital obtained, interest amount to be capitalized during each of the years and the amount of interest chargeable to Revenue Account commensurate to the Annual Report and Accounts with detailed disclosure during APR for the corresponding year.

4.11.5 Interest has been allocated in the table as below according to the purposes of the borrowings.

Rupees in Lakh

Interest on Loan Capital as admitted by the Commission				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Dishergarh TPS	510.00	453.39	396.78
2	Distribution System including Transmission system	709.14	1056.85	1709.84
4	Total (4 = 1+2)	1219.14	1510.24	2106.62

4.12 Interest on Consumers' Security Deposits

4.12.1 As per Audited Annual Reports and Accounts of IPCL for 2014-15, total amount of Consumers' Security held at the beginning of the year stands at Rs.2014.00 lakh. Considering payment of interest to the consumers at a rate of 6% per annum, interest payable is Rs.120.80 lakh. Actual interest on consumers' security deposit booked in accounts for the year 2014-15 is Rs.118.29 lakh which the Commission admits. The Commission considers Interest on consumers' security deposit at the same level for 2015-16 and 2016-17 as admitted for the year 2014-15 since IPCL projected sales in MU during three years of the control period almost at the same level. The Commission admits interest of Consumers' cash security deposits for three years of the fourth control period as below:





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Rupees in Lakh

Interest on Consumers' Security Deposits as admitted by the Commission			
Particulars	2014-15	2015-16	2016-17
Distribution System	118.29	118.29	118.29
Total	118.29	118.29	118.29

4.12.2 The Commission feels that this amount and the amounts of cash security deposit received/ to be received from the consumers of IPCL should be invested as working capital of IPCL in its power business upto the normative level of working capital in terms of the Tariff Regulations and the balance, if any, over the normative working capital should be properly invested. IPCL is, therefore, directed to do the needful accordingly in this regard. The earnings from such investment(s) shall be considered as income from other non-tariff sources. IPCL is also directed to submit henceforth a report, supported by necessary audited data, in its applications for Annual Performance Review and also for determination of tariff showing as to how the amount of security deposits has been employed by it. The expenditure on this account is to be booked under distribution system.

4.13 Other Finance Charges

4.13.1 The projected other finance charges claimed by IPCL are as under:

Rupees in Lakh

Other Finance Charges as claimed				
Sl. No	Particulars	2014-15	2015-16	2016-17
1	Bank Charges	86.22	90.53	95.06
2	Front- End Fees	14.66	12.97	11.13
3	Amortization of Debenture issue exp.	54.41	54.41	54.41
4	Total (4 = (1)+(2)+(3))	155.29	157.91	160.60





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.13.2 IPCL has claimed for Rs. 54.41 lakh in each of the years of the third control period towards NCD issue expense the requirement of which has not been explained in their submission. It is observed from Note 6.1(a) and 6.1(b) to the notes on financial statements attached to the audited Annual Reports and Accounts for the year 2014-15 that IPCL has secured a loan for Rs. 10000.00 lakh by issue of 10.75% Non-convertible Debentures against the charge of its immovable properties of land and building at Kolkata, Asaboni, Sanctoria (Burdwan) and Iswarpura (Gujrat) and another loan of Rs 2000.00 lakh by issue of 12% Non-convertible Debentures against the charge of its immovable properties of land and building and the same has been privately placed without further elaboration. IPCL has not explained the purpose of securing such a loan and whether the same is utilized in generation and distribution business. It is not clear to the Commission whether such drawal of loan would serve the interest of the consumers in the long run. The NCD issue expenses claimed in finance charges @ Rs. 54.41 lakh for all the three years has not been allowed by the Commission on the grounds as stated above.

4.13.3 In the absence of any specific clarification in regard to the projected amount of Front-end Fees, the Commission is not admitting the same. The projected amounts of Bank Charges are only allowed and allocated to the distribution system only.

Rupees in Lakh

Other Finance Charges as admitted by the Commission				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Distribution System	86.22	90.53	95.06

4.14 Interest on Working Capital

4.14.1 Normative amounts of working capital for different years of the control period, as computed by IPCL, are shown hereunder. IPCL has claimed rate of interest at





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

the rate of 14.45% p.a. The interest on working capital claimed by IPCL, as per its projections, work out as under:

Rupees in Lakh

Interest on Working Capital as claimed				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Normative working capital	11183.45	12255.75	13044.53
2	Interest claimed	1616.01	1770.96	1884.94

4.14.2 In terms of regulations 5.6.5.1 of the Tariff Regulations working capital requirement shall be assessed on normative basis @ 18% on the base amount derived by summation of annual fixed charges and fuel and power purchase cost reduced by the elements of the ARR determined, viz., depreciation etc. However, the above assessment of requirement of working capital would be 10% instead of 18% on the base amount since IPCL has already introduced Monthly Variable Cost Adjustment from April, 2011. The interest on working capital in respect of distribution function is considered after adjusting the amount on account of consumers' cash security deposit held at the beginning of the respective years. For this purpose the Commission considers, the cash security deposit held at the beginning of the year as per the audited accounts 2014 – 2015 for 2014-15 and the closing balance at the end of 2014-15 for 2015-16 and 2016-17.

4.14.3 The short term Prime Lending Rate (PLR) of State Bank of India (SBI) as on 01.04.2013 was 14.45%. As per their submission in Form 1.17(b), IPCL has claimed the rate of interest @ 14.45% per annum for all the years of the fourth control period which the Commission admits for calculation of normative interest on working capital. Detailed calculation of Interest on Working Capital is given in Annexure-4C of this order.

4.14.4 The said allocation of interest on working capital as allowed by the Commission for the years 2014-15, 2015-16 and 2016-17 are furnished in the table below.



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Rupees in Lakh

Interest on Working Capital				
Sl. No	Particulars	As admitted by the Commission		
		2014-15	2015-16	2016-17
1	Dishergarh TPS	33.01	62.99	62.10
2	Distribution System	349.49	287.98	301.77
3	Total (3 = 1 + 2)	382.50	350.97	363.87

4.15 Depreciation

4.15.1 IPCL has computed depreciations in Form-B for the amounts of Rs. 1587.08 lakh, Rs. 1850.33 lakh and Rs. 2076.29 lakh chargeable for the years 2014-15, 2015-16 and 2016-17 respectively. The Commission now goes to determine the admissible depreciable value of generation, transmission and distribution assets in order to arrive at a reasonable decision.

(a) J.K.Nagar 220KV sub-station and lines: The Commission accorded approval of revised capital investment for the project with a total investment of Rs.9628.00 Lakh in the order dated 13.02.2013 in case No. WBERC/OA-57/09-10. IPCL submitted through their letter dated 21.12.2015 that the asset has been put into commercial operation on 11.12.2015. Depreciation on the said asset shall be admissible from 11.12.2015 onwards. No further addition to the asset has however been considered by the Commission during 2015-16 and 2016-17.

(b) Dishergarh 12 MW Power Plant: The Commission accorded approval of estimated project cost of Dishergarh new unit to the extent of Rs. 6654.00 lakh during approval of investment proposal in 2nd stage in case no. WBERC/OA-129/11-12. The original cost of fixed assets of Dishergarh new unit is, thus, restricted to the cost approved by the Commission for the purpose of tariff determination at this stage. No addition to the asset has however been considered by the Commission during 2014-15, 2015-16 and 2016-17.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- (c) Distribution Assets: As per submission of IPCL in Form 1.18 of the MYT petition for fourth control period, actual original cost of fixed assets for distribution segment excluding transmission asset as on 31.3.2013 is Rs. 11944.69 lakh (Rs.17768.22 lakh + Rs.543.22 lakh –Rs.6366.75 lakh). There was an actual addition to distribution assets for Rs.1817.42 lakh during 2013-14. The Commission decided in paragraph 4.11.2(c) of this order to consider annual addition to fixed assets under distribution segment to the extent of Rs. 1225.00 lakh, Rs.550.00 lakh and Rs.466.00 lakh for the years 2014-15, 2015-16 and 2016-17 respectively.
- (d) Other Assets: As per submission of IPCL in Form 1.18 of the MYT petition actual cost of fixed assets under 'other assets' as on 31.03.2013 was Rs.3415.95 lakh. There was an addition to other assets during 2013-14 for an amount of Rs.199.83 lakh. IPCL in their submission in Form-B has not projected any addition during 2014-15, 2015-16 and 2016-17 under 'other assets'.
- (e) Chinakuri plant: Eastern Coalfields Limited (ECL) has not extended the lease agreement with IPCL for operation of the generating units (3X10 MW) at Chinakuri beyond 31.03.2012. The Units are kept inoperative since then. IPCL in their submission for MYT under 4th Control period has stated that ECL has neither paid the written down value amounting to Rs.24 crores along with R&M expenses of Rs. 15 crore claimed by the Licensee nor has taken possession of the plants as per terms and conditions of lease agreement. A writ petition in this regard has been filed before the Hon'ble Division Bench of Calcutta High Court. Since claims for realization of Written down Value of the 10 MW plant constructed with their own resources has already been lodged and since the matter is sub-judice, the Commission decides not to allow depreciation on the said asset in the ARR for the years 2014-15, 2015-16 and 2016-17. The





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Commission will review the matter in the APR for the respective years considering further developments, if any.

4.15.2 IPCL has projected weighted average rate of depreciation for different asset segments for each year of the control period in their submission in Form-B. The Commission considers the depreciation rate projected for 2014-15 for all the three years and determines admissible depreciation in the manner as stated below based on the findings in paragraphs (a) to (e) above. Depreciation rates as proposed by IPCL are 3.76% for generation assets, 3.04% for distribution/transmission assets and 11.22% for other assets. Depreciation for Dishergarh new plant has been kept withheld to the extent of 5% as decided in paragraph 4.3 of this order.

Rupees in lakh

Segment	Admissible Balance of fixed assets as on 01.04.2014	Addition during 2014-15	Addition during 2015-16	Addition during 2016-17	Depreciation for 2014-15	Depreciation for 2015-16	Depreciation for 2016-17
Chinakuri plant	2441.57	0.00	0.00	0.00	0.00	0.00	0.00
Dishergarh(12MW)	6654.00	0.00	0.00	0.00	237.68	237.68	237.68
Transmission	0.00	0.00	9628.00	0.00	0.00	89.01	292.69
Distribution	13762.11	1225.00	550.00	466.00	455.61	472.33	486.49
Other	3615.78	0.00	0.00	0.00	405.69	405.69	405.69
Total					1098.98	1204.71	1422.55
Depreciation admitted by the Commission					1098.98	1204.71	1422.55

4.15.3 The total amounts of chargeable depreciation as proposed by IPCL for the years under the control period are admitted by the Commission and allocated as below:

Rupees in Lakh

Sl. No	Particulars	Depreciation		
		As admitted by the Commission		
		2014-15	2015-16	2016-17
1	Dishergarh TPS(12 MW)	237.68	237.68	237.68
2	Distribution System	861.30	967.03	1184.87
3	Total	1098.98	1204.71	1422.55





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.16 Taxes on Income/ Profit

4.16.1 IPCL has projected Rs. 834.75 Lakh, Rs.967.55 lakh and Rs.1083.40 lakh towards income tax for 2014-15, 2015-16 and 2016-17 respectively. Such projections are based on application of Corporate Tax rate on projected Return on Equity for three years. In terms of the Tariff Regulations, the taxes payable on income from the core business of the applicant and other taxes under the provisions of Income Tax Act are recoverable to pass through from the consumers. The Commission is, therefore, to allow the provisions for payment of Minimum Alternative Tax (MAT) in this regard subject to adjustments on the basis of tax assessment and payments made accordingly. Such provisions are being considered on the assumption that the applicant would be required to pay taxes at the current rate of MAT as per Income Tax Act.

4.16.2 The amounts of permitted returns on equity for different years under the control period are taken as the basis for computing the incidence of taxes payable. The provisions towards Income Tax on the aforesaid basis come as under:

Sl. No.	Particulars	2014-15			2015-16			2016-17		
		Gener ation	Transmi ssion	Distribu tion	Gener ation	Transmi ssion	Distribu tion	Gener ation	Transm ission	Distribu tion
1	Return on equity as admitted by the Commission (Rs. lakh)	385.88	0.00	1128.39	385.88	68.06	1172.32	385.88	447.70	1197.46
2	Rate (%)	20%	20%	20%	20%	20%	20%	20%	20%	20%
3	MAT (Rs. lakh)	77.18	0.00	225.68	77.18	13.61	234.46	77.18	89.54	239.49

The Commission, therefore, admits Rs. 302.85 lakh, Rs.325.25 lakh and Rs.406.21 lakh towards Taxes on Income for the years 2014-15, 2015-16 and 2016-17 respectively.

4.16.3 The admitted taxes on income for IPCL are allocated to generating stations and distribution system in the ratio of the admitted and allocated ROE as below:



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Rupees in Lakh

Taxes on Income as admitted by the Commission				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Dishergarh TPS	77.18	77.18	77.18
2	Distribution systems including Transmission	225.67	248.07	329.03
3	Total (3 = 1 + 2)	302.85	325.25	406.21

4.16.4 The Commission directs IPCL to furnish the following documents in a comprehensive manner along with the APR petition for the year 2015-16 and subsequent years:-

- Final Assessment Order for the A.Y. 2013-14 and A.Y. 2014-15
- Audited Certificate in regard to Income Tax Assessed and Income Tax paid with corresponding credit of Income Tax received from the A.Y. 2001-2002 to the A.Y. 2014 – 2015.

4.17 Reserve for unforeseen Exigencies

4.17.1 IPCL has computed and claimed reserve for unforeseen exigencies at the rate of 0.25% on the value of gross fixed assets at the beginning of the year for the generating stations and distribution function only as shown in the table below:

Rupees in Lakh

Year	Gross value of Fixed Assets at the beginning of the year	Reserve @ 0.25%
2014-15	36302.04	90.76
2015-16	44677.05	111.69
2016-17	52087.70	130.22

4.17.2 It is evident from the audited Balance Sheet of IPCL as on 31.03.2015 that the amount of reserve for unforeseen exigencies stands at Rs. 454.25 lakh which includes an amount of Rs. 130.88 lakh being reserve created out of interest earned through investment as 'unforeseen exigencies interest reserve'.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.17.3 The Commission decides that for fourth control period no amount will be considered under the head 'reserve for unforeseen exigencies' in order to have lesser impact on tariff increase.

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

4.18 Return on Equity

4.18.1 The Commission has found that the return on equity as claimed by IPCL is in accordance with the Tariff Regulations. The Commission, however, goes by its decision for allowing addition to fixed assets during the control period as per paragraph 4.15.2 of this order to determine normative addition to equity base for the purpose of calculation of allowable return. The opening admissible equity base as on 01.04.2012 against each functional segment has been considered as per APR order of IPCL for 2011-12 dated 10.09.2013 in case no. APR-33/12-13. Addition to fixed assets during 2012-13, 2013-14 and 2014-15 has been considered based on Tariff Regulations as per audited Annual Reports and Accounts of the licensee for the years 2012-13, 2013-14 and 2014-15. The same is considered at actual. 15.5% return on equity has been allowed on



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

equity base of the generating stations and the transmission assets at J.K. Nagar sub-station and one percent more has been allowed to distribution system in terms of regulation 5.6.1 of the Tariff Regulations. Calculation in detail is given in Annexure-4D attached to this order. Return on equity in respect of Chinakuri plant is not being considered at this stage for the reasons stated in para. 4.15.1(e) of this order. ROE in respect of Dishergarh Power plant shall be kept withheld to the extent of 5% of admitted return for the reasons stated in paragraph 4.3 of this order. ROE for transmission assets at J.K. Nagar sub-station has been computed for 111 days for the year 2014 – 2015 considering the date of commercial operation as 11.12.2015. Return on equity under different heads for the years 2014-15, 2015-16 and 2016-17 are as below:

Rupees in Lakh

Allocation of Return on Equity as admitted by the Commission				
Sl.No	Particular	2014-15	2015-16	2016-17
1	Dishergarh TPS	385.88	385.88	385.88
2	Distribution System including transmission system	1128.39	1240.38	1645.16
3	Total (3 = 1 + 2)	1514.27	1626.26	2031.04

4.18.2 IPCL is directed to allocate its equity base to its generating stations and distribution system based on the utilization of the same in acquiring fixed assets and to submit the same with the applications for Annual Performance Review for the corresponding years for necessary adjustments.

4.19 Other Non-Tariff Income

4.19.1 The incomes from the non-tariff sources, as projected by IPCL, with the following break-up are as shown in the table below.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Rupees in Lakh

Other Non-Tariff Income as proposed				
Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Rental of meters and other apparatus	82.42	141.62	198.91
2	Income from investments	171.28	180.51	191.26
3	Surcharge on late payment	106.06	111.36	116.93
4	Income from jobs at consumers' premises	14.19	14.90	15.64
5	Other general receipts	6.85	7.19	7.55
6	Total	380.80	455.58	530.30

4.19.2 IPCL has estimated Rs. 171.28 lakh, Rs. 180.51 lakh and Rs. 191.26 lakh as income from investments for the years 2014-15, 2015-16 and 2016-17 respectively. The above amounts are however inclusive of Rs. 21.63 lakh, Rs. 21.63 lakh and Rs. 21.63 lakh towards income against investment of reserve for unforeseen exigencies fund for the years 2014-15, 2015-16 and 2016-17 respectively. Such amounts are to be ploughed back to the above reserved fund and shall not be considered as other non-tariff income. The projected amounts of other non-tariff income thus arrive at Rs. 359.17 lakh, Rs. 433.95 lakh and Rs. 508.67 lakh for 2014-15, 2015-16 and 2016-17 respectively which is admitted by the Commission under the head Other Non-Tariff Income. The income from rental of meters and other apparatus, surcharge on late payment and income from jobs at consumer's premises have been considered for distribution business. The incomes from investments and general receipts are allocated to the generating stations and distribution system in proportion to the total revenue requirement on the generation segment and distribution segment. Accordingly, the allocated amounts, as admitted by the Commission, are as follows:

Rupees in Lakh

Other Non-tariff income as admitted by the Commission				
Sl. NO.	Particular	2014-15	2015-16	2016-17
1	Dishergarh TPS	19.53	35.26	39.87
3	Distribution System	339.64	398.69	468.80
4	Total (4 = 1+ 2+ 3)	359.17	433.95	508.67



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

4.20 Interest Credit

4.20.1 It is seen from the Form – C to Annexure – 1 that IPCL has projected repayment of loan during the years 2014-15, 2015-16 and 2016-17 to the extent of Rs.1587.08 Lakh, Rs.1850.33 lakh and Rs.2076.29 lakh respectively. As per terms of repayment of loan stated in paragraph 4.11.2 of this order, actual repayment due for the loan taken by IPCL for the Dishergarh 12 MW plant and J.K.Nagar 220 KV sub-station together is worked out at Rs.444.44 lakh, Rs.652.59 lakh and Rs.1277.01 lakh during 2014-15, 2015-16 and 2016-17 respectively. The Commission admits depreciation in para.4.15.3 of this order to the extent of Rs.1098.88 lakh, Rs.1204.71 lakh and Rs.1422.55 lakh for the years 2014-15, 2015-16 and 2016-17 respectively. Thus, in terms of regulation 5.5.3 of the Tariff Regulations, an interest credit at the rate of weighted average cost of debt for the corresponding year has been considered for all three years as follows:

Rupees in Lakh

Interest Credit				
Sl. NO.	Particular	2014-15	2015-16	2016-17
1	Depreciation allowed	1098.98	1204.71	1422.55
2	Less: Repayment of loan during the year	444.45	652.59	1277.01
3	Excess Depreciation allowed	654.53	552.12	145.54
4	Average Rate of Interest	12.75%	12.75%	12.75%
5	Interest Credit	83.45	70.40	18.56

4.20.2 The interest credit is allocated in the ratio of segment-wise depreciation as admitted under paragraph 4.14 of this order as follows:

Rupees in Lakh

Sl. No	Particulars	Interest Credit as admitted by the Commission		
		2014-15	2015-16	2016-17
1	Dishergarh TPS	18.16	13.85	3.03
2	Distribution System	65.29	56.55	15.53
3	Total	83.45	70.40	18.56





ANNEXURE – 4A

Monthly Rate of Inflation in CPI number for Industrial Worker													
Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
2010-11	13.33	13.91	13.73	11.25	9.88	9.82	9.7	8.33	9.47	9.3	8.82	8.82	10.53
2011-12	9.41	8.72	8.62	8.43	8.99	10.06	9.39	9.34	6.49	5.32	7.57	8.65	8.42
2012-13	10.22	10.16	10.05	9.84	10.31	9.14	9.6	9.55	11.17	11.62	12.06	11.44	10.43
2013-14	10.24	10.68	11.06	10.85	10.75	10.7	11.06	11.47	9.13	7.24	6.73	6.7	9.72
2014-15	7.08	7.02	6.49	7.23	6.75	6.3							6.81

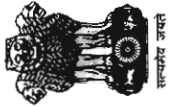
Source : Website of Labour Bureau, GOI : Average Value is being Computed

WPI FROM OFFICE OF ECONOMIC ADVISOR , GOI												
Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	125	125.9	126.8	128.2	129.6	130.3	131	132.9	133.4	135.2	135.2	136.3
2010-11	138.6	139.1	139.8	141	141.1	142	142.9	143.8	146	148	148.1	149.5
2011-12	152.1	152.4	153.1	154.2	154.9	156.2	157	157.4	157.3	158.7	159.3	161
2012-13	163.5	163.9	164.7	165.8	167.3	168.8	168.5	168.8	168.8	170.3	170.9	170.1
2013-14	171.3	171.4	173.2	175.5	179	180.7	180.7	181.5	179.6	179	179.5	180.3
2014-15	180.8	182	183	184.6	185.7	185						

Source : Website of Office of the Economic Advisor, GOI :

MONTHLY INFLATION RATE COMPUTED BASED ON WPI FROM OFFICE OF ECONOMIC ADVISOR , GOI													
Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
2010-11	10.88	10.48	10.25	9.98	8.87	8.98	9.08	8.2	9.45	9.47	9.54	9.68	9.57
2011-12	9.74	9.56	9.51	9.36	9.78	10	9.87	9.46	7.74	7.23	7.56	7.69	8.96
2012-13	7.5	7.55	7.58	7.52	8.01	8.07	7.32	7.24	7.31	7.31	7.28	5.65	7.36
2013-14	4.77	4.58	5.16	5.85	6.99	7.05	7.24	7.52	6.4	5.11	5.03	6	5.98
2014-15	5.55	6.18	5.66	5.19	3.74	2.38							4.78





ANNEXURE – 4B

TABLE - 1

ANNUAL ACTUAL FIGURE OF DIFFERENT BUSINESS PARAMETERS FOR DISTRIBUTION FUNCTION HAVING IMPACT ON TARIFF

Sl No	Particulars	Units	Inflationary Basis	Sensitivity Parameter & degree of sensitivity	2009-10	2010-11	2011-12	2012-13	2013-14 (as estimated)	Admitted in tariff order 2012-13	2013-14 (Estimated by WBERC)
1	Total line-length on 31st March	CKM			782.00	826.00	833	854.07	883.35	883.35	883.35
2	Total consumers on 31st March	number			501	524	547	702	870	870	870
3	Increase in line length	%				5.627	0.847	2.529	3.428		
4	Increase in consumer	%				4.59	4.39	28.34	23.93		
5	Repair & Maintenance Expenditure	Rs Lakh	WPI+CPI	DLL	478.59	306.97	332.13	466.28	464.64	261.13	289.06
6	- Auditors Fees	Rs Lakh	WPI+CPI	DLL	17.95	17.82	23.01	21.01	25.29	7.79	8.37
7	- Legal & professional Charges	Rs Lakh	WPI+CPI	CSM	129.33	166.99	517.47	413.39	367.56	56.76	61.00
8	- Others Administrative and General Exp	Rs Lakh	WPI+CPI	CSM	433.32	356.95	410.23	639.09	693.72	194.85	209.41
9	Total Administrative & General Expenses (5+6+7+8)	Rs Lakh			580.60	541.76	950.71	1073.49	1086.57	259.40	278.78
10	Total O&M Function Expenses (5+6+7+8)	Rs Lakh			1059.19	848.73	1282.84	1539.77	1551.21	520.53	567.83
11	Rent, Rates & Taxes	Rs Lakh	WPI+CPI	DLL	28.79	30.10	93.67	71.53	56.09	14.28	15.35
12	Insurance	Rs Lakh	WPI+CPI	DLL	15.66	17.84	16.75	31.48	54.47	22.67	24.36
13	Total (10+11+12)	Rs Lakh			1103.64	896.67	1393.26	1642.78	1661.77	557.48	607.54



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

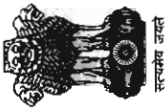
TABLE - 2

Sl No	Particulars	Units	Inflationary Basis	Sensitivity Parameter & degree of sensitivity	CAGR (%) between			Average Inflation Rate during the Concerned period \$	Whether Inflation rate is applicable	Additional Growth Rate above Inflation rate	Ratio of Expenses increase and sensitivity parameter increase	Escalation rate (%) for			Remarks
					2012-13 to 2013-14	2011-12 to 2013-14	2010-11 to 2013-14					2014-15	2015-16	2016-17	
1	Total line-length increase	%			3.43	2.98	2.26					2.26	2.26	2.26	
2	Total consumers increase	%			23.93	26.11	18.41					18.41	18.41	18.41	
1(b)	Inflation rate as per CPI index											6.81	9.15	9.15	
2(b)	Inflation rate as per hybrid (WPI +CPI) index											5.59	7.63	7.63	
3	Repair & Maintenance Expenditure	Rs Lakh	WPI+CPI	DLL	-0.35	18.28	14.82	8.27	Yes	6.55	1.00	8.35	8.35	8.35	
4	- Auditors Fees	Rs Lakh	WPI+CPI	DLL	20.37	4.84	12.38	8.27	No			5.32	5.32	5.32	
5	- Legal Charges	Rs Lakh	WPI+CPI	CSM	-11.09	-15.72	30.08	8.69	No	21.39	1.00	8.35	8.35	8.35	
6	- Others Administrative and General Exp	Rs Lakh	WPI+CPI	CSM	8.55	30.04	24.79	8.27	No	0.28	0.08	6.27	6.27	6.27	
7	Total Administrative & General Expenses (3+4+5+6)	Rs Lakh													
8	Total O&M Function Expenses (3+4+5+6)	Rs Lakh													
9	Rent, Rates & Taxes	Rs Lakh	WPI+CPI	DLL	-6.34	-22.62	23.05	8.27	No	14.78	1.00	8.35	8.35	8.35	
10	Insurance	Rs Lakh	WPI+CPI	DLL	7.75	42.3	23.89	8.69	Yes			8.53	8.53	8.53	

Note: \$ The concerned period means the period of which CAGR has been considered as escalation rate for future escalation rate calculation.



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

TABLE - 3

COMPUTATION OF PROJECTED EXPENSES OF DISTRIBUTION FUNCTION FOR 4TH CONTROL PERIOD (2014-15 TO 2016-17)											
Sl No	Particulars	Units	Projected Expenses for 2014-15	Computed Expenses for 2014-15 by the Commission	Admitted Expenses for 2014-15	Projected Expenses for 2015-16	Computed Expenses for 2015-16 by the Commission	Admitted Expenses for 2015-16	Projected Expenses for 2016-17	Computed Expenses for 2016-17 by the Commission	Admitted Expenses for 2016-17
1	Total line-length on 31st March	CKM	927.06	927.06	927.06						
2	Total consumers on 31st March	number	1230	1230	1230						
3	Repair & Maintenance Expenditure	Rs Lakh	526.79	313.00	313.00	590.72	339.00	339.00	656.66	367.00	367.00
4	- Auditors Fees	Rs Lakh	27.82	9.00	9.00	30.60	9.00	9.00	33.66	9.00	9.00
5	- Legal Charges & professional charges	Rs Lakh	404.32	66.00	66.00	444.76	72.00	72.00	489.23	78.00	78.00
6	- Others Administrative and General Exp	Rs Lakh	763.10	223.00	223.00	839.41	237.00	237.00	923.33	252.00	252
7	Total Administrative & General Expenses (3+4+5+6)	Rs Lakh	1195.24	298.00	298.00	1314.77	318.00	318.00	1446.22	339.00	339.00
8	Total O&M Function Expenses (3+4+5+6)	Rs Lakh	1722.03	611.00	611.00	1905.49	657.00	657.00	2102.88	706.00	706.00
9	Rent, Rates & Taxes	Rs Lakh	59.76	17.00	17.00	63.36	18.00	18.00	67.28	20.00	20.00
10	Insurance	Rs Lakh	41.99	26.00	26.00	49.15	28.00	28.00	55.31	30.00	30.00
11	Total (8+9+10)		1823.78	654.00	654.00	2018.00	703.00	703.00	2225.47	756.00	756.00

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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017



**ANNEXURE 4C
INTEREST ON WORKING CAPITAL**

Particulars	2014 - 2015			2015 - 2016			2016 - 2017		
	DPS	Distribution	Total	DPS	Distribution	Total	DPS	Distribution	Total
Annual fixed cost	1511.86	46315.74	47827.60	1785.42	42276.96	44062.38	1724.11	43853.71	45577.82
Fuel cost	1396.25	0.00	1396.25	3197.21	0.00	3197.21	3197.21	0.00	3197.21
Total	2908.11	46315.74	49223.85	4982.63	42276.96	47259.59	4921.32	43853.71	48775.03
Less:									
Depreciation	237.68	861.30	1098.98	237.68	967.03	1204.71	237.68	1184.87	1422.55
Advance against depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deffered rev. expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return on Equity	385.88	1128.39	1514.27	385.88	1240.38	1626.26	385.88	1645.16	2031.04
Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub total	623.56	1989.69	2613.25	623.56	2207.41	2830.97	623.56	2830.03	3453.59
Allowable Fixed Charge for W.C	2284.55	44326.05	46610.60	4359.07	40069.55	44428.62	4297.76	41023.68	45321.44
Normative W.C	10%	228.46	4432.61	4661.06	435.91	4006.96	4442.86	429.78	4102.37
Less: Consumers' security deposit held	0.00	2014.00	2014.00	0.00	2014.00	2014.00	0.00	2014.00	2014.00
Admitted working capital requirement	228.46	2418.61	2647.06	435.91	1992.96	2428.86	429.78	2088.37	2518.14
Interst on W.C	14.45%	33.01	349.49	382.50	62.99	287.98	350.97	62.10	301.77





ANNEXURE – 4D DETAILED CALCULATION OF RETURN ON EQUITY

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Sl. No.	Particulars	Admitted Return on Equity			
		2013-14	2014-15	2015-16	2016-17
1	Admissible equity base at the beginning of the year	2620.60	2620.60	2620.60	2620.60
2	Net addition to the original cost of fixed assets	0.00	0.00	0.00	0.00
3	Normative addition of Fixed Assets @ 30%	0.00	0.00	0.00	0.00
4	Addition to equity base considered	0.00	0.00	0.00	0.00
5	Admissible equity base at the closing of the year(1+4)	2620.60	2620.60	2620.60	2620.60
6	Average Equity Base((1+5)/2)	2620.60	2620.60	2620.60	2620.60
7	ROR (%) (15.5%)	406.19	406.19	406.19	406.19
8	ROE kept withheld (Refer para.4.3 of this order)	20.31	20.31	20.31	20.31
9	Admitted ROE	385.88	385.88	385.88	385.88

Distribution System

Sl. No.	Particulars	Admitted Return on Equity			
		2013-14	2014-15	2015-16	2016-17
1	Admissible equity base at the beginning of the year	6049.77	6654.95	7022.45	7187.45
2	Net addition to the original cost of fixed assets	2017.25	1225.00	550.00	466.00
3	Normative addition of Fixed Assets @ 30%	605.18	367.50	165.00	139.80
4	Addition to equity base considered	605.18	367.50	165.00	139.80
5	Admissible equity base at the closing of the year(1+4)	6654.95	7022.45	7187.45	7327.25
6	Average Equity Base((1+5)/2)	6352.36	6838.70	7104.95	7257.35
7	ROR (%) (16.5%)	1048.14	1128.39	1172.32	1197.46

Transmission System

Sl. No.	Particulars	Admitted Return on Equity			
		2013-14	2014-15	2015-16	2016-17
1	Admissible equity base at the beginning of the year			0.00	2888.40
2	Net addition to the original cost of fixed assets			9628.00	0.00
3	Normative addition of Fixed Assets @ 30%			2888.40	0.00
4	Addition to equity base considered			2888.40	0.00
5	Admissible equity base at the closing of the year(1+4)			2888.40	2888.40
6	Average Equity Base((1+5)/2)			1444.20	2888.40
7	Admissible ROE			68.06	447.70
				68.06	447.70
8	ROE for Distribution system including transmission system	1048.14	1128.39	1240.38	1645.16





CHAPTER – 5
SUMMARIZED STATEMENT OF
AGGREGATE REVENUE REQUIREMENT
FOR THE YEARS 2014-15, 2015-16 & 2016-17
& REVENUE RECOVERABLE THROUGH
TARIFF FOR THE YEARS 2014-15 AND 2015 – 2016

- 5.1 Based on the analyses and findings recorded in the foregoing chapters the Commission is now drawing the statements of Aggregate Revenue Requirements (ARR) separately for each of the three years of the fourth control period covering the years 2014-15, 2015-16 and 2016-17. Such summarized statements are given in Annexure 5A to this chapter.
- 5.2 Based on the determined variable costs and fixed charges as contained in the earlier chapters of this order, the amounts of revenue to be recovered through tariff for the years 2014–2015, 2015–2016 and 2016–2017 work out as under:

Rupees in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2014-2015				
Sl. No.	Particulars	Generation	Distribution	Total
1	Capacity Charges for generation	1544.87	-	1544.87
2	Fuel Cost / Power Purchase Cost	1396.25	39303.79	40700.04
3	Fixed charges for Distribution	-	7361.44	7361.44
4	Aggregate Revenue Requirement (ARR) for 2014-2015	2941.12	46665.23	49606.35

Rupees in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2015-2016				
Sl. No.	Particulars	Generation	Distribution	Total
1	Capacity Charges for generation	1862.71	-	1862.71
2	Fuel Cost / Power Purchase Cost	3197.21	34654.56	37851.77
3	Fixed charges for Distribution	-	7910.38	7910.38
4	Aggregate Revenue Requirement (ARR) for 2015-2016	5045.62	42564.94	47610.56

Rupees in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2016-2017				
Sl. No.	Particulars	Generation	Distribution	Total
1	Capacity Charges for generation	1863.50	-	1863.50
2	Fuel Cost / Power Purchase Cost	3197.21	34511.95	37709.16
3	Fixed charges for Distribution	-	9643.53	9643.53
4	Aggregate Revenue Requirement (ARR) for 2015-2016	5045.51	44155.48	49200.99





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 5.3 Now to determine the revenue recoverable through tariff from the consumers of IPCL, the income of IPCL from sale of power to WBSEDCL is to be done first and to be deducted from the ARR. However, for that purpose the purchase price of power by WBSEDCL from IPCL (erstwhile DPSCCL) as admitted in the MYT order dated 04.03.2015 in respect of WBSEDCL is considered. The rate so admitted in the tariff order in respect of WBSEDCL is 540.00 paise / kWh for all the three years under the control period. In the paragraph 3.4 of this order, the Commission admitted energy sale to WBSEDCL for the year 2014 – 2015 only for a quantum of 54.92 MU. Accordingly, the revenue from sale of energy to WBSEDCL for the year 2014 – 2015 comes at 2965.68 lakh.
- 5.4 Accordingly, the Commission has worked out the revenue recoverable through tariff from the consumers and average tariff for the years 2014-15, 2015-16 and 2016-17 and the same are as follows:

AVERAGE TARRIFF FOR 2014 – 2015			
Sl. No.	Particulars	Unit	Total
1.	Total revenue to be recovered through tariff	Rs. Lakh	49606.35
2.	Revenue from sale of power to WBSEDCL/other licensee	Rs. Lakh	2965.68
3.	Revenue Recoverable for supply of power to the consumers (1-2)	Rs. Lakh	46640.67
4.	Energy sale to the consumers including inter-plant transfer	MU	823.14
5.	Average tariff for the consumers (Sl.3 x 10 ÷ Sl. 4)	Paisa/ kWhr	566.62

AVERAGE TARRIFF FOR 2015 – 2016			
Sl. No.	Particulars	Unit	Total
1.	Total revenue to be recovered through tariff	Rs. Lakh	47610.56
2.	Revenue from sale of power to WBSEDCL/other licensee	Rs. Lakh	0
3.	Revenue Recoverable for supply of power to the consumers (1-2)	Rs. Lakh	47610.56
4.	Energy sale to the consumers including inter-plant transfer	MU	810.00
5.	Average tariff for the consumers (Sl.3 x 10 ÷ Sl. 4)	Paisa/ kWhr	587.78

AVERAGE TARRIFF FOR 2016 – 2017			
Sl. No.	Particulars	Unit	Total
1.	Total revenue to be recovered through tariff	Rs. Lakh	49200.99
2.	Revenue from sale of power to WBSEDCL/other licensee	Rs. Lakh	0
3.	Revenue Recoverable for supply of power to the consumers (1-2)	Rs. Lakh	49200.99
4.	Energy sale to the consumers including inter-plant transfer	MU	820
5.	Average tariff for the consumers (Sl.3 x 10 ÷ Sl. 4)	Paisa/ kWhr	600.01



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ANNEXURE – 5A

AGGREGATE REVENUE REQUIREMENT

(Rs. in lakh)

Sl No.	Particulars	2014-15			2015-16			2016-2017		
		DPS	DIST.	TOTAL	DPS	DIST.	TOTAL	DPS	DIST.	TOTAL
1	Fuel	1396.25	0.00	1396.25	3197.21	0.00	3197.21	3197.21	0.00	3197.21
2	Power Purchase Cost	0.00	39303.79	39303.79	0.00	34654.56	34654.56	0.00	34511.95	34511.95
3	Coal and Ash Handling Charge	36.03	0.00	36.03	82.50	0.00	82.50	82.50	0.00	82.50
4	Employee Cost	215.08	3633.96	3849.04	505.63	3653.59	4159.22	551.89	3987.94	4539.83
5	Rent, Rates and Taxes	0.00	17.00	17.00	0.00	18.00	18.00	0.00	20.00	20.00
6	Operation and Maintenance Charges	76.68	611.00	687.68	81.24	657.00	738.24	86.16	706.00	792.16
7	Insurance	0.09	25.91	26.00	0.10	27.90	28.00	0.10	29.90	30.00
8	Financing Charges	0.00	86.22	86.22	0.00	90.53	90.53	0.00	95.06	95.06
9	Interest on Borrowed Capital	510.00	709.14	1219.14	453.39	1056.85	1510.24	396.78	1709.84	2106.62
10	Interest on Consumer Security	0.00	118.29	118.29	0.00	118.29	118.29	0.00	118.29	118.29
11	Interest on Working Capital	33.01	349.49	382.50	62.99	287.98	350.97	62.10	301.77	363.87
12	Depreciation	237.68	861.30	1098.98	237.68	967.03	1204.71	237.68	1184.87	1422.55
13	Water Charges	10.93	0.00	10.93	10.93	0.00	10.93	10.93	0.00	10.93
14	Taxes on Income	77.18	225.67	302.85	77.18	248.07	325.25	77.18	329.03	406.21
15	Return on Equity	385.88	1128.39	1514.27	385.88	1240.38	1626.26	385.88	1645.16	2031.04
16	Gross Aggregate Revenue Requirement	2978.81	47070.16	50048.97	5094.73	43020.18	48114.91	5088.41	44639.81	49728.22
17	Interest Credit	18.16	65.29	83.45	13.85	56.55	70.40	3.03	15.53	18.56
18	Less: Other Misc. Income	19.53	339.64	359.17	35.26	398.69	433.95	39.87	468.80	508.67
19	Net Aggregate Revenue Requirement	2941.12	46665.23	49606.35	5045.62	42564.94	47610.56	5045.51	44155.48	49200.99

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CHAPTER - 6 TARIFF ORDER FOR 2014-2015

- 6.1 As mentioned in the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined the Aggregate Revenue Requirement (ARR) for each year of the fourth control period covering the years 2014 – 2015 to 2016 – 2017 and the revenue recoverable through tariff during the year 2014 – 2015 after adjusting the amount recoverable from the consumers as determined in the Annual Performance Review for the year 2012 – 2013 with the ARR determined for 2014 – 2015. The Commission has also determined the average tariff for the consumers for 2014 – 2015 and 2015 – 2016. The tariff schedule applicable to the consumers in 2014 – 2015 and the associated terms and conditions are given in this chapter.
- 6.2 The tariff schedule as applicable to the consumers in the year 2014 – 2015 is given at Annexure-6A1 for LV and MV consumers and at Annexure - 6A2 for HV and EHV consumers. The Commission has reviewed the directives given to the petitioner in earlier tariff orders and compliance thereof and also decided to give certain directives further on various matters. These are to be found at Chapter - 8.
- 6.3 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 of the Tariff Regulations. Other associated conditions of the tariff for 2014 – 2015 shall be as follow:
- 6.3.1 **Load Factor Rebate/ Surcharge:**
- 6.3.1.1 In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor, the HT consumers shall receive a voltage-wise graded load factor rebate as per the following table:





LOAD FACTOR REBATE (Paise / kWh)

Range of Load Factor (LF)		Supply Voltage		
		11 kV	33 kV	132 kV
Above 55%	Up to 60%	1	2	3
Above 60%	Up to 65%	2	3	4
Above 65%	Up to 70%	3	4	5
Above 70%	Up to 75%	10	11	12
Above 75%	Up to 80%	12	13	14
Above 80%	Up to 85%	14	15	16
Above 85%	Up to 90%	16	17	18
Above 90%	Up to 92%	18	19	20
Above 92%	Up to 95%	22	24	25
Above 95%		25	27	28

6.3.1.2 The above load factor rebate shall be applicable on total quantum of energy consumed in the billing period. (For example a 11 Kv consumer at 85% load factor shall be eligible for a rebate @ 14 paise / kWh on the total quantum of energy consumed in the billing period).

6.3.1.3 Load factor surcharge shall continue at the prevailing rate for those categories of consumers to whom these are applicable at present.

6.3.1.4 Load factor rebate and load factor surcharge shall be computed in accordance with the formula and associated principles given in regulations 3.9.2, 3.9.3 and 3.9.4 of the Tariff Regulations and at the rates mentioned in paragraphs 6.3.1.1 to 6.3.1.3 above.

6.3.2 Fixed / Demand Charge:

6.3.2.1 The fixed charge shall be applicable to different categories of consumers at the rates as shown in Annexure 6A1 of this tariff order.

6.3.2.2 The demand charge shall be applicable to different categories of consumers as per rates as shown in Annexure – 6A1 and Annexure 6A2 of this order on the basis of recorded demand as specified in regulation 4.3.3 of the Tariff Regulations subject to the conditions as specified in the Tariff Regulations.



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

6.3.2.3 When a new consumer gets connected to the system, the computation of fixed charge or demand charge for that month shall be made pro-rata for the number of days of supply in that particular month.

6.3.3 Power Factor Rebate/ Surcharge:

6.3.3.1 The power factor rebate and surcharge shall continue for those categories of consumers to whom these are applicable at present. The rate of rebate and surcharge and the methods of calculation of such rebate and surcharge for the year 2014-15 are given below:

Power Factor (PF) Range	Power Factor Rebate & Surcharge on Energy Charge in Percentage							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)		Rebate in %	Surcharge in %
	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %		
PF > 0.99	8.00	0.00	9.00	0.00	7.00	0.00	5.00	0.00
PF > 0.98 & PF ≤ 0.99	7.00	0.00	8.00	0.00	6.00	0.00	4.00	0.00
PF > 0.97 & PF ≤ 0.98	5.00	0.00	6.00	0.00	4.00	0.00	3.00	0.00
PF > 0.96 & PF ≤ 0.97	4.00	0.00	5.00	0.00	3.00	0.00	2.50	0.00
PF > 0.95 & PF ≤ 0.96	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 0.94 & PF ≤ 0.95	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF > 0.93 & PF ≤ 0.94	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF > 0.92 & PF ≤ 0.93	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 0.86 & PF ≤ 0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 0.85 & PF < 0.86	0.00	0.75	0.00	1.00	0.00	0.50	0.00	0.50
PF ≥ 0.84 & PF < 0.85	0.00	1.50	0.00	2.00	0.00	1.00	0.00	1.00
PF ≥ 0.83 & PF < 0.84	0.00	2.25	0.00	3.00	0.00	1.50	0.00	1.50
PF ≥ 0.82 & PF < 0.83	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF ≥ 0.81 & PF < 0.82	0.00	4.00	0.00	5.00	0.00	3.00	0.00	2.50
PF ≥ 0.80 & PF < 0.81	0.00	5.00	0.00	6.00	0.00	4.00	0.00	3.00
PF < 0.80	0.00	6.00	0.00	7.00	0.00	5.00	0.00	3.50

6.3.3.2 The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 6.3.4 For short term supply, emergency supply and for supply of construction power, there shall be no rebate or surcharge for load factor and power factor.
- 6.3.5 Subject to the condition as specified in regulation 4.13 of the Tariff Regulations, the minimum charge shall continue at the existing level for all the consumers.
- 6.3.6 Since 2014-15 is already over, thus for a consumer the applicable rate of temporary supply shall be the same rate at which he had already been charged.
- 6.3.7 For all consumers, excluding consumers having pre-paid meters, rebate shall be given @ 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff) if the payment is made within the due date.
- 6.3.8 Delayed payment surcharge shall be applicable as per regulation 4.14 of the Tariff Regulations.
- 6.3.9 All existing charges relating to meter rent, meter testing, meter replacement, fuse call charges, disconnection and reconnection etc. shall continue.
- 6.3.10 A consumer opting for pre-paid meter shall not be required to make any security deposit for the energy charge.
- 6.3.11 All statutory levies like Electricity Duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff as determined under this tariff order.
- 6.3.12 All the rates and conditions of tariff for 2014-15 are effective from 1st April 2014 and shall remain valid up to 31st March 2015 except where specific date is mentioned.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

6.3.13 For 2014-15, the consumer/licensee shall have to pay/shall be refunded the difference of the following two:

- i) tariff as declared under this order for 2014-15, and
- ii) what they actually already paid for the concerned period as tariff and the MVCA, if any, for the concerned month.

6.3.14 Adjustments, if any, for over recovery / under recovery for 2014-15 along with the same of 2015-16 from the energy recipients shall be made in 8 (eight) equal monthly installments through subsequent energy bills and such adjustment will start from the energy bill raised on or after 1st August, 2016.

6.3.15 There will be no separate monthly variable cost adjustment (MVCA) or Adhoc FPPCA on and from the date of effect of this order uptill 31st March 2016. The MVCA or Adhoc FPPCA realized during the year 2014-15 shall be adjusted in computation of any adjustments for over/under recovery from the energy recipients as mentioned in paragraph 6.3.14 above.

6.3.16 In addition to the tariff determined under this tariff order, the petitioner would be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. The fuel and power purchase cost shall be subject to adjustment in accordance with the Tariff Regulations through FPPCA.

6.3.17 Optional TOD tariff scheme for LT Commercial, LT Industrial and LT Public Water Works categories of consumers having minimum contract demand of 30 KVA, shall continue and energy charge under such scheme shall be computed according to regulation 4.12 of the Tariff Regulations, wherever applicable, if no tariff rates for such consumers are mentioned in the tariff schedule.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 6.3.18 For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to the consumers under respective category of non-TOD tariff.
- 6.3.19 An applicant for short term supplies through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payment in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:
- provision of requisite meter security deposit to be kept with licensee,
 - provision of space for installing weather-proof, safe and secured terminal services apparatus to protect sophisticated meter; and
 - availability of prepaid-meter of appropriate capacity.
- 6.3.20 To avail the rate for street lighting with LED [(Rate D(6))], the supply should be metered and all the street lights under the same meter shall be illuminated with LED. For mixed type of street lights under single meter the rate D(1) shall be applicable.
- 6.3.21 For a consumer with prepaid meter who has purchased voucher prior to the date of issue of this order, the existing voucher will continue till such voucher is exhausted.
- 6.3.22 The tariffs determined under this order for different categories of consumers are the maximum ceilings for supply of electricity at any agreed price to the consumers only for those areas of supply where multiple licensees exist. However, if supply is provided to a consumer at a price lesser than the upper ceiling, and as a result the licensee incurs loss, such loss shall not be allowed to be passed on to any other consumers or any other distribution licensees under purview of the Commission.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 6.3.23 No other rebate shall be applicable except which are specifically mentioned under this order or in any regulation(s).
- 6.3.24 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 subject to fulfilling condition under paragraph 6.3.22.
- 6.3.25 The petitioner shall clearly indicate in the consumer/consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) the amount of the state government subsidy, if any and (c) the net amount payable as per provisions of the Tariff Regulations.
- 6.4 This order passed by the Commission shall be subject to any order which may be passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.
- 6.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for the petitioner. If at all any such subsidy under the provisions of the Act is intimated to the petitioner 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 will be 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 within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 6.6 The petitioner shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval, the approved gist shall be published in terms of aforesaid regulation within four working days from the date of receipt of the approval of the Commission.



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme									
		Applicable Tariff Scheme			Optional Tariff Scheme - i			Optional Tariff Scheme - ii			Optional Tariff Scheme - iii						
		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.	Lifeline (Domestic)	D (LL)	Normal	All Units	298	5	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
2	Domestic (Rural) or Domestic (Urban)	D(L)	Normal	First 34 Units	427	10	Prepaid	All Units	545	10	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				Next 26 Units	484												
				Next 40 Units	569												
				Next 100 Units	597												
				Next 100 Units	619												
Above 300 Units	645																
3.	Commercial (Rural) or Commercial (Urban) below 30 KVA	C(L)(ia)	Normal	Next 60 Units	511	20	Normal TOD	06.00 hrs to 17.00 hrs	All units	625	20	C(Ltp)(ia)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	610	
				Next 40 Units	580			17.00 hrs to 23.00 hrs	All units	688				17.00 hrs to 23.00 hrs.	All units	672	
				Next 50 Units	600			23.00 hrs to 06.00 hrs	All units	563				23.00 hrs to 06.00 hrs	All units	549	
				Next 150 Units	630												
				Above 300 Units	650												



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon			
4.	Commercial (Rural) / Commercial (Urban) 30 KVA and above	C(L)(tb)	Normal	All Units	650	20	C(Lt)(ib)	Normal TOD	06.00 hrs to 17.00 hrs	640	20	06.00 hrs to 17.00 hrs	630	20
									17.00 hrs to 23.00 hrs.	704		17.00 hrs to 23.00 hrs.	692	
									23.00 hrs to 06.00 hrs	538		23.00 hrs to 06.00 hrs	529	
5.	Irrigation	Rate C(at)	Normal TOD	06.00 hrs to 17.00 hrs	345	24	Rate C(atpp)	Pre-Paid TOD	06.00 hrs to 17.00 hrs	335	24	Not Applicable		
				17.00 hrs to 23.00 hrs.	666				17.00 hrs to 23.00 hrs.	647				
				23.00 hrs to 06.00 hrs	228				23.00 hrs to 06.00 hrs	221				
6.	Commercial Plantation	Rate A(Cm-Ptpp)	Prepaid-TOD	06.00 hrs to 17.00 hrs	595	46	Rate A(Cm-Ptpp)	Prepaid-TOD	Not Applicable					
				17.00 hrs to 23.00 hrs	878				Not Applicable					
				23.00 hrs to 06.00 hrs	357				Not Applicable					





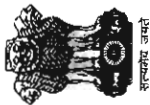
LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme												
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon		Optional Tariff Scheme - I			Optional Tariff Scheme - II									
								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				
7.	Short Term Irrigation Supply	Rate C (stppt)	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	396														
				17.00 hrs to 23.00 hrs	All units	830	24													
				23.00 hrs to 06.00 hrs	All units	233														
8.	Short Term supply for Commercial Plantation	Rate A (Cm- StPtp)	Pre-paid TOD	06.00 hrs to 17.00 hrs	All units	622														
				17.00 hrs to 23.00 hrs	All units	934	46													
				23.00 hrs to 06.00 hrs	All units	373														



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon		
9.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	625	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs.	687								
				23.00 hrs to 06.00 hrs	581								
10.	Government School, Government aided School or Government Sponsored School	Rate GS(L)	Normal	On all Units	408	20	Rate GS(L)T	Normal - TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All units	403	20	Not Applicable
									17.00 hrs to 20.00 hrs.	All units	443		
									23.00 hrs to 06.00 hrs	All units	391		



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



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					
11.	Public Utility/Specified Institution/Public Bodies Municipal or Non - Municipal	Rate PU (LT)	Normal	On all Units	455	24	Rate PUpp (LT)	Prepaid	On all Units	455	24	Rate PUppt (LT)	Prepaid TOD	22.00 hrs to 06.00 hrs	435	24
									06.00 hrs - 17.00 hrs & 17.00 hrs to 22.00 hrs	479					06.00 hrs - 17.00 hrs & 17.00 hrs to 22.00 hrs	479
12.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate C(L)(ii)	Normal	All Units	455	24	Rate Cppt (L) (ii)	Prepaid TOD	06.00 hrs - 17.00 hrs	445	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	489						
									23.00 hrs to 06.00 hrs	414						



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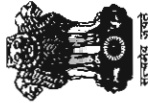
LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Optional Tariff Scheme - I					Optional Tariff Scheme - II						
							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.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming,	Rate C(L)(iii)	Normal	All Units	595	30	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	585	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
								17.00 hrs to 23.00 hrs	All Units	644								
								23.00 hrs to 06.00 hrs	All Units	544								
14.	Public Water Works & Sewerage System	Rate B (II)	Normal	All Units	465	24	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	455	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
								17.00 hrs to 23.00 hrs	All Units	636								
								23.00 hrs to 06.00 hrs	All Units	298								
15.	Industry (Rural) or Industry (Urban)	Rate (L)	Normal	First 500 Units	527	30	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	566	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				Next 1500 Units	585			17.00 hrs to 23.00 hrs	All Units	793								
				Above 2000 Units	622			23.00 hrs to 06.00 hrs	All Units	373								
16.	Street Lighting	Rate D(1)	Normal	On all Units	507	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
17.	Street Lighting with LED	Rate D(6)	Normal	On all Units	408	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



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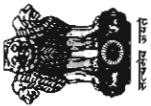
LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon			
18.	Private Educational Institutions and Hospitals	Rate S (L)	Normal	On all Units	595	46	Rate St (L)	Normal TOD	06.00 hrs to 17.00 hrs	All Units	585	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	647			
									23.00 hrs to 06.00 hrs	All Units	544			
19.	Emergency Supply	Rate D (2)	Prepaid-TOD	On all Units	903	46	Rate D (2)	Prepaid-TOD	06.00 hrs to 17.00 hrs	On all Units	645	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	On all Units	903			
									23.00 hrs to 06.00 hrs	On all Units	426			



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2014-15)

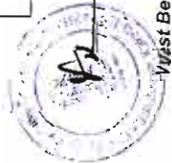


Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme								
		Applicable Tariff Scheme			Optional Tariff Scheme - I			Optional Tariff Scheme - II			Optional Tariff Scheme - II					
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed 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
20.	Construction Power Supply	Rate D (3)	Prepaid-TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs On all Units	577	46										
				17.00 hrs to 20.00 hrs. On all Units	808											
				23.00 hrs to 06.00 hrs On all Units	381											
21.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate D(4)	Normal	All units	517	46	Rate D(4)t	Normal - TOD	06.00 hrs to 17.00 hrs All Units 17.00 hrs to 23.00 hrs All Units 23.00 hrs to 06.00 hrs All Units	507 558 472						



HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme										
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)	Customer category	Name of the Tariff Scheme	per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)			
					P/kWh	Summer	Monsoon					Winter	Summer	Monsoon		Winter		
1.	Public Utility	Rate PU (H)	Normal	All Units	491	488	485	320	Rate PU (Ht)	Normal - TOD	06.00 hrs- All Units	491	488	486	320			
											17.00 hrs- 20.00 hrs to 23.00 hrs					737	723	718
2.	Industries (50 KVA & above)	Rate I (H)	Normal	All Units	495	493	490	320	Rate I (Ht)	TOD	06.00 hrs- All Units	482	478	474	320			
											17.00 hrs- 23.00 hrs					673	667	662
											23.00 hrs- 06.00 hrs					317	315	312



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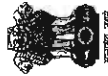


HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme													
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)	Customer category	Name of the Tariff Scheme	per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)						
					Summer	Monsoon	Winter					Summer	Monsoon	Winter							
3.	Industries	Rate 1-2 (H)	Normal	All Units	540	537	534	30	Rate 1-2 (H)	TOD	All Units	533	530	527	30.						
	(Below 50 KVA)															06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	745	741	738
4.	Industries (33KV and above)	Rate 1-3 (H)	Normal - TOD	All Units	473	469	466	320	Rate 1-3 (H)	Normal - TOD	All Units	Not Applicable	Not Applicable	Not Applicable	Not Applicable						
																06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	661	657	653
																06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	310	310	308
																06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	569	563	536
5.	Community Irrigation/ Irrigation	Rate AI (H)	Normal - TOD	All Units	878	868	859	29	Rate AI (H)	Normal - TOD	All Units	Not Applicable	Not Applicable	Not Applicable	Not Applicable						
																06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	288	285	283
																06.00 hrs-17.00 hrs	17.00 hrs-23.00 hrs	23.00 hrs-06.00 hrs	288	285	283



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**HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)**

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)	Customer category	Name of the Tariff Scheme	per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)
					Rate S (cp)	Normal - TOD	06.00 hrs-17.00 hrs 17.00 hrs-23.00 hrs 23.00 hrs-06.00 hrs					Summer	P/kWh	Monsoon	
6.	Commercial Plantation	Rate S (cp)	Normal - TOD	All Units	525	522	520	320				Not Applicable			
				All Units	735	731	728					Not Applicable			
				All Units	346	344	343					Not Applicable			
7.	Short Term Irrigation Supply	Rate S (stis)	Normal - TOD	All Units	465	460	455	36				Not Applicable			
				All Units	969	959	949					Not Applicable			
				All Units	279	276	273					Not Applicable			
8.	Short Term Supply for Commercial Plantation	Rate S (stop)	Normal - TOD	All Units	525	523	521	320				Not Applicable			
				All Units	735	732	729					Not Applicable			
				All Units	315	314	313					Not Applicable			



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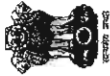


HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme												
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)	Customer category	Name of the Tariff Scheme	per month in KWH	Energy Charge			Demand Charge (Rs./KVA /month)				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter					
9.	Commercial	Rate C (H)	Normal	All Units	511	508	505	320	Rate C (Ht)	Normal - TOD	All Units	708	672	693	320				
																06.00 hrs-	505	500	495
																17.00 hrs- 23.00 hrs			
10.	Domestic	Rate D (H)	Normal	All Units	585	582	579	30	Rate D (Ht)	Normal - TOD	All Units	636	629	622	30				
																06.00 hrs-	578	572	566
																17.00 hrs- 23.00 hrs			
11.	Public Water Works & Sewerage	Rate PWW (H)	Normal	All Units	470	466	463	320	Rate PWW(Ht)	Normal - TOD	All Units	651	643	648	320				
																06.00 hrs-	538	553	526
																17.00 hrs- 20.00 hrs	465	460	455

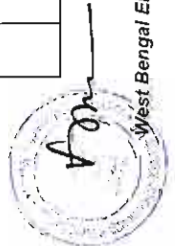


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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)

Sl No	Type of Consumer	Applicable Tariff Scheme				Optional Tariff Scheme											
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge	Demand Charge (Rs./KVA /month)	Customer category	Name of the Tariff Scheme	per month in KWH	Energy Charge	Demand Charge (Rs./KVA /month)						
				P/kWh		P/kWh											
				Summer	Monsoon	Winter	Summer	Monsoon	Winter								
12.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S (c)	Normal	All Units	352	342	332	29	Not Applicable								
13.	Cold storage or Dairy with Chilling Plant	Rate S (p)	Normal	All Units	434	429	424	320	Rate S (pit)	Normal - TOD	06.00 hrs- 17.00 hrs- 23.00 hrs- 06.00 hrs	429	423	418	585	276	320
14.	Emergency Supply	Rate E (em)	Normal - TOD	All Units	467	465	463	320	Not Applicable								
15.	Construction Power Supply	Rate E (con)	Normal - TOD	All Units	515	513	511	320	Not Applicable								





HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 20014-15)

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme								
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge P/kWh			Demand Charge (Rs./KVA /month)	per month in KWH	Energy Charge P/kWh			Demand Charge (Rs./KVA /month)		
					Summer	Monsoon	Winter		06.00 hrs-17.00 hrs	Summer	Monsoon	Winter			
16.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single	Rate S (co)	Normal	All Units	577	573	569	29	17.00 hrs-23.00 hrs	628	622	617	29		
17.	Common Services of Industrial Estate	Rate - E (ict)	Normal - TOD	All Units	507	504	501	320	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	Not Applicable			Not Applicable		
18.	Traction	Rate T	Normal - TOD	All Units	555	550	545	320	17.00 hrs-20.00 hrs	Not Applicable			Not Applicable		
19.	Short-term Supply	Rate S (ST)	Normal - TOD	All Units	615	613	611	320	20.00 hrs-23.00 hrs	Not Applicable			Not Applicable		
20.	Private Educational Institutions	Rate E (ei)	Normal	All Units	440	437	434	320	06.00 hrs-17.00 hrs	478	471	465	320		
					572	570	568		17.00 hrs-23.00 hrs	445	439	433			





CHAPTER - 7 TARIFF ORDER FOR 2015-2016

- 7.1 The Commission has also determined the average tariff for the consumers for 2015-16 in Chapter 5, the tariff schedule applicable to the consumers in 2015-16 and the associated terms and conditions are given in this chapter.
- 7.2 The tariff schedule as applicable to the consumers in the year 2015 – 2016 is given at Annexure-7A1 for LV and MV consumers and at Annexure – 7A2 for HV and EHV consumers.
- 7.3 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 of the Tariff Regulations. Other associated conditions of the tariff for 2015 – 2016 shall be as follow:

7.3.1 Load Factor Rebate/ Surcharge:

- 7.3.1.1 In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor, the HT consumers shall receive a voltage-wise graded load factor rebate as per the following table:

LOAD FACTOR REBATE (Paise / kWh)

Range of Load Factor (LF)		Supply Voltage		
		11 kV	33 kV	132 kV
Above 55%	Up to 60%	1	2	3
Above 60%	Up to 65%	2	3	4
Above 65%	Up to 70%	3	4	5
Above 70%	Up to 75%	10	11	12
Above 75%	Up to 80%	12	13	14
Above 80%	Up to 85%	14	15	16
Above 85%	Up to 90%	16	17	18
Above 90%	Up to 92%	18	19	20
Above 92%	Up to 95%	22	24	25
Above 95%		25	27	28





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

7.3.1.2 The above load factor rebate shall be applicable on total quantum of energy consumed in the billing period. (For example a 11 kV consumer at 85% load factor shall be eligible for a rebate @ 14 paise / kWh on the total quantum of energy consumed in the billing period)

7.3.1.3 Load factor surcharge shall continue at the prevailing rate for those categories of consumers to whom these are applicable at present.

7.3.1.4 Load factor rebate and load factor surcharge shall be computed in accordance with the formula and associated principles given in regulations 3.9.2, 3.9.3 and 3.9.4 of the Tariff Regulations and at the rates mentioned in paragraphs 7.3.1.1 to 7.3.1.3 above.

7.3.2 Fixed / Demand Charge:

7.3.2.1 The fixed charge shall be applicable to different categories of consumers at the rates as shown in Annexure 7A1 of this tariff order.

7.3.2.2 The demand charge shall be applicable to different categories of consumers as per rates as shown in Annexure 7A1 and Annexure 7A2 of this order on the basis of recorded demand as specified in regulation 4.3.3 of the Tariff Regulations subject to the conditions as specified in the Tariff Regulations.

7.3.2.3 When a new consumer gets connected to the system, the computation of fixed charge or demand charge for that month shall be made pro-rata for the number of days of supply in that particular month.

7.3.3 Power Factor Rebate/ Surcharge:

7.3.3.1 The power factor rebate and surcharge shall continue for those categories of consumers to whom these are applicable at present. The rate of rebate and





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

surcharge and the methods of calculation of such rebate and surcharge for the year 2015-16 are given below:

Power Factor (PF) Range	Power Factor Rebate & Surcharge on Energy Charge in Percentage for the year 2015-2016							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)			
	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %
PF > 0.99	7.00	0.00	8.00	0.00	6.00	0.00	5.00	0.00
PF > 0.98 & PF ≤ 0.99	6.00	0.00	7.00	0.00	5.00	0.00	4.00	0.00
PF > 0.97 & PF ≤ 0.98	5.00	0.00	6.00	0.00	4.00	0.00	3.00	0.00
PF > 0.96 & PF ≤ 0.97	4.00	0.00	5.00	0.00	3.00	0.00	2.50	0.00
PF > 0.95 & PF ≤ 0.96	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 0.94 & PF ≤ 0.95	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF ≥ 0.93 & PF ≤ 0.94	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF ≥ 0.92 & PF < 0.93	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 0.86 & PF < 0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 0.85 & PF < 0.86	0.00	1.00	0.00	1.25	0.00	0.75	0.00	0.75
PF ≥ 0.84 & PF < 0.85	0.00	2.00	0.00	2.50	0.00	1.50	0.00	1.50
PF ≥ 0.83 & PF < 0.84	0.00	2.50	0.00	3.25	0.00	1.75	0.00	1.75
PF ≥ 0.82 & PF < 0.83	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF ≥ 0.81 & PF < 0.82	0.00	4.00	0.00	5.00	0.00	3.00	0.00	2.50
PF ≥ 0.80 & PF < 0.81	0.00	5.00	0.00	6.00	0.00	4.00	0.00	3.00
PF < 0.80	0.00	6.00	0.00	7.00	0.00	5.00	0.00	3.50

7.3.3.2 The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.

7.3.4 For short term supply, emergency supply and for supply of construction power, there shall be no rebate or surcharge for load factor and power factor.

7.3.5 Subject to the condition as specified in regulation 4.13 of the Tariff Regulations, the minimum charge shall continue at the existing level for all consumers.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 7.3.6 Since a major part of the year 2015-16 is already over, thus for a consumer the applicable rate of temporary supply shall be the same rate at which he had already been charged or the rate that is being prevailing prior to this order.
- 7.3.7 For all consumers, excluding consumers having pre-paid meters, rebate shall be given @ 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff) if the payment is made within the due date.
- 7.3.8 Delayed payment surcharge shall be applicable as per regulation 4.14 of the Tariff Regulations.
- 7.3.9 All existing charges relating to meter rent, meter testing, meter replacement, fuse call charges, disconnection and reconnection etc. shall continue.
- 7.3.10 A consumer opting for pre-paid meter shall not be required to make any security deposit for the energy charge.
- 7.3.11 All statutory levies like Electricity Duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff as determined under this tariff order.
- 7.3.12 In addition to the rebate under paragraph 7.3.7 above, if the payment is made within due date, then an additional rebate of 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being arrears due to revision of tariff) would be allowed to the consumers who would pay their energy bills through e-payment facility (through web by using net banking, debit card, credit card, electronic clearing scheme) on introduction of it by the petitioner through notification in the news papers in future. Such rebate will be allowed prospectively after the date of issuance of this order. This rebate will be given after giving effect under paragraph 7.3.7.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

7.3.13 All the rates and conditions of tariff for 2015-16 are effective from 1st April 2015 and shall remain valid till further order of the Commission.

7.3.14 For 2015-16, the consumer/licensee shall have to pay/shall be refunded the difference of the following two:

- i) tariff as declared under this order for 2015-16; and
- ii) what they actually already paid for the concerned period as tariff and the MVCA, if any, for the concerned month.

Adjustments, if any, for over recovery / under recovery for 2015-16 from the energy recipients shall be made in 8 (eight) equal monthly installments through subsequent energy bills and such adjustment will start from the energy bill raised on or after 1st August, 2016.

7.3.15 There will be no separate monthly variable cost adjustment (MVCA) or Adhoc FPPCA on and from the date of effect of this order uptill 31st March 2016. The MVCA or Adhoc FPPCA realized during the year 2015 – 2016 shall be adjusted in computation of any adjustments for over/under recovery from the energy recipients as mentioned in paragraph 7.3.14 above.

7.3.16 In addition to the tariff determined under this tariff order, the petitioner would be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. The fuel and power purchase cost shall be subject to adjustment in accordance with the Tariff Regulations through FPPCA.

7.3.17 Optional TOD tariff scheme for LT Commercial, LT Industrial and LT Public Water Works categories of consumers having minimum contract demand of 30 KVA, shall continue and energy charge under such scheme shall be computed





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

according to regulation 4.12 of the Tariff Regulations, wherever applicable, if no tariff rates for such consumers are mentioned in the tariff schedule.

7.3.18 For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to the consumers under respective category of non-TOD tariff.

7.3.19 An applicant for short term supplies through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payment in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:

- a) provision of requisite meter security deposit to be kept with licensee,
- b) provision of space for installing weather-proof, safe and secure terminal services apparatus to protect sophisticated meter; and
- c) availability of prepaid-meter of appropriate capacity.

7.3.20 To avail the rate for street lighting with LED [(Rate D(6))], the supply should be metered and all the street lights under the same meter shall be illuminated with LED. For mixed type of street lights under single meter the rate D(1) shall be applicable.

7.3.21 For a consumer with prepaid meter who has purchased voucher prior to the date of issue of this order, the existing voucher will continue till such voucher is exhausted.

7.3.22 The tariffs determined under this order for different categories of consumers are the maximum ceilings for supply of electricity at any agreed price to the consumers only for those areas of supply where multiple licensees exist. However, if supply is provided to a consumer at a price lesser than the upper





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

ceiling, and as a result the licensee incurs loss, such loss shall not be allowed to be passed on to any other consumers or any other distribution licensees under purview of the Commission.

7.3.23 No other rebate shall be applicable except which are specifically mentioned under this order or in any regulation(s).

7.3.24 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 subject to fulfilling condition under paragraph 7.3.22.

7.3.25 The petitioner shall clearly indicate in the consumer/consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) the amount of the state government subsidy if any and (c) the net amount payable as per provisions of the Tariff Regulations.

7.4 This order passed by the Commission shall be subject to any order which may be passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.

7.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for the petitioner. If at all any such subsidy under the provisions of the Act is intimated to the petitioner 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 will be 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





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 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 within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.
- 7.6 The petitioner shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval, the approved gist shall be published in terms of aforesaid regulation within four working days from the date of receipt of the approval of the Commission.





LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon		
1.	Lifeline (Domestic)	D (LL)	Normal	All Units	300	5	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
2.	Domestic (Rural) or Domestic (Urban)	D(L)	Normal	First	34	443	10	Prepaid	All Units	565	10	D(Lpp)	Prepaid	All Units	565	10	Not Applicable	
				Next	26	502												
				Next	40	591												
				Next	100	620												
				Next	100	644												
Above	300	670																
3.	Commercial (Rural) or Commercial (Urban) below 30 KVA	C(L)(ia)	Normal	First	60	531	12	Normal TOD	06.00 hrs to 17.00 hrs	All units	650	C(Ltp)(ia)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	640		
				Next	40	600			17.00 hrs to 23.00 hrs	All units	718			17.00 hrs to 23.00 hrs	All units	700		
				Next	50	630			23.00 hrs to 06.00 hrs	All units	583			23.00 hrs to 06.00 hrs	All units	575		
				Next	150	660			06.00 hrs to 17.00 hrs	All units	660			06.00 hrs to 17.00 hrs	All units	650		
				Above	300	680			17.00 hrs to 23.00 hrs	All units	726			17.00 hrs to 23.00 hrs	All units	714		
4.	Commercial (Rural) / Commercial (Urban) 30 KVA and above	C(L)(ib)	Normal	All Units	670	20	Normal TOD	06.00 hrs to 17.00 hrs	All units	660	C(Ltp)(ib)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	650			
								Next	40	600			17.00 hrs to 23.00 hrs	All units	726	17.00 hrs to 23.00 hrs	All units	714
								Next	150	660			23.00 hrs to 06.00 hrs	All units	555	23.00 hrs to 06.00 hrs	All units	546



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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon					
5.	Irrigation	Rate C(at)	Normal TOD	06.00 hrs to 17.00 hrs	All units	355	Rate C(atpp)	Pre-Paid TOD	06.00 hrs to 17.00 hrs	All units	335	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs	All units	686			17.00 hrs to 23.00 hrs	All units	660					
				23.00 hrs to 06.00 hrs	All units	235			23.00 hrs to 06.00 hrs	All units	225					
6.	Commercial Plantation	Rate A(Cm-Ptpp)	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	595	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs	All units	878									Not Applicable	Not Applicable
				23.00 hrs to 06.00 hrs	All units	357										
7.	Short Term Irrigation Supply	Rate C(stppt)	Prepaid-TOD	06.00 hrs to 17.00 hrs	All units	396	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs	All units	830										
				23.00 hrs to 06.00 hrs	All units	233										



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LOW AND MEDIUM VOLTAGE CONSUMERS

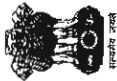
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
8.	Short Term supply for Commercial Plantation	Rate A (Cm- Stpp)	Pre-paid TOD	06.00 hrs to 17.00 hrs	All units	630	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 23.00 hrs	All units	945										
				23.00 hrs to 06.00 hrs	All units	378										
9.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	630	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 23.00 hrs	All units	693										
				23.00 hrs to 06.00 hrs	All units	586										
10.	Government School, Government aided School or Government Sponsored School	Rate GS(L)	Normal	On all Units	408	20	Rate GS(L)T	Normal - TOD	06.00 hrs. - 17.00 hrs & 20.00 hrs - 23.00 hrs.	All units	403	10	Not Applicable	Not Applicable	Not Applicable	
									17.00 hrs to 20.00 hrs.	All units	443					
									23.00 hrs to 06.00 hrs	All units	391					



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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2015-16)



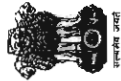
Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon					
11	Public Utility/Specified Institution/Public Bodies Municipal and Non - Municipal	Rate C1 (NIM)	Normal	On all Units	455	24	Rate C1 (NIM)	Prepaid	On all Units	455	24	Rate C1 (NIM)	Prepaid TOD	22.00 hrs to 06.00 hrs	435	24
12.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate C(L)(ii)	Normal	All Units	455	24	Rate Cppt (L) (ii)	Prepaid - TOD	06.00 hrs - 17.00 hrs	445	24	Rate Cppt (L) (ii)	Prepaid - TOD	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	489						
									23.00 hrs to 06.00 hrs	414						
13.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal - Medicinal - Bio-diesel Plant Farming, Food Processing Unit	Rate C(L)(iii)	Normal	All Units	595	30	Rate Cppt (L) (iii)	Prepaid - TOD	06.00 hrs to 17.00 hrs	585	30	Rate Cppt (L) (iii)	Prepaid - TOD	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	644						
									23.00 hrs to 06.00 hrs	544						



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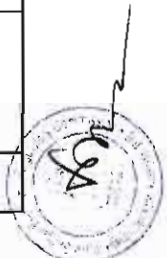
LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Optional Tariff Scheme - I			Optional Tariff Scheme - II					
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh
14.	Industry (Rural) or Industry (Urban)	Rate I(L)	Normal	First	547	30	Rate It(L)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	586	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				Next	659				17.00 hrs to 23.00 hrs	All Units	821				
				Above	686				23.00 hrs to 06.00 hrs	All Units	386				
15.	Street Lighting	Rate D(1)	Normal	On all Units	510	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16.	Street Lighting with LED	Rate D(6)	Normal	On all Units	408	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17.	Private Educational Institutions and Hospitals	Rate S (L)	Normal	On all Units	595	46	Rate St (L)	Normal TOD	06.00 hrs to 17.00 hrs	All Units	585	Not Applicable	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	647				
									23.00 hrs to 06.00 hrs	All Units	544				
18.	Emergency Supply	Rate D (2)	Prepaid-TOD	06.00 hrs to 17.00 hrs	On all Units	645	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs	On all Units	903									
				23.00 hrs to 06.00 hrs	On all Units	426									

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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Optional Tariff Scheme - I			Optional Tariff Scheme - II					
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh
19.	Construction Power Supply	Rate D (3)	Prepaid-TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs to 23.00 hrs On all Units 17.00 hrs to 20.00 hrs On all Units 23.00 hrs to 06.00 hrs On all Units	577 808 381	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
20.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a	Rate D(4)	Normal	All units	517	46	Rate D(4)t	Normal - TOD	06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	All Units All Units All Units	507 558 472	46	Not Applicable	Not Applicable	Not Applicable
21.	Common Services of Industrial Estate	Rate D(5)	Prepaid - TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs to 23.00 hrs 17.00 hrs to 20.00 hrs On all Units 23.00 hrs to 06.00 hrs On all Units	635 889 419	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)				
					Summer	Monsoon	Winter		Summer	Monsoon	Winter					
1.	Public Utility	Rate PU (H)	Normal	All Units	523	505	502	320	Rate PU (Ht)	Normal - TOD	06.00 hrs- 17.00 hrs & 20.00	All Units	516	498	495	320
											17.00 hrs- 20.00 hrs	All Units	775	749	744	
											23.00 hrs- 06.00 hrs	All Units	356	344	342	
2.	Industries (50 KVA & above)	Rate I (H)	Normal	All Units	526	510	506	320	Rate I (Ht)	TOD	06.00 hrs- 17.00 hrs	All Units	513	494	490	320
											17.00 hrs- 23.00 hrs	All Units	717	691	685	
											23.00 hrs- 06.00 hrs	All Units	338	326	322	
3.	Industries (Below 50 KVA)	Rate I-2 (H)	Normal	All Units	575	555	552	30	Rate I-2 (Ht)	TOD	06.00 hrs- 17.00 hrs	All Units	567	548	545	30.
											17.00 hrs- 23.00 hrs	All Units	794	769	763	
											23.00 hrs- 06.00 hrs	All Units	375	362	359	



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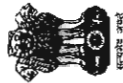
HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme						
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/ month)	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)
				06.00 hrs-17.00 hrs	All Units	Summer	Monsoon	Winter			Summer	Monsoon	Winter	
4.	Industries (33KV)	Rate I-3 (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	503	485	482	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs-23.00 hrs	All Units	703	680	675						
				23.00 hrs-06.00 hrs	All Units	332	320	317						
				06.00 hrs-06.00 hrs	All Units	500	482	479						
5.	Industries (132KV and above)	Rate I-4 (H)	Normal - TOD	17.00 hrs-23.00 hrs	All Units	699	676	671	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				23.00 hrs-06.00 hrs	All Units	330	318	315						
				06.00 hrs-06.00 hrs	All Units	625	619	611						
				06.00 hrs-17.00 hrs	All Units	967	956	946						
6.	Community Irrigation/ Irrigation	Rate AI (H)	Normal - TOD	17.00 hrs-23.00 hrs	All Units	315	312	309	29	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				23.00 hrs-06.00 hrs	All Units	522	519	517						
				06.00 hrs-06.00 hrs	All Units	731	726	724						
				06.00 hrs-17.00 hrs	All Units	344	342	341						
7.	Commercial Plantation	Rate S (cp)	Normal - TOD	17.00 hrs-23.00 hrs	All Units	731	726	724	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				23.00 hrs-06.00 hrs	All Units	344	342	341						
				06.00 hrs-06.00 hrs	All Units	522	519	517						
				06.00 hrs-17.00 hrs	All Units	731	726	724						



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme								
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
8.	Short Term Irrigation Supply	Rate S (stis)	Normal - TOD	06.00 hrs- All Units	462	457	452	36	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs- All Units	966	956	946									
				23.00 hrs- All Units	277	274	271									
				23.00 hrs- All Units	522	520	518									
				06.00 hrs- All Units	731	728	725									
9.	Short Term Supply for Commercial Plantation	Rate S(stcp)	Normal - TOD	06.00 hrs- All Units	313	312	311	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs- All Units	554	550	547									
				23.00 hrs- All Units	623	602	599									
				06.00 hrs- All Units	547	542	536									
10.	Commercial	Rate C (H)	Normal	All Units	Normal - TOD	06.00 hrs- All Units	766	759	751	320	Rate C (Ht)	Normal - TOD	06.00 hrs- All Units	361	358	353
						17.00 hrs- All Units	615	592	586							
						23.00 hrs- All Units	677	651	644							
11.	Domestic	Rate D (H)	Normal	All Units	Normal - TOD	06.00 hrs- All Units	572	550	545	30	Rate D (Ht)	Normal - TOD	06.00 hrs- All Units	572	550	545
						17.00 hrs- All Units	615	592	586							
						23.00 hrs- All Units	677	651	644							



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)
					Summer	Monsoon	Winter					Summer	Monsoon	Winter	
12.	Public Water Works & Sewerage	Rate PWW (H)	Normal	All Units	500	482	478	320	Rate PWW(Ht)	Normal - TOD	All Units	494	475	470	320
											06.00 hrs- 17.00 hrs & 20.00 hrs to 23.00 hrs				
13.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S (c)	Normal	All Units	349	339	329	29			All Units	692	666	659	320
											17.00 hrs- 20.00 hrs				
											23.00 hrs- 06.00 hrs				
14.	Cold storage or Dairy with Chilling Plant	Rate S (pi)	Normal	All Units	461	443	438	320			All Units	456	437	432	320
											06.00 hrs- 17.00 hrs				
											17.00 hrs- 23.00 hrs				
											23.00 hrs- 06.00 hrs				
15.	Emergency Supply	Rate E (em)	Normal - TOD	All Units	464	462	460	320			All Units	301	288	285	320
											06.00 hrs- 17.00 hrs				
											17.00 hrs- 23.00 hrs				
											23.00 hrs- 06.00 hrs				





HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme							
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)		
					Summer	Monsoon	Winter		Summer	Monsoon	Winter			
16.	Construction Power Supply	Rate E (con)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	548	530	528	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs-20.00 hrs		767	742	739						
				23.00 hrs-06.00 hrs		506	490	488						
17.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate S (co)	Normal	All Units	614	593	589	29	Normal - TOD	All Units	608	586	581	29
					669	645	639							
					622	599	594							



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2015-16)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme									
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)		
					Summer	Monsoon	Winter					Summer	Monsoon	Winter			
18.	Common Services of Industrial Estate	Rate - E (ict)	Normal - TOD	All Units	06.00 hrs- 17.00 hrs & 20.00 hrs to	539	521	518	320	Rate - E (ei)	Normal - TOD	All Units	06.00 hrs- 17.00 hrs	468	451	448	320
						755	729	725						508	487	480	
						356	344	342						473	453	447	
						552	547	542						432	443	437	
19.	Traction	Rate T	Normal	All Units	All Units	612	610	608	320	Rate E(ei)	Normal - TOD	All Units	06.00 hrs- 17.00 hrs	432	443	437	320
20.	Short-term Supply	Rate S (ST)	Normal - TOD	All Units	17.00 hrs- 23.00 hrs	673	671	668	320	Rate E(ei)	Normal - TOD	All Units	17.00 hrs- 23.00 hrs	508	487	480	320
						673	671	668						473	453	447	
						569	567	565						432	443	437	
21.	Private Educational Institutions	Rate E (ei)	Normal	All Units	All Units	468	451	448	320	Rate E(ei)	Normal - TOD	All Units	06.00 hrs- 17.00 hrs	432	443	437	320



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CHAPTER - 8 TARIFF ORDER FOR 2016-2017

- 8.1 The Commission has also determined the average tariff for the consumers for 2016-17 in Chapter 5, the tariff schedule applicable to the consumers in 2016-17 and the associated terms and conditions are given in this chapter.
- 8.2 The tariff schedule as applicable to the consumers in the year 2016 – 2017 is given at Annexure-8A1 for LV and MV consumers and at Annexure – 8A2 for HV and EHV consumers.
- 8.3 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 of the Tariff Regulations. Other associated conditions of the tariff for 2016 – 2017 shall be as follow:

8.3.1 Load Factor Rebate/ Surcharge:

- 8.3.1.1 In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor, the HT consumers shall receive a voltage-wise graded load factor rebate as per the following table:

LOAD FACTOR REBATE (Paise / kWh)

Range of Load Factor (LF)		Supply Voltage		
		11 kV	33 kV	132 kV
Above 55%	Up to 60%	1	2	3
Above 60%	Up to 65%	2	3	4
Above 65%	Up to 70%	3	4	5
Above 70%	Up to 75%	10	11	12
Above 75%	Up to 80%	12	13	14
Above 80%	Up to 85%	14	15	16
Above 85%	Up to 90%	16	17	18
Above 90%	Up to 92%	18	19	20
Above 92%	Up to 95%	22	24	25
Above 95%		25	27	28





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

8.3.1.2 The above load factor rebate shall be applicable on total quantum of energy consumed in the billing period. (For example a 11 kV consumer at 85% load factor shall be eligible for a rebate @ 14 paise / kWh on the total quantum of energy consumed in the billing period)

8.3.1.3 Load factor surcharge shall continue at the prevailing rate for those categories of consumers to whom these are applicable at present.

8.3.1.4 Load factor rebate and load factor surcharge shall be computed in accordance with the formula and associated principles given in regulations 3.9.2, 3.9.3 and 3.9.4 of the Tariff Regulations and at the rates mentioned in paragraphs 8.3.1.1 to 8.3.1.3 above.

8.3.2 Fixed / Demand Charge:

8.3.2.1 The fixed charge shall be applicable to different categories of consumers at the rates as shown in Annexure 8A1 of this tariff order.

8.3.2.2 The demand charge shall be applicable to different categories of consumers as per rates as shown in Annexure 8A1 and Annexure 8A2 of this order on the basis of recorded demand as specified in regulation 4.3.3 of the Tariff Regulations subject to the conditions as specified in the Tariff Regulations.

8.3.2.3 When a new consumer gets connected to the system, the computation of fixed charge or demand charge for that month shall be made pro-rata for the number of days of supply in that particular month.

8.3.3 Power Factor Rebate/ Surcharge:

8.3.3.1 The power factor rebate and surcharge shall continue for those categories of consumers to whom these are applicable at present. The rate of rebate and





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

surcharge and the methods of calculation of such rebate and surcharge for the year 2016-17 are given below:

Power Factor (PF) Range	Power Factor Rebate & Surcharge on Energy Charge in Percentage for the year 2016-2017							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)		Rebate in %	Surcharge in %
	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %		
PF > 0.99	7.00	0.00	8.00	0.00	6.00	0.00	5.00	0.00
PF > 0.98 & PF ≤ 0.99	6.00	0.00	7.00	0.00	5.00	0.00	4.00	0.00
PF > 0.97 & PF ≤ 0.98	5.00	0.00	6.00	0.00	4.00	0.00	3.00	0.00
PF > 0.96 & PF ≤ 0.97	4.00	0.00	5.00	0.00	3.00	0.00	2.50	0.00
PF > 0.95 & PF ≤ 0.96	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 0.94 & PF ≤ 0.95	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF ≥ 0.93 & PF ≤ 0.94	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF ≥ 0.92 & PF < 0.93	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 0.86 & PF < 0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 0.85 & PF < 0.86	0.00	1.00	0.00	1.25	0.00	0.75	0.00	0.75
PF ≥ 0.84 & PF < 0.85	0.00	2.00	0.00	2.50	0.00	1.50	0.00	1.50
PF ≥ 0.83 & PF < 0.84	0.00	2.50	0.00	3.25	0.00	1.75	0.00	1.75
PF ≥ 0.82 & PF < 0.83	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF ≥ 0.81 & PF < 0.82	0.00	4.00	0.00	5.00	0.00	3.00	0.00	2.50
PF ≥ 0.80 & PF < 0.81	0.00	5.00	0.00	6.00	0.00	4.00	0.00	3.00
PF < 0.80	0.00	6.00	0.00	7.00	0.00	5.00	0.00	3.50

8.3.3.2 The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.

8.3.4 For short term supply, emergency supply and for supply of construction power, there shall be no rebate or surcharge for load factor and power factor.

8.3.5 Subject to the condition as specified in regulation 4.13 of the Tariff Regulations, the minimum charge shall continue at the existing level for all consumers.





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 8.3.6 Since a part of the year 2016-17 is already over, thus for a consumer the applicable rate of temporary supply shall be the same rate at which he had already been charged or the rate that is being prevailing prior to this order.
- 8.3.7 For all consumers, excluding consumers having pre-paid meters, rebate shall be given @ 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff) if the payment is made within the due date.
- 8.3.8 Delayed payment surcharge shall be applicable as per regulation 4.14 of the Tariff Regulations.
- 8.3.9 All existing charges relating to meter rent, meter testing, meter replacement, fuse call charges, disconnection and reconnection etc. shall continue.
- 8.3.10 A consumer opting for pre-paid meter shall not be required to make any security deposit for the energy charge.
- 8.3.11 All statutory levies like Electricity Duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff as determined under this tariff order.
- 8.3.12 In addition to the rebate under paragraph 8.3.7 above, if the payment is made within due date, then an additional rebate of 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being arrears due to revision of tariff) would be allowed to the consumers who would pay their energy bills through e-payment facility (through web by using net banking, debit card, credit card, electronic clearing scheme) on introduction of it by the petitioner through notification in the news papers in future. Such rebate will be allowed prospectively after the date of issuance of this order. This rebate will be given after giving effect under paragraph 8.3.7.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

8.3.13 All the rates and conditions of tariff for 2016-17 are effective from 1st April 2016 and shall remain valid till further order of the Commission.

8.3.14 For 2016-17, the consumer/licensee shall have to pay/shall be refunded the difference of the following two:

- i) tariff as declared under this order for 2016-17; and
- ii) what they actually already paid for the concerned period as tariff and the MVCA, if any, for the concerned month.

Adjustments, if any, for over recovery / under recovery for 2016-17 from the energy recipients shall be made in 8 (eight) equal monthly installments through subsequent energy bills and such adjustment will start from the energy bill raised on or after 1st August, 2016.

8.3.15 There will be no separate monthly variable cost adjustment (MVCA) or Adhoc FPPCA on and from 1.4.2016 till the date of issue of this order. The MVCA or Adhoc FPPCA realized during the year 2016 – 2017 shall be adjusted in computation of any adjustments for over/under recovery from the energy recipients as mentioned in paragraph 8.3.14 above.

8.3.16 In addition to the tariff determined under this tariff order, the petitioner would be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. The fuel and power purchase cost shall be subject to adjustment in accordance with the Tariff Regulations through FPPCA.

8.3.17 Optional TOD tariff scheme for LT Commercial, LT Industrial and LT Public Water Works categories of consumers having minimum contract demand of 30 KVA, shall continue and energy charge under such scheme shall be computed





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

according to regulation 4.12 of the Tariff Regulations, wherever applicable, if no tariff rates for such consumers are mentioned in the tariff schedule.

8.3.18 For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to the consumers under respective category of non-TOD tariff.

8.3.19 An applicant for short term supplies through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payment in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:

- a) provision of requisite meter security deposit to be kept with licensee,
- b) provision of space for installing weather-proof, safe and secure terminal services apparatus to protect sophisticated meter; and
- c) availability of prepaid-meter of appropriate capacity.

8.3.20 To avail the rate for street lighting with LED [(Rate D(6)], the supply should be metered and all the street lights under the same meter shall be illuminated with LED. For mixed type of street lights under single meter the rate D(1) shall be applicable.

8.3.21 For a consumer with prepaid meter who has purchased voucher prior to the date of issue of this order, the existing voucher will continue till such voucher is exhausted.

8.3.22 The tariffs determined under this order for different categories of consumers are the maximum ceilings for supply of electricity at any agreed price to the consumers only for those areas of supply where multiple licensees exist. However, if supply is provided to a consumer at a price lesser than the upper





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

ceiling, and as a result the licensee incurs loss, such loss shall not be allowed to be passed on to any other consumers or any other distribution licensees under purview of the Commission.

8.3.23 No other rebate shall be applicable except which are specifically mentioned under this order or in any regulation(s).

8.3.24 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 subject to fulfilling condition under paragraph 8.3.22.

8.3.25 The petitioner shall clearly indicate in the consumer/consumer's bill (a) the amount payable in terms of the tariff determined by the Commission (b) the amount of the state government subsidy if any and (c) the net amount payable as per provisions of the Tariff Regulations.

8.4 This order passed by the Commission shall be subject to any order which may be passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.

8.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for the petitioner. If at all any such subsidy under the provisions of the Act is intimated to the petitioner 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 will be 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





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

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 within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.

- 8.6 The petitioner shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval, the approved gist shall be published in terms of aforesaid regulation within four working days from the date of receipt of the approval of the Commission.



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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2016-17)



SI No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon					
1.	Lifeline (Domestic)	D (LL)	Normal	All Units	312	5	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
2.	Domestic (Rural) or Domestic (Urban)	D(L)	Normal	First	34	10	Prepaid	All Units	437	10	Prepaid - TOD	All units	503	06.00 hrs to 17.00 hrs	C(Ltp)(ia)	20
				Next	26											
				Next	40											
				Next	100											
				Next	300											
3.	Commercial (Rural) or Commercial (Urban) below 30 KVA	C(L)(ia)	Normal	First Next Next Next Above	60 40 50 150 300	12	Normal TOD	All units All units All units All units All units	543 612 650 680 690	12	Prepaid - TOD	06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs 06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	507 529 425	20		
4.	Commercial (Rural) / Commercial (Urban) 30 KVA and above	C(L)(ib)	Normal	All Units	514	20	Normal TOD	All units	493	21	Prepaid - TOD	All units	542	06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	557	20
																426



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2016-17)



SI No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
5.	Irrigation	Rate C(at)	Normal TOD	06.00 hrs to 17.00 hrs	288	24	Rate C(atpp)	Pre-Paid TOD	06.00 hrs to 17.00 hrs	279	24
				17.00 hrs to 23.00 hrs	679				17.00 hrs to 23.00 hrs	657	
				23.00 hrs to 06.00 hrs	197				23.00 hrs to 06.00 hrs	202	
6.	Commercial Plantation	Rate A(Cm-Ptpp)	Prepaid-TOD	06.00 hrs to 17.00 hrs	509	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs	751						
				23.00 hrs to 06.00 hrs	306						
7.	Short Term Irrigation Supply	Rate C(stppt)	Prepaid-TOD	06.00 hrs to 17.00 hrs	327	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs to 23.00 hrs	451						
				23.00 hrs to 06.00 hrs	207						

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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
8.	Short Term supply for Commercial Plantation	Rate A (Cm- St'ipp)	Pre-paid TOD	06.00 hrs to 17.00 hrs	All units	525	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 23.00 hrs.	All units	788										
				23.00 hrs to 06.00 hrs	All units	315										
9.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	542	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 23.00 hrs.	All units	596										
				23.00 hrs to 06.00 hrs	All units	504										
10.	Government School, Government aided School or Government Sponsored School	Rate GS(L)	Normal	On all Units	420	20	Rate GS(L)T	Normal - TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All units	414	10	Not Applicable	Not Applicable	Not Applicable	
									17.00 hrs to 20.00 hrs.	All units	455					
									23.00 hrs to 06.00 hrs	All units	402					

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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon						
11.	Public Bodies Non - Municipal	Rate C1 (NM)	On all Units	On all Units		30	Rate C1 (NM)	Prepaid	On all Units		30	Rate C1 (NM)	Prepaid TOD	22.00 hrs to 06.00 hrs 06.00 hrs - 17.00 hrs & 20.00 hrs - 22.00 hrs 17.00 hrs to 20.00 hrs			
12.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate C(L)(ii)	Normal	All Units	502	30	Rate Cppt (L) (ii)	Prepaid - TOD	06.00 hrs - 17.00 hrs	All Units	492	30	Rate C1 (NM)	Prepaid TOD	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	541						
									23.00 hrs to 06.00 hrs	All Units	457						
13.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal - Medicinal - Bio-diesel Plant Farming, Food Processing Unit	Rate C(L)(iii)	Normal	All Units	536	30	Rate Cppt (L) (iii)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	515	30	Rate C1 (NM)	Prepaid TOD	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	567						
									23.00 hrs to 06.00 hrs	All Units	479						

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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme						
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	
14.	Industry (Rural) or Industry (Urban)	Rate I(L)	Normal	First	500	559	Rate I(L)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	490	Not Applicable
				Next	1500	671			17.00 hrs to 23.00 hrs	All Units	681	
				Above	2000	698			23.00 hrs to 06.00 hrs	All Units	327	
15.	Street Lighting	Rate D(1)	Normal	On all Units	522	54	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
16.	Street Lighting with LED	Rate D(6)	Normal	On all Units	411	54	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
17.	Private Educational Institutions and Hospitals	Rate S (L)	Normal	On all Units	561	54	Rate St (L)	Normal TOD	06.00 hrs to 17.00 hrs	All Units	526	Not Applicable
									17.00 hrs to 23.00 hrs	All Units	578	
									23.00 hrs to 06.00 hrs	All Units	489	
18.	Emergency Supply	Rate D (2)	Prepaid-TOD	06.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	On all Units On all Units On all Units	634 887 419	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	



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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional tariff Scheme					
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
19.	Construction Power Supply	Rate D (3)	Prepaid-TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs to 23.00 hrs	574	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs to 20.00 hrs	803						
				23.00 hrs to 06.00 hrs	379						
20.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a	Rate D(4)	Normal	All units	482	54	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	468	Not Applicable
				17.00 hrs to 23.00 hrs	All Units			515			
				23.00 hrs to 06.00 hrs	All Units			435			
21.	Common Services of Industrial Estate	Rate D(5)	Prepaid - TOD	06.00 hrs. - 17.00 hrs & 20.00 hrs to 23.00 hrs	519	46	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs to 20.00 hrs	727						
				23.00 hrs to 06.00 hrs	343						

Note :- * Fixed Charge will be applicable for the Consumer having Contract Demand below 60 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 50 KVA and above.



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)						
					Summer	Monsoon	Winter		Summer	Monsoon	Winter							
1.	Public Utility	Rate PU (H)	Normal	All Units	525	517	514		320	Rate PU (Ht)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00	All Units	528	510	507		320
												17.00 hrs-20.00 hrs	All Units	793	761	756		
												23.00 hrs-06.00 hrs	All Units	368	353	351		
2.	Industries (50 KVA & above)	Rate I (H)	Normal	All Units	538	522	518		320	Rate I (Ht)	TOD	06.00 hrs-17.00 hrs	All Units	734	707	697		320
												17.00 hrs-23.00 hrs	All Units	345	338	330		
												06.00 hrs-06.00 hrs	All Units	579	560	557		
3.	Industries (Below 50 KVA)	Rate I-2 (H)	Normal	All Units	587	567	564		30	Rate I-2 (Ht)	TOD	17.00 hrs-23.00 hrs	All Units	811	781	780		30
												23.00 hrs-06.00 hrs	All Units	387	370	367		



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme								
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA) month	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA) month
				06.00 hrs-17.00 hrs	All Units	Summer	Monsoon	Winter					Summer	Monsoon	Winter	
4.	Industries (33KV)	Rate I-3 (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	515	497	494	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs-23.00 hrs	All Units	720	697	692								
				23.00 hrs-06.00 hrs	All Units	340	328	325								
				06.00 hrs-06.00 hrs	All Units	510	492	489								
5.	Industries (132KV and above)	Rate I-4 (H)	Normal - TOD	17.00 hrs-23.00 hrs	All Units	713	690	685	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				23.00 hrs-06.00 hrs	All Units	337	325	322								
				06.00 hrs-06.00 hrs	All Units	637	631	623								
				06.00 hrs-17.00 hrs	All Units	979	968	958								
6.	Community Irrigation/ Irrigation	Rate AI (H)	Normal - TOD	23.00 hrs-06.00 hrs	All Units	327	324	321	29	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				06.00 hrs-06.00 hrs	All Units	534	531	529								
				06.00 hrs-17.00 hrs	All Units	747	743	740								
				17.00 hrs-23.00 hrs	All Units	352	350	349								
7.	Commercial Plantation	Rate S (cp)	Normal - TOD	23.00 hrs-06.00 hrs	All Units	352	350	349	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				06.00 hrs-06.00 hrs	All Units	534	531	529								
				06.00 hrs-17.00 hrs	All Units	747	743	740								
				17.00 hrs-23.00 hrs	All Units	352	350	349								



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS

(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme						
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Consumption per month in KWH	Name of the Tariff Scheme	Energy Charge			Demand Charge (Rs./KVA/ month)	
					Summer	Monsoon	Winter			Summer	Monsoon	Winter		
8.	Short Term Irrigation Supply	Rate S (stis)	Normal - TOD	06.00 hrs- All Units	474	469	464	Not Applicable	Normal - TOD	06.00 hrs- All Units	559	554	548	320
				17.00 hrs- All Units	978	968	958			17.00 hrs- All Units	778	771	763	
				23.00 hrs- All Units	285	282	279			23.00 hrs- All Units	369	366	365	
				06.00 hrs- All Units	534	532	530			06.00 hrs- All Units	627	604	598	
				17.00 hrs- All Units	747	745	742			17.00 hrs- All Units	690	664	656	
9.	Short Term Supply for Commercial Plantation	Rate S(stcp)	Normal - TOD	23.00 hrs- All Units	321	319	318	Not Applicable	Normal - TOD	23.00 hrs- All Units	583	562	556	30
				06.00 hrs- All Units	566	562	559			06.00 hrs- All Units	627	604	598	
				All Units	635	614	611			All Units	690	664	656	
10.	Commercial	Rate C (H)	Normal	All Units	566	562	559	Normal - TOD	All Units	778	771	763	320	
														Rate D (H)
11.	Domestic	Rate D (H)	Normal	All Units	635	614	611	Normal - TOD	All Units	690	664	656	30	



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme								
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)			
					Summer	Monsoon	Winter		Summer	Monsoon	Winter				
12.	Public Water Works & Sewerage	Rate PWW (H)	Normal	All Units	512	494	490	320	Normal - TOD	06.00 hrs- 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	506	487	482	320
										17.00 hrs- 20.00 hrs	All Units	709	678	671	
										23.00 hrs- 06.00 hrs	All Units	334	325	318	
13.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S (c)	Normal	All Units	361	351	341	29	Not Applicable						
									Not Applicable						
									Not Applicable						
14.	Cold storage or Dairy with Chilling Plant	Rate S (pi)	Normal	All Units	473	455	450	320	Normal - TOD	06.00 hrs- 17.00 hrs	All Units	468	449	444	320
										17.00 hrs- 23.00 hrs	All Units	651	629	616	
										23.00 hrs- 06.00 hrs	All Units	309	296	293	
15.	Emergency Supply	Rate E (em)	Normal - TOD	06.00 hrs- 17.00 hrs	All Units	476	474	472	Not Applicable						
				17.00 hrs- 23.00 hrs	All Units	666	664	661							
				23.00 hrs- 06.00 hrs	All Units	315	313	312							





HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme													
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)						
					Summer	Monsoon	Winter					Summer	Monsoon	Winter							
16.	Construction Power Supply	Rate E (con)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	560	542	540	320	Rate S (cot)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	620	598	593	29				
				17.00 hrs-20.00 hrs								759						756	682	658	652
				23.00 hrs-06.00 hrs								501						499	634	612	606
17.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate S (co)	Normal	All Units	626	605	601	29	Rate S (cot)	Normal - TOD	All Units	620	598	593	29						



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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2016-17)



Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme							
		Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/ month)
					Summer	Monsoon	Winter					Summer	Monsoon	Winter	
18.	Common Services of Industrial Estate	Rate - E (ict)	Normal - TOD	06.00 hrs- 17.00 hrs & 20.00 hrs to	551	533	530	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs- 20.00 hrs	771	746	742								
				23.00 hrs- 06.00 hrs	364	352	350								
19.	Traction	Rate T	Normal	All Units	564	559	554	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
20.	Short-term Supply	Rate S (ST)	Normal - TOD	06.00 hrs- 17.00 hrs	624	622	620	320	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs- 23.00 hrs	686	684	682								
				23.00 hrs- 06.00 hrs	580	578	577								
21.	Private Educational Institutions	Rate E (ei)	Normal	All Units	480	463	460	320	Normal - TOD	All Units	06.00 hrs- 17.00 hrs	444	455	449	320
					17.00 hrs- 23.00 hrs	520	500				493				
					23.00 hrs- 06.00 hrs	485	465				459				



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CHAPTER - 9 DIRECTIVE

- 9.1 The Commission has given some directives in different paragraphs in Chapter-3 and Chapter-4 of this order while determining the variable cost and fixed cost of IPCL. IPCL shall comply with those directives. IPCL shall also comply with the following directives.
- 9.2 In view of the fact that IPCL failed to submit their tariff application complete in all respect as per provisions of the Tariff Regulations for the fourth Control period within the target date, no carrying cost has been and will be provided for the enhanced part of the tariff during the years 2014 – 2015, 2015 – 2016 and 2016 – 2017. The Commission has decided that in future any delay in submission of tariff application by the licensee for any control period beyond the 4th control period or any year as applicable will result in not providing any increase in tariff for equal amount of days and thus the under recovery due to such measure will not be allowed to be passed through any tariff mechanism or during truing up in Annual Performance Review (APR) or Fuel & Power Purchase Cost Adjustment (FPPCA). Moreover, henceforth any delay in submission in APR or FPPCA application shall not be considered as ground for delay by the licensee for submission of tariff application.

Further, it is also required to be noted that any delay with or without the approval of the Commission in submission of either of the applications of APR or FPPCA of any year (Y) within the target date as specified in the Tariff Regulations of the following year may result into non-inclusion of the impact of APR and/or FPPCA order in the concerned tariff order of the year Y+2. In such case, the impact will be considered in any future year beyond (Y+2) year as applicable without any allowance for carrying cost, if otherwise applicable. Thus, in filing of application(s) /



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

petition(s), the licensee is required to maintain the relevant time schedule(s) as specified in the Regulations.

It may further be noted that the arrear amount that is to be recovered in a single or number of installments as will be determined by the Commission for any financial year due to issuance of delayed tariff order as consequence to delayed submission of tariff application by the licensee will not be provided with any carrying cost.

The Commission also observed that during truing up in the APR order of the distribution licensees and in the Fuel Cost Adjustment (FCA) of the generating company, a considerable amount is further recoverable by the licensees and the generating company even after realization of MVCA or MFCA during the year. It appears that the distribution licensees and the generating company have failed to understand the true spirit of introduction of 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 Regulations properly. The Commission in terms of regulation 5.8.12 of the Tariff Regulations directs IPCL to compute their MVCA taking into consideration the related cost in its true sense keeping in their mind the true spirit of introduction of such monthly adjustment failing which the Commission may not allow such adjustment in full in future or not to pass the amount as found recoverable on account of FPPCA during truing up in APR for IPCL.

9.3 IPCL shall note that as already MVCA has been introduced, the amount that may be claimed in FPPCA at the end of any year is not expected to be higher than the summated value of following factors:

- i) impact due to rounding off as per note (f) under the sub-paragraph (d) of paragraph (A) of Schedule - 7B of the Tariff Regulations against the applicable MVCA for the month of February and March of that year,





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- ii) impact due to non-recovery of any additional fuel cost of March of any year over and above what is recovered on the basis of MVCA as calculated from data of February due to the fact that MVCA calculated on the basis of data of March is become applicable for next financial year only, and
- iii) impact due to application of disallowance of cost as per FPPCA formula at FPPCA determination stage.

Thus in such case if recoverable amount under FPPCA of any year is found to be higher than the above referred summated value, then such excess amount will be dealt as per directives already issued by the Commission vide its order in case no. SM-10/14-15 dated 18.07.2014. In this context it is also to be noted that such excess amount represent the amount that would have been collected through MVCA and thus not raising of such bill may result into distorted merit order dispatch in the system. In fact, by virtue of this type of practice there is high possibility of vitiating the environment of merit order dispatch in the whole supply chain in West Bengal power sector and thereby affecting the economic load dispatch in the systems. As a result ultimate sufferer will be the retail consumers of West Bengal. In view of the above discussions, no carrying cost will be allowed by the Commission in case of creation of such excess amount as regulatory asset through FPPCA. Whenever such excess amount is released in number of installments then also it will not be entitled to any carrying cost. However, this directive shall not be construed as an approval of such delayed claim of excess fuel cost through FPPCA instead of MVCA and such matter will be dealt as per directives already issued by the Commission vide its order in case no. SM-10/14-15 dated 18.07.2014.

It is directed that in order to reduce the impact in FPPCA henceforth while applying the formula of MVCA the component of adjustment Δ_{Adj} shall be duly applied by finding out the deviation in recovery of variable cost from sale side computation for

West Bengal Electricity Regulatory Commission

142



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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

the period concerned in pursuance to note (a) under paragraph A of the Schedule – 7B of the Tariff Regulations.

9.4 While declaring MVCA for any month henceforth IPCL shall follow the following directives:

- i) Irrespective of change in MVCA in any month from the previous month, the detail calculation sheet of MVCA prepared for the purpose of determination of MVCA for that month as per regulation 5.8.9 of the Tariff Regulations shall be submitted to the Commission within seven days of notification of the MVCA or in case of no notification within thirty days after the end of the month under consideration for MVCA. Such calculation sheet shall also specifically mention the received fuel bill and/or power purchase bill which has not been considered or partly considered in the said MVCA in pursuance to note (g) under sub- paragraph (e) of paragraph A of Schedule – 7B of the Tariff Regulations. IPCL shall also upload such calculation sheet in their web-site for each month and shall maintain the same in the website till publication of the worksheet for the next month.
- ii) The Commission directs that IPCL will publish the notification of change of MVCA in terms of 4th paragraph of regulation 5.8.9 of Tariff Regulations in such daily newspapers which are widely circulated in West Bengal. Any deviation in this regard will be seriously viewed.

9.5 While submitting the Fuel and Power Purchase Cost Adjustment (FPPCA) application for any year IPCL shall give a list of fuel bill or power purchase bill which has not been claimed under MVCA calculation along with the provisions of the Tariff Regulations under which such claim has not been done. A further reconciliation statement shall be given to establish that IPCL has followed the





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Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

directives of paragraphs 9.3 and. 9.4 above effectively. In case of non submission of the above documents/ information the application of APR will not be admitted.

- 9.6 While computing the renewable and cogeneration purchase obligations, the energy generated from Solar roof-top photovoltaic power plants shall be considered by any distribution licensee both on consumption side and as input energy from renewable sources towards fulfillment of renewable and cogeneration purchase obligations in terms of the Electricity Act, 2003 and the relevant Regulations. The licensee is required to furnish suitable details in this respect.
- 9.7 IPCL shall submit a report within 1.10.2016 on the following issues:
- i) Implementation problem in removing minimum 30 KVA load criterion on eligibility for TOD conversion.
 - ii) Possibility of shifting of load of drinking water pumping station, drainage station and other utility services to non-peak hours through TOD and other Demand Side Management strategy.
- 9.8 In the notes of Financial statement of Annual Account's of 2016-17 and onward or through Auditor's Certificate, the following information is to be provided by IPCL in a manner as described below:
- i) All the expenditure or cost element considered under tariff applications are to be provided separately for distribution function and generation function for the regulatory requirement.
 - ii) The penalty, fine and compensation under Electricity Act 2003 shall also be shown separately for distribution function and generation function.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- iii) Any fine, penalty or compensation in any other statute other than Electricity Act 2003 shall be mentioned separately for distribution function and generation function along with the reference of the statute.
- iv) The figure of AT & C loss for the years concerned in line with the computation methodology as specified in Form 1.8 of the Tariff Regulations is to be provided. Beside that AT&C loss calculated with arrear recovery for the period prior to the year for which the accounts is prepared shall also be shown separately.

9.9 While submitting APR application of any ensuing year IPCL shall submit the certificate from the statutory auditor of the annual accounts of the said year for the following parameters:

- i) Based on fixed asset register the parameters to be submitted are -
 - a. the distribution line and the transmission line (if any) which is essential part of distribution system as per section 2(72) of Electricity Act 2003) length in CKM for each level of Voltage related to the asset of IPCL . For the asset which is not owned by the IPCL but maintained by IPCL shall be shown separately.
 - b. Similarly the number of transformers and total capacity of transformation in MVA or KVA for each category of transformers for distribution system are to be provided.
- ii) For the year concerned under the APR the actual number of Consumers, the consumption level in MU and total Connected load in KVA for each category of consumers on whom the tariff rate has been issued in the tariff order of the year corresponding to the APR under consideration.





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- iii) The figure of distribution loss and AT&C loss for the year concerned under APR as per form 1.7 and form 1.8 in Annexure - 1 of the Tariff Regulations.
- iv) List of expenditure that arises on account of penalty, fine and compensation due to non-compliance of any statute or statutory order along with the reasons for each such type of penalty, fine and compensation.
- v) Copies of the audited accounts of all the terminal benefit funds for the year for which APR is under consideration in a complete shape and not by any selective pages.
- vi) A statement showing monthly deposit in different terminal benefit funds for the year for which APR is under consideration in persuasion with the directive given in paragraph 9.13 below.
- vii) A detail breakup showing total expenditure and employee strength against each level of all categories of employees including the whole time directors of the board. If any director or employee discharges any function of other companies also then the allocation of cost among the companies shall be shown separately and distinctly against each level.
- viii) In pursuance to regulation 5.8.1(vi) of Tariff Regulations the licensee/ generating Company shall submit the total demurrage hour and related demurrage charges paid against total no. of rakes for each generating station for the year concerned along with the APR or FPPCA application of every ensuing year which shall be certified by the auditors.

In case of non submission of the above documents the application of APR will not be admitted.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

ix) Henceforth with the application of APR, IPCL shall also enclose their compliance report on Renewable Purchase Obligation power in pursuance to regulation 3.8 of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 or any of its subsequent amendment or replacement in future.

9.10 While submitting the APR application for 2015 – 2016 and onwards, IPCL shall also submit the followings through affidavit:

- a) That no expenditure has been claimed by IPCL through the APR petition on employee or infrastructure or any other support or O&M activity pertaining to any other business of IPCL not in relation to their licensed business.
- b) The list of cases related to Tariff and Annual Performance Review (APR) filed or applied for filing in Court of Law but the notices have not yet been served to the Commission.
- c) A statement showing the utilization of the cash security deposit held by IPCL and income therefrom duly audited by the statutory auditors.

In case of non submission of the above documents/ information the application of APR will not be admitted.

9.11 In case of expenditure at a level higher than the admitted amount under any uncontrollable factor in this tariff order on account of fixed charges, while submitting APR application of any ensuring year IPCL has to justify in detail such higher expenditure with supporting documents and evidence on the basis of which the Commission will take its decision during truing up exercise and it may be noted that without sufficient justification, the excess expenditure may not be admitted in the APR fully or partly. Similarly for controllable factors, where





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

applicable, for the same reasons, supporting documents and evidence are to be submitted to justify their claim. While truing up any uncontrollable factor on account of fixed charges, the actual business volume parameter and actual inflation rate to which such uncontrollable item is sensitive will be considered in the same manner and principle as determined under the tariff order subject to the limitation as per the Tariff Regulations. However, where applicable as per this tariff order the ratio of expenses increase in % on any item and the sensitivity parameter increase will remain the same as that of this tariff order.

- 9.12 While submitting application for APR of 2015-16 and onwards by any licensee, if such application shows any net claim for that year after considering the concerned FPPCA, then in such case the licensee shall suggest in specific terms the ensuing year(s) in which they intend to recover such claim and by what amount. Licensee shall also show the consequential impact of such recovery in the expected average cost of supply in those ensuing years after considering the total revenue recoverable through the tariff. The total revenue recoverable through the tariff means the summated amount of the Net Aggregate Revenue Requirement plus all other amount on account of any release of regulatory asset, FPPCA and APR for any years which is already decided by the Commission in earlier orders. They shall also mention the carrying cost, if necessary, where it is applicable in terms of the Tariff Regulations and different orders and directives of the Commission in this respect. This consequential impact on tariff shall also be provided in the gist of the APR application.

In case of non submission of the above information the application of APR will not be admitted.

- 9.13 In order to ensure that in future actuarial valuation of terminal benefit fund can be kept in control in a better way by avoiding carrying cost of such liability in future the following is to be adhered.





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- i) IPCL shall ensure that henceforth the amount that is statutorily required to be deposited in a month in different fund on account of terminal benefit, as a part of employee cost admitted in the tariff order, is to be deposited in different terminal benefit funds every month as a first charge item.
- ii) On the head of terminal benefit fund, if there is shortage in the deposit amount in the terminal benefit fund admitted in employee cost through this order, the balance amount of contribution to terminal benefit fund is required to be deposited as first charge item over and above what had already been deposited for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017, from the effective date of recovery of the recoverable amount against this order from the very first day. So, it is directed that the balance amount of contribution as discussed above to terminal benefit fund for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017, i.e., the difference between the amount of contribution to terminal benefit funds as allowed in this order as a part of employee cost and that has already been deposited in the fund for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017, is to be deposited in the respective different terminal benefit funds. Such balance amount is to be deposited in different terminal benefit funds in 12 monthly equal installments from the date on which the recovery through tariff against this order will start.
- iii) While submitting application for APR of 2015-16 and 2016-17, IPCL shall show through audited accounts of different terminal benefit funds that the contribution to the different terminal benefit funds during the concerned year as a part of employee cost is deposited in the terminal benefit funds.

In case of non-deposition of amount admitted for terminal benefit fund as provided in (i) to (iii) above in the respective fund as directed above, Commission may withhold or deduct same amount equivalent to amount of non-deposition.





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- 9.14 Before introduction of any Smart Grid project IPCL should follow the investment approval mechanism as per regulation where it is applicable.
- 9.15 Regarding purchase of power from different sources IPCL is to consider for arranging of purchase of power from different source(s) (including from exchanges) other than the existing sources having supply pattern and cost involvement/economics more favourable for consumers of IPCL. IPCL shall also reduce its dependency on costlier thermal sources, in order to contain the rise in retail price of the consumers in future in a better way in order to control retail tariff of the consumers of IPCL.
- 9.16 The Commission is statutorily duty bound to promote generation of electricity from following sources of energy:
- Co-generation of electricity from renewable sources.
 - Co-generation of electricity from fossil fuel sources.
 - Co-generation of electricity from hybrid sources of fossil fuel / conventional sources and renewable sources.
 - Electricity generation from renewable sources.

In order to promote above mentioned type of generation of electricity by applying regulations 8.3 and 8.4 of the Tariff Regulations and regulations 19.1 and 19.2 of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013, the Commission decides that from the APR of the year 2016 – 2017 a deduction of 5% from Return on Equity will be done if IPCL fails to comply with the Renewable Purchase Obligation as per West Bengal Electricity Regulatory





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 or any of its subsequent amendment. In this context, the Commission also directs that henceforth IPCL Limited shall advertise on important national media inviting the interested parties of supplying renewable and cogeneration electricity on every fourth months for next two years instead of one time in a year in pursuance to the regulation 3.5 of the said Regulations.

- 9.17 Henceforth, any application for Power Purchase Agreement (PPA), except for short term PPA meaning PPA for a period not exceeding one year, submitted by any licensee to the Commission for approval of the PPA shall go through the process of inviting suggestions and objections from all stakeholders through at least three well circulated newspaper publication for consideration of the Commission of all such suggestions and objections as a process of the approval procedure and subsequent to such approval only, the PPA can be executed by the licensee and the seller of the power. For this purpose, while submitting the said PPA the licensee shall also give a draft gist for newspaper publication for approval of the Commission. On getting approval of the Commission such gist shall be published in the newspapers within 5 working days. Such gist shall also be posted in the website along with the application and PPA from the date of gist publication to at least the last date of submission of suggestions and objections as will be mentioned in the gist. The gist shall cover the name of seller of the power, type of specific source (such as coal, gas, hydro, solar, etc.), major important parameters that are required under the Tariff Regulations for such purchase and the important points of the purpose of such procurement. The application submitted shall have the above points of the gist along with detailed justification of such proposed procurement along with all the information and parameters that are required under the Tariff Regulations or Regulations of the Commission related to





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

renewable and cogeneration sources of energy. The application shall also clearly spell that how the interest of the consumer as well as of the licensee has been safeguarded in the PPA. The application without such gist and the points as mentioned shall not be admitted. This process is done in order to meet the end of justice after keeping consistency with the Electricity Act, 2003.

- 9.18 All the distribution licensees and generating companies shall follow regulation 5.6.5.1 of the Tariff Regulations in its true spirit. According to regulation 5.6.5.1 of the Tariff Regulations the interest on working capital requirement of a generating company or a licensee shall be assessed on normative basis @ 18% on a base amount derived by summation of annual fixed charges, fuel cost and power purchase cost reduced by certain elements of the ARR. It has also been mentioned there that where Monthly Fuel Cost Adjustment (MFCA) or Monthly Variable Cost Adjustment (MVCA) exists, in that case for interest on working capital requirement the above normative basis shall be 10% instead of 18% on the said base amount. In this context it may be noted by all stakeholders that any distribution licensee or generating company on which collection of MFCA and MVCA, as the case may be, is applicable as per Tariff Regulations, shall not be entitled to claim interest on the above referred normative basis of 18% even on the plea of not claiming MFCA or MVCA throughout any financial year.
- 9.19 IPCL along with their APR application for the year 2015 – 2016 and onwards shall submit through affidavit a declaration that 100% supply of power to consumers are through meter only and no power is supplied through unmetered connection.
- 9.20 IPCL is directed to take initiatives for energy conservation to flatten the load curve in the following ways:





सत्यमेव जयते



Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- i) by retrofitting conventional light with at least two 12W LED lamp for each domestic consumer; and
- ii) by arranging load management awareness programme for the consumers.

IPCL shall also take initiative in development of roof top solar PV and other renewable sources of energy.

IPCL shall submit their plan within forty five (45) days from the date of this order regarding –

- i) replacement of bulb by LED lamp primarily in residential complexes which shall be extended to commercial complexes, street light, institutions, hospitals, etc in stages;
- ii) installation of roof top solar panel in residential and commercial complexes, institutions, hospitals, etc. and gradual increase in use of renewable energy, biomass, wind, cogeneration within the ambit of the Regulations of the Commission.

If any support from the Commission is required in this regard, the same may also be informed while submitting the proposal on the above aspects.

9.21 IPCL shall also submit the followings within one month from the date of this order:

- i) Detailed project report on account of High Voltage Distribution System, Smart Metering, Prepaid Metering and for switching over to smart grid in future;





Tariff Order of IPCL for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017

- ii) Segregation of assets in both financial and physical terms for wire and supply function. Meter assets are to be given separately;

9.22 IPCL is directed to furnish a report regarding their readiness to supply all consumers under their area of supply within 15 days from the date of this order failing which the Commission shall take appropriate action as per provisions of the Act and Regulations framed thereunder.

9.23 IPCL shall come up with their investment proposal, as per provision of the Tariff Regulations, if any, required to build up infrastructure to give electric supply to all consumers including low and medium voltage consumers under their area of supply.

Sd/-
AMITAVA BISWAS
MEMBER

Sd/-
R. N. SEN
CHAIRPERSON

DATE: 21.07.2016



Certified true Copy