



WEST BENGAL ELECTRICITY REGULATORY COMMISSION



Ref No. WBERC/TP-74/16-17/ 210

Dated, Kolkata, the 28th January, 2021

From:

Shri Saibal Kanti Das
Secretary, WBERC

To,

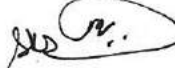
The Chief Executive Officer,
India Power Corporation Limited,
Plot No. X-1, 2 & 3, Block EP,
Sector – V, Salt Lake,
Kolkata – 700 091

Sub : Order dated 28.01.2021 passed by the West Bengal Electricity Regulatory Commission in Case No TP-74/16-17 in regard to the Tariff application of India Power Corporation Limited for the Year 2017-18 covering Fifth Control Period under Section 64 (3) (a) read with Section 62 (1) and Section 62 (3) of the Electricity Act, 2003

Sir,

In reference to the captioned subject, I am directed to forward herewith certified copy of the Order dated 28.01.2021 passed by the West Bengal Electricity Regulatory Commission in Case No TP-74/16-17 in regard to the Tariff application of India Power Corporation Limited for the Year 2017-18 covering Fifth Control Period under Section 64 (3) (a) read with Section 62 (1) and Section 62 (3) of the Electricity Act, 2003 for necessary action.

Yours faithfully,

 28/1/2021
Secretary

Encl : As above

Copy to :



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

FOR THE YEAR 2017 - 2018

IN

CASE NO: TP - 74 / 16 - 17

**IN REGARD TO THE TARIFF APPLICATION OF
INDIA POWER CORPORATION LIMITED FOR THE YEAR
2017 - 2018 COVERING FIFTH CONTROL PERIOD
UNDER SECTION 64(3)(a)
READ WITH SECTION 62(1) AND SECTION 62(3)
OF THE ELECTRICITY ACT, 2003**

DATE: 28.01.2021



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CHAPTER – 1

INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission"), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the "Act"), has been authorized in terms of 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 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period shall be normally for a period of five ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time. The Commission vide order dated 04.05.2016 in Case no. SM-13/16-17 decided that the fifth control period shall consist of three ensuing years, for the period from 2017 – 18 to 2019 – 20. But, after careful consideration of all relevant factors, the Commission vide subsequent order dated 14.12.2016 in Case no. SM-15/16-17 decided that the fifth control period shall be of one year and shall consist of 2017 – 18 only. The effective date of the fifth control period is 1st April, 2017.
- 1.3 IPCL submitted the application for determination of tariff for the fifth control period consisting of the year 2017 – 18, on 23.03.2017 which was scrutinized with reference to requirements of tariff regulations. The deficiencies observed in the application were communicated to IPCL and were fulfilled by them through subsequent additional documents / clarifications. The tariff application along with the information / data, documents submitted as per Tariff Regulations (collectively termed as "tariff application") were admitted by the Commission and was numbered as TP-74/16-





The admission of the tariff application of IPCL is, however, subject to any order passed by the Hon'ble Division Bench in High Court at Calcutta in MAT 1643 of 2015.

- 1.4 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. Accordingly, the gist was published on 16.04.2018 simultaneously in 'EiSamay', 'The Times of India', 'Aajkal' and 'Sanmarg'. The publication invited attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of IPCL for the fifth control period and requested for submission of suggestions, objections and comments etc., if any, on the tariff application to the Commission by 11.05.2018. Opportunities were also extended to all to inspect the tariff application and take copies thereof.
- 1.5 In terms of suo-moto order no. SM-16/17-18 IPCL was required to publish gist in widely circulated newspapers which covers 50% of circulation in each vernacular and accordingly, they were advised to publish the gist in other daily newspapers immediately to fulfill the condition as stipulated in suo-moto order dated SM-16/17-18. IPCL further published the gist in 'Bartaman' and 'Statesman' on 28.04.2018 keeping the due date for submission of suggestions, objections and comments etc. same as 11.05.2018.
- 1.6 However, no objection / suggestion / comment has been received within the due date, i.e., 11.05.2018.
- 1.7 The Commission has determined the tariff in accordance with the Electricity Act, 2003 and the Tariff Regulations framed thereunder. As the financial year has already passed; the Commission has also considered the actual audited figures of the uncontrollable elements of the ARR subject to prudence-check to arrive at the estimated expenditure / cost under different heads for the year 2017 – 18. However, for controllable elements, the Commission admits the projected cost for 2017 - 18





Tariff Order of IPCL for the year 2017 – 18

based on expenditures allowed in previous years vis-à-vis growth in business, subject to prudent analysis. The applicant is free to apply with detailed justification along with supporting documents, if any, at the time of FPPCA and APR.



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CHAPTER – 2

THE SUBMISSION OF IPCL

- 2.1 IPCL has submitted the application for determination of Annual Revenue Requirement (ARR) and tariff for the fifth control period, covering the year 2017 – 18, in accordance with the Tariff Regulations. IPCL has projected the ARR and tariff for 2017 – 18 and has prayed for allowing the same. IPCL has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 IPCL (formerly known as DPSCL), founded in 1919, being one of the oldest power generation and distribution companies 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 IPCL's distribution network, as stated, is catering to all types of consumers – domestic, commercial, railways, public institutions, hospitals, industrial consumers and BPL consumer clusters. In the current instance, IPCL is supplying power to round 33% of all new apartment complexes, 15% of hotels & hospitals and 10% of educational institutions present in their licensed area.
- 2.4 It is submitted that in last three years, IPCL has increased the number of Distribution Transformers (DT) by almost 7.5 times (from 15 no. in FY 2013-14 to 113 no. in FY 2016-17), DT installed capacity has been increased by 3.3 times and ratio of LT network vs industrial load has increased from 6% to 67%. While total connected load has declined from 231.95 MVA to 117.6 MVA (due to exit of various ECL consumers), LT connected load in IPCL system has increased 26 times, from 0.3 MVA to 7.84 MVA. IPCL also expects that with infrastructural development at Kalyaneswari and the area in and around Andal/ BAPL/ Patswara/ Kajora, around 25.5 MVA of load will be added in its LT distribution system.





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Tariff Order of IPCL for the year 2017 – 18

- 2.5 IPCL has estimated energy consumption of existing consumers based on CAGR trends during past years along with required modifications considering prospective consumers to arrive at more realistic projections. The estimation of energy consumption of prospective consumers has been worked out based on their applications/survey/mutual discussion and their likely energization schedule.
- 2.5.1 Based on the LT network expansion drive initiated by IPCL during FY 2013-14 and increased urbanization in the area of supply, IPCL expected a significant rise in the consumption / demand in LT segment. Therefore, a growth of 15% and 300% has been projected in Domestic and Commercial category respectively.
- 2.5.2 Sales to HT commercial category have been projected marginally higher based on the trend during past few years. Eastern Railways has applied for taking Traction Power Supply from IPCL. The 132KV system is being constructed by IPCL and the supply is expected to commence in the later half of FY 2017-18. A sale of 8.08 MU has been considered towards Traction power supply in FY 2017-18.
- 2.5.3 However, customers from Eastern Coalfields Limited (ECL), who had been the major consumers of the petitioner, both in terms of percentage of energy sales and sales revenue, had been continuously switching over to other parallel licensees since July 2015. Out of 126 consumers, only 63 are left with IPCL as on 31.12.2016. The trend of switchover of ECL consumers is likely to continue in the ensuing fiscal year of 2017-18. The petitioner has projected sales quantum based on CAGR trends, but has also considered actual facts and circumstances on the basis of field study and consumers' interest.
- 2.5.4 The total sale to L&MV and H&EH for the year 2017 – 18 has been considered as 764.70 MU.
- 2.6 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 new 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.





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Tariff Order of IPCL for the year 2017 – 18

- 2.7.1 In spite of order dated 14.02.2013 from Ministry of Coal, IPCL could not get coal linkage and the matter is sub-judice before Hon'ble Calcutta High Court in Writ Petition no. 35231(W) of 2013. Thus, IPCL relies on a mixture of e-auction coal along with washery rejects from nearby coal washeries for its operation. IPCL prays before the Commission to allow pass through of such fuel price in power tariff for such e-auction coal and washery rejects as per National Tariff Policy.
- 2.7.2 Auxiliary consumption is considered as 10.58%, based on actual achieved during three quarters of FY2016-17, which is higher than that specified in the Tariff Regulations. The Station Heat Rate of the new DPS has been taken as 3400 kCal/kWh as per the recommendation of the National Productivity Council and GCV of coal is projected to be 3000 kcal/kg.
- 2.7.3 The Petitioner has computed the coal cost for the ensuing year on the basis of the weighted average price of coal and washery rejects as received during three quarters of FY2016-17. Accordingly, the coal price has been escalated at a rate of 7% per annum during the control period.
- 2.7 IPCL receives power at its receiving stations from DVC and WBSEDCL apart from its own power station. After the commissioning of J K Nagar 220 KV substation at J K Nagar on 11.12.2015, IPCL is connected to the national grid and by virtue of this connectivity, it has got accessibility to national power market & power exchanges. It has also started procuring power on short term basis from exchanges/traders and through national e-bidding portal through tariff-based bidding process.
- 2.7.1 For the year 2017-18, IPCL proposes to procure power primarily (about 80%) from India Power Corporation (Haldia) Limited (hereinafter referred to as "IPC(H)L") at a lesser price and the rest from its own generation (12 MW) at Dishergarh, DVC and WBSEDCL.
- 2.7.2 IPCL proposes to procure power from WBGEDCL and other renewable sources to meet its Renewable Power Obligation (RPO).





Tariff Order of IPCL for the year 2017 – 18

- 2.7.3 The licensee is also exploring the possibility of accessing cheaper sources of power, in accordance with the directives of the Commission, so as to reduce cost.
- 2.7.4 IPCL has projected total power purchase cost of Rs. 30642.00 lakh based on the assumption and the load projected to cater. However, the power purchase cost as projected is also subject to change, depending on the generation actually achieved at the own generating station of the Petitioner on the basis of coal received and actual availability of power.
- 2.8 The normative distribution loss for the years 2014-15 to 2016-17 is allowed as 5.25% in the Tariff Regulations. In view of increase in number of LT network and addition of around 2000 or more consumers, IPCL prays for a revisit of the operating norms. It is prayed to the Commission to approve higher distribution loss during the fifth control period vis-a-vis as provided in the tariff regulations. The revised distribution loss levels projected for the fifth control period is 6.25%. IPCL further submitted that the collection efficiency in the past was more than 99% which may not be possible to maintain considering the load growth in the area, specifically in the LT category.
- 2.9 O&M expenses include Repair & Maintenance expenses and Administrative and General Expenses in line with the Tariff Regulations. For its 12 MW Dishergarh (new) Power Station, petitioner has considered a 6% increase over FY2016-17 norms to arrive at normative O&M expense for FY2017-18. Regarding distribution function, IPCL has projected O&M expenses for Dishergarh and Seebpore distribution area considering actual expense of previous years and the inflationary trends vis-à-vis their projected network growth.
- 2.10 IPCL has projected an increase of 10% in salary and wages per annum over the estimate for 2016 – 17 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 2016–17, in tandem with the increase in salaries and wages.





Tariff Order of IPCL for the year 2017 – 18

- 2.11 The Water Charges have been considered as Rs. 3.55 lakh for the fifth control period for DPS as per the bills received. It is submitted that such expenses are uncontrollable in nature.
- 2.12 In view of the projected generation in the year 2017 - 18 and to cover anticipated increase in costs in future years for transport of ash, it has been assumed that Coal and Ash Handling Charges will increase by 10% over the estimated rate of expenditure in FY 2016-17.
- 2.13 For its 12 MW Dishergarh new unit, IPCL has calculated Return on Equity (ROE), Interest on Loan and depreciation for FY 2017-18 based on the final project cost of Rs. 8867.84 lakh, subject to approval of the Commission.
- 2.14 For its distribution function, IPCL also proposes a CAPEX of Rs. 11476 lakh for the control period to cater the load growth, improve the system reliability and online monitoring for fault detection & restoration within the time specified in the regulations. IPCL has also proposed a normative debt equity ratio of 70:30. Interest on Capital Expenditure Loans and Public Deposit is estimated at Rs. 2589.73 lakh in FY 2016-17 and is expected to increase to Rs. 3012.71 lakh in FY 2017 – 18, based on the envisaged capital projects for which the loans were taken.
- 2.15 IPCL submitted that the depreciation on the asset of J K Nagar 220 KV substation is admissible from the date of commercial operation, i.e., 11.12.2015. As per the letter of the Commission dated 05.01.2016, recovery of depreciation, return on equity and interest on loan for creation of transmission assets handed over to WBSETCL shall be allowed to DPSC. Accordingly, the licensee has calculated the depreciation, return on equity and interest on loan (calculated on the normative basis of 70:30) for financial year 2017-18.
- 2.16 IPCL in their petition has submitted compliance report on the directives given by the Commission in the previous tariff orders.





Tariff Order of IPCL for the year 2017 – 18

- 2.17 IPCL has stated that the instant application has been prepared for determination of tariff for the control period comprising the year 2017 – 18 as per Tariff Regulations. The requisite data have been submitted accordingly, except for some quantitative data for past years, where, in 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.
- 2.18 It has been further stated that the projection for the year 2017 – 18 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 Requirement (ARR) for the year under control period.
- 2.19 The projected ARR for 2017 – 18 is Rs. 49264.74 lakh with proposed average cost of supply of 644.00 paisa/kWh. It is pertinent to mention here that the Commission has allowed an average tariff of 633.80 paisa/kWh for FY 2016-17.



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CHAPTER – 3

SALES, ENERGY BALANCE AND VARIABLE COST

- 3.1 IPCL is supplying electricity in its area of supply in the Asansol – Raniganj industrial belt. The consumer base is mainly industrial. Around 80% of the energy in its system, are projected to come from India Power Corporation (Haldia) Limited [(PC(H)L) and rest from its own generating station at Dishergarh for the year 2017 – 18. 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 IPCL, in their petition has projected sale of 764.70 MU during the year 2017-18. IPCL has submitted that there has been no sale to WBSEDCL since 2015 – 16 and no projection has been made for the year 2017 – 18. Subsequently, in response to the Commission's letter dated 11.09.2019, IPCL has submitted the actual sale figure during 2017 – 18 as 705.14 MU. As the year under consideration has already passed by, the Commission finds it suitable to consider the actual sale of energy by IPCL to its consumers for the year 2017-18. The detail category-wise admitted sale to consumer during 2017-18 is specified in Annexure-3A.
- 3.3 **Own consumption:**
- 3.3.1 IPCL has claimed 3.00 MU as in-house consumption including power utilized for construction for the year 2017 – 18. Subsequently, in response to the Commission's letter dated 11.09.2019, IPCL submitted the actual consumption of electricity for own





Tariff Order of IPCL for the year 2017 – 18

premises and construction as 2.36 MU. The Commission, thus, considers the own consumption at a level of 2.36 MU for the year 2017 - 18.

3.4 Distribution Loss:

3.4.1 IPCL in their petition has projected distribution loss as 6.25% for the year 2017-18 considering their projected expansion of LT network against the normative distribution loss of 5.25% allowed in the Tariff Regulations. In response to Commission's letter dated 11.09.2019, IPCL vide their submission of additional document dated 31.10.2019 has informed that actual distribution loss for the year 2017 - 18 is 23.27 MU (i.e., 3.18%). For the purpose of Tariff determination, the Commission finds it suitable to consider the normative distribution loss at the rate of 5.25% for the year 2017 – 18. Sharing of gain due to achieving distribution loss below normative loss during 2017 – 18 shall be considered during the FPPCA.

3.5 Demand Side Energy Requirement:

3.5.1 Based on the analyses as done in the foregoing paragraphs, the total energy requirement by IPCL for the year 2017-18, thus, comes as under:

Demand Side Energy Requirement			
Sl. No.	Particular	Unit	As Admitted 2017 – 18
1	Energy sale to consumers	MU	705.14
2	Energy for own consumption	MU	2.36
3	Energy sale to WBSEDCL	MU	0.00
4	Sub-total sale of energy (1 + 2 + 3)	MU	707.50
5	Distribution loss rate	%	5.25
6	Distribution Loss	MU	39.20
7	Total Requirement (4 + 6)	MU	746.70

3.6 Supply Side of Energy:

The Commission is now to take up 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:





3.6.1 Sent out Energy from own Generating Stations:

IPCL in their application has stated that new unit of 12 MW capacity at Dishergarh shall be the sole generating station during the year 2017 – 18. IPCL in their original petition has projected 82.43 MU net energy generation from Dishergarh new unit considering annual PAF of 93% and auxiliary consumption of 10.58%. Subsequently, through additional submission dated 31.10.2019, IPCL has mentioned that during 2017 – 18, the gross generation from Dishergarh new unit (12 MW) was only 58.95 MU. As the Financial Year 2017-18 has passed by, the Commission admits the gross generation at Dishergarh (new plant) as 58.95 MU during 2017 – 18 for the purpose of ARR determination. With normative auxiliary consumption rate of 10% (5.90 MU), the admitted sent out energy for 2017 – 18 comes to 53.06 MU. IPCL in their additional document has submitted PAF of 55.00% during the year 2017-18, which has been considered by the Commission for determination of ARR. However, this is subject to truing up and IPCL has to submit the detail computation along with supporting documents during FPPCA computation.

3.6.2 Purchase of Energy:

IPCL, to meet its balance requirement of energy for the year 2017 – 18, has proposed purchase of power from IPC(H)L, DVC, WBSEDCL and some short-term power-purchase during the year 2017 – 18. IPCL has also proposed to purchase power from West Bengal Green Energy Development Corporation Limited (WBGEDCL) in order to meet its renewable purchase obligation. Subsequently, through additional submission dated 31.10.2019, IPCL has informed that actual purchase of power from sources other than its own generation is 679.03 MU against the projected purchase of 736.44 MU. The source wise purchase submitted in original petition vis-à-vis in additional documents is mentioned below:

Sl No	From other sources	Projected in original petition	In additional documents
		(in MU)	
1	DVC	30.00	141.99
2	WBSEDCL	5.00	19.09





Tariff Order of IPCL for the year 2017 – 18

3	WBGEDCL	1.00	1.16
4	WBSEDCL-JK Nagar	0.00	0.00
5	Short Term (OA/EX/UI)	45.06	486.36
6	IPC(H)L	655.38	30.43
	Total	736.44	679.03

Due to change in the sale volume and as well as lower availability from IPC(H)L (presently known as Hiranmaye Energy Limited), the actual power purchase during the year 2017-18 as submitted in the additional documents significantly varies from the projection made in the original petition. In the Tariff Regulations, power purchase has been categorized under uncontrollable factor, thus the Commission finds it suitable to consider the actual power purchase during the year, as submitted through additional documents, subject to normative distribution loss to arrive at requirement of purchase of power during the year 2017-18 for the purpose of determination of tariff. The allowable requirement for purchase of power is mentioned in paragraph 3.7.1 below.

3.7 Energy Balance:

3.7.1 Based on the analyses done and decisions recorded in the preceding paragraphs, the statement of Energy Balance in respect of IPCL for the year 2017 – 18 stands as below:

Energy Balance		
Sl. No.	Particulars	As Admitted (in MU)
		2017 - 18
1	Energy sale to consumer	705.14
2	Energy for own consumption	2.36
3	Energy sale to WBSEDCL	0.00
4	Total sale of energy (6+7+8)	707.50
5	Distribution loss rate (%)	5.25
6	Distribution Loss	39.20
7	Total Energy Requirement at Distribution periphery (4 + 6)	746.70
8	Ex-bus energy from own generation	53.06
9	Energy required to be purchased at Distribution periphery (7 -8)	693.64





3.8 Fuel Cost:

IPCL has submitted that in their thermal power station at Dishergarh, no secondary fuel, i.e., oil, is required and hence, the fuel cost of IPCL is the cost of coal only. IPCL in their submission for MYT under fifth control period has highlighted, inter alia, the following factors which have been considered by them for determination of fuel cost:

- i) Station heat rate of 3400 Kcal/kWh as per report of the National Productivity Council;
- ii) GCV of coal as 3000 Kcal/kg;
- iii) Computed cost of coal on the basis of weighted average price of coal and washery rejects as received during three quarters of 2016-17 applying annual escalation of 7% for the year 2017-18;

IPCL has submitted that despite several representation to the Ministry of Coal, Government of India, for coal linkage, duly supported by the recommendation of the Central Electricity Authority and the investment approval by the Commission, IPCL has not been able to obtain necessary coal linkage for their Dishergarh new 12 MW power station. IPCL has filed a writ petition at the Calcutta High Court for directing Coal India Limited to sign FSA with them and they are expecting a favorable order. Under the circumstances, IPCL has assumed that full quantity of coal for generation at 85% Plant Load Factor shall have to be made available through e-auction. In absence of prior indication of likely price at which coal of required grade may be available in the e-auction, IPCL has considered average coal price for three quarters of the financial year 2016 – 17 with an annual escalation of 7% and has submitted MYT petition for 2017 – 18 accordingly. IPCL has also prayed to recover additional cost, if any, on the basis of actual expenditure incurred by submission of documentary evidence, at the time of filling FPPCA petition for the year 2017 - 18.

Subsequently through additional document dated 31.10.2019, IPCL has submitted that, during 2017-18, 69360.65 MT of coal having average UHV of 2899 kCal/kg was





Tariff Order of IPCL for the year 2017 – 18

purchased by IPCL at an average landed cost of Rs. 2410 / MT (i.e., landed cost per 1000 UHV comes to 0.831 paisa). From the audited accounts for the year 2017 – 18, the Commission observes that IPCL has incurred an average cost of Rs. 2416 per MT including transportation (landed cost). However, no auditor's certificate is available on this account.

Commission has also noted that, in the Tariff Order for 2016 – 17, average landed cost of coal of Rs. 4000 /MT was admitted for average UHV of 3700 kCal/kg (i.e., landed cost per 1000 UHV was 1.081 paisa).

After careful consideration, the Commission observes that the coal cost vis-à-vis UHV as submitted in additional documents is lower than the value admitted in the Tariff Order for 2016-17 and also much below the figure projected in the original petition. Thus, the Commission decides to allow price and useful heat value of coal as has been submitted in the additional documents. Thus, the coal price and heat value of coal admitted for the year 2017 – 18 of the fifth control period are given below:

Power Station	Useful Heat Value of coal (Kcal/Kg)	Coal Price in Rs. /MT
	2017 - 2018	2017 – 2018
DPS (New)	2889	2410

IPCL's gross generation from the 12 MW plant during 2017-18 has been admitted as 58.95 MU in paragraph 3.6.1 above. Now on the basis of above admitted average price of coal and heat value and also with normative parameters as specified in Schedule 9A of the Tariff Regulations, the allowable fuel cost comes to Rs. 1627.31 lakh. The detail computation is shown in the table at Annexure – 3B to this chapter.

3.9 Energy Charge:

Considering the admitted fuel cost vis-à-vis the sent-out generation with normative auxiliary consumption, the admitted energy charge for 2017 – 18 in respect of IPCL's own power station now stands as follows:





Tariff Order of IPCL for the year 2017 – 18

Power Station	Fuel Cost (Rs. in lakh)	Ex-bus Generation (MU)	Energy Charge (Paise/ kWh)
Dishergarh TPS (New)	1627.31	53.06	306.69

3.10 Power Purchase Cost:

The average rates of power purchase from DVC, WBSEDCL and WBGEDCL for the year 2017 – 18 have been projected as Rs. 4.58/ kWh, Rs. 5.77/kWh and Rs. 5.00/kWh respectively, as per the information furnished by IPCL in the tariff petition. In their petition, IPCL has submitted that the cost of power purchase from DVC for the year 2017 – 18 has been computed applying escalation of 6% on the cost incurred in 2016 – 17.

Subsequently, through additional documents dated 31.10.2019, IPCL has submitted actual cost of power purchase from different sources during 2017-18. The average power purchase admitted in the Tariff Order for 2016-17 vis-à-vis the actual power purchase rate for 2017-18 as submitted in the additional documents is shown in the table below:

Sl No	From other sources	Power purchase rate (in paisa/kWh)		
		Allowed in Tariff order 2016-17	Proposed in original petition for 2017-18	Actual as per addl. document for 2017-18
1	DVC	432	458	432.00
2	WBSEDCL	570	589	565.92
3	WBGEDCL	500	500	498.71
4	Short Term		334	350.85
5	IPC(H)L		418	286.83
	TOTAL	437.86	416	371.25

The Commission observes that, the power purchase rate from DVC is same as the rate admitted in the Tariff Order of 2016-17. The power purchase rate from WBGEDCL is also within the approved rate of Rs 5.00/kWh as per PPA. In the Tariff Order of WBSEDCL for 2017-18, the Commission has allowed the sale price of power by WBSEDCL to IPCL to be Rs 5.54 /kWh plus applicable MVCA. Considering





Tariff Order of IPCL for the year 2017 – 18

the MVCA of WBSEDCL during the year 2017-18, the power purchase rate from WBSEDCL has been found to be in order. From the annual price matrix of Indian Energy Exchange (IEX) for the year 2017 – 18, the energy rate is found to be varying from Rs 2.59 /kWh (during night hours) to Rs 3.60/kWh (during peak hours), the average being Rs. 3.02/kWh. Thus, the purchase of power under short-term has been found reasonable. Purchase of power from IPC(H)L of which a major part was infirm power is admitted at this stage subject to truing up during FPPCA. The average rate of power purchase during the year 2017-18 is 371.25 paisa/kwh.

Power purchase cost being an uncontrollable element under the Tariff Regulations, the Commission finds it suitable to consider the actual power purchase during the year 2017-18 for the purpose of determination of ARR. However, as decided in paragraphs 3.4.1 and 3.6.2 above, the power purchase cost is allowed as per normative distribution loss. Any gain on account of lower distribution loss will be allowed during FPPCA as per the Tariff Regulations. Thus, the allowable power purchase cost for the purpose of determination of ARR comes as Rs. 25751.39lakh.

POWER PURCHASE COST			
	Particulars	Unit	Admitted 2017-18
1	Energy required to be purchased as per table in para 3.6.2	MU	693.64
2	Average rate of power purchase during the year 2017-18	Paisa/kWh	371.25
3	Power Purchase Cost (4 = 1 X 2)	Rs. lakh	25751.39



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Tariff Order of IPCL for the year 2017 – 18

ANNEXURE – 3A

ENERGY SALES TO OWN CONSUMERS

Sl No	Particulars	As Admitted for 2017 - 18
1	Domestic	2.49
2	Commercial	3.75
3	Industry	1.87
4	Private Educational Institutions and Hospitals	0.43
	Total L&MV	8.54
1	Public Utility	0.36
2	Domestic	6.35
3	Co-operative Group Housing society	0.06
4	Commercial	36.81
5	Public water works & sewerage	13.22
6	Cold storage or Dairy with chilling plant	0.47
7	Industry	638.01
8	Private Educational Institute	1.23
9	Street light	0.09
	Total H & EH	696.6
	TOTAL	705.14



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ANNEXURE – 3B

COST OF FUEL (DISHERGARH POWER STATION) (NEW)

Sl.	STATION	DERIVATION	UNIT	2017-18 Admitted
1.	Gross Generation	1	MU	58.95
2.	Auxiliary consumption (normative @ 10%)	2	MU	5.895
3.	Sent-out Energy	3=1-2	MU	53.06
4.	Station Heat Rate (normative)	4	kCal/kWh	3,300
5.	Total Heat Required	5=1x4	GCal	1,94,535
6.	Heat from Coal	6	GCal	1,94,535
7.	Heat Value of Coal (projected based on past actual)	7	kCal/Kg	2,889
8.	Coal Consumption	8=6/7	Tonne	67,325
9.	Coal requirement (considering normative transit loss @ 0.30%)	9	Tonne	67.528
10.	Average Price of Coal	10	Rs./Tonne	2,410
11.	Cost of Coal	11=9X10	Rs. lakh	1,627.31
12.	Total Fuel Cost	12	Rs. lakh	1,627.31



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CHAPTER – 4 FIXED CHARGES

- 4.1 The examination of the projected fixed charges claimed by IPCL for the ensuing year 2017-18 (fifth control period) under different heads for its power station and distribution system have been taken up in this chapter.
- 4.2 Dishergarh Power Station (1 x 12 MW) was made operational with effect from 25.09.2012. As per revised Form 1.1 submitted by IPCL, actual availability of this power station was 55% while actual PLF was 56.35% in 2017-18.
- 4.3 IPCL has projected a total fixed cost of Rs. 15740.75 lakh in their main petition dated 22.3.2017. However, this was revised by IPCL as Rs. 15653.37 lakh through subsequent submissions, based on actual figures.
- 4.4 In view of above submissions, the Commission now proceeds to evaluate 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 the fifth control period, i.e., FY 2017-18 vide their letter dated 31.10.2019 in reply to the Commission's letter dated 11.9.2019. It has been observed from the said Form 1.17 (h) that IPCL has claimed an amount of Rs. 4514.39 lakh as employee cost. It is observed from the copy of audited accounts of 2017-18 for DPSC Division submitted by IPCL that they have incurred an expenditure of Rs. 5224.35 lakh as employee cost. As stated at revised Form 1.17(h) for the year 2017 – 18, this includes a sum of Rs. 750 lakh as arrear due to wage settlement. However, no details of such wage revision along with explanations have been furnished by IPCL. The requisite form 1.17 (i) as per WBERC Tariff Regulations, 2011 requiring details of arrear against wage revision has been left blank.





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4.5.2. The Commission has viewed the detailed component wise break-up of the employees' cost under different functional heads as provided in the specified formats. The employee cost for 2017-18 as submitted at form 1.17(h) includes expenses for payment to contract labour of Rs. 268.71 lakh, Staff Training Expenses of Rs. 18.26 lakh, VRS amount of Rs. 33.49 lakh and Director's fees and commission of Rs. 40.03 lakh besides other regular components. The Commission has viewed that the entire amount of Rs. 268.71 lakh towards payment to contract labours included in the total claim of IPCL for employee cost should not be classified under employee cost. The expenses incurred for contract labours through contractors is to be excluded from employee cost as nature of such expense is directly related with operation and maintenance job. As such, admissibility of the expenses on contract labours is to be viewed under operation and maintenance expenses, which have been considered separately. Similarly, Staff training expense should not be considered as employee cost as nature of such expense is related to administrative and general expenses under Operation and Maintenance cost and same would be treated separately. Amount disburseable following VRS scheme adopted by IPCL and as approved by the Commission has been partly allowed in APR 2012-13 and the remaining approved part is to be passed on in APR 2013-14. IPCL has not submitted any details of VRS scheme, if any, adopted afresh. Accordingly, claim on VRS amount is not admitted. IPCL has shown a sum of Rs. 750 lakh as arrear wage settlement without furnishing any detail in requisite form 1.17 (i). Such sum is being allowed in MYT 2017-18 for the time being. However, IPCL has to furnish the details in APR 2017-18 failing which such sum will not be admitted in APR. The Director's fees and commission of Rs. 40.03 lakh as claimed for the year 2017-18 is admitted by the Commission.

4.5.3 The Commission thus, decides to admit the following amount as at Table 4.1.a towards employees' cost inclusive of Directors' fees and expenses.



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Table – 4.1.a

Sl. No	Particulars	Amount (Rs.lakh)
1.	Employee Cost as per Annual accounts including arrear wage settlement of Rs. 750 lakh but excluding Director's fees and commission of Rs. 40.03 lakh	5224.36
2	Less: Items disallowed under Employee Cost	
a	VRS as claimed in the petition (as explained at para 4.5.2 above)	33.49
b	Wages for Contractual employees dealt under O&M	268.71
c	Staff Training Expenses dealt under O&M	18.26
d	Add: Directors Fees & Commission	40.03
3	Total Employee Cost admitted {1-(2a +2b+2c-2d)}	4943.93

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.

4.5.5 As per submission of IPCL in form no.1.17(h) of the tariff petition giving breakup of employee cost, the cost-centre wise allowable employee cost through APR for the year 2013 – 2014 is allocated hereunder at Table-4.1 b after apportioning centrally maintained employee cost in the same ratio of direct employee cost of generation function and distribution function as claimed by IPCL in their petition :

Table 4.1 b. Rs lakh

SI No	Particulars	Amount
1	Direct Employee Cost as claimed	
a	Generation	322.63
b	Distribution	1981.81
c	Total Direct Employee Cost (1a+1b)	2304.44
2 a	Share of admissible Centrally Maintained Expenses Allocation: On the basis of Direct employee Cost as claimed	2038.92
b	Generation (1a/1c * 2a)	285.46
c	Distribution (1b/1c*2a)	1753.46





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3	Add : Admissible Direct Employee Cost	
a	Generation	253.04
b	Distribution	1901.97
4 a	Total admissible employee cost excluding arrear wage settlement	4193.93
b	Generation (2 b + 3 a)	538.50
c	Distribution (2 c +3 a)	3655.43
5 a	Add :Admissible Arrear Wage Settlement	750.00
b	Generation (4 b / 4 a * 5 a)	96.30
c	(4 c /4 a * 5 a)	653.70
6 a	Total Admissible Employee cost (4a+5a)	4943.93
b	Generation (4b+ 5b)	634.80
c	Distribution (4c +5c)	4309.13

Such allocation wherever applicable hereinafter has been considered based on function wise admissible GFA / Allocation as submitted by IPCL / direct association against respective functions and admissible Net ARR and as the case may be.

4.5.6 IPCL is directed to furnish the following with the petition for APR2017-18:

- the number of employees engaged in their generating station and manpower engaged in business other than generating station with name of the business and with detail break-up separately.
- the actuarial report for liability towards employees' benefits fund, i.e., terminal benefit fund for Gratuity and Pension with the application of the APR for the respective years.
- The detail of Arrear wage settlement
- The allocation of centrally maintained expenses into generating station and distribution business.

4.6 Coal & Ash Handling Charges

4.6.1 The proposal of IPCL for coal and ash handling charges for the year 2017 – 18 has been analyzed by the Commission. The actual coal handling expenses for the past





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five years along with projected expenditure for 2017-18 vis-à-vis actual generation for the past five years and projected generation for 2017-18 considering the actual figures are placed in the table 4.2.a below.

Table -4.2.a

Years/ Particulars	2012-13 (actual)	2013-14 (actual)	2014-15 (actual)	2015-16 (actual)	2016-17 (actual)	2017-18 (Projected)
Generation (MU)	27.67	61.38	39.02	40.00	41.65	58.95
Coal Handling Expenses (Rs.lakh)	56.36	114.76	36.03	46.08	116.84	139.72

IPCL has stated in its petition that in view of the projected generation in the ensuing year and to cover anticipated increase in fuel cost in future years for transport of ash, it has been assumed that coal and ash handling expenses will increase by 10% over the estimated rate of expenditure in 2016-17. However, such reasoning is not in consonance with figures of 2017-18. Apart from the above, the abnormal increase of such expenses in 2016-17 and 2017-18 as well have not been explained by IPCL.

- 4.6.2 Commission, while approving Tariff Order 2014-15 to 2016-17 admitted a sum of Rs. 82.50 lakh in 2016-17 towards coal and Ash Handling expenses linking the same with target generation of 89.35 MU in 2016-17.

The Commission now takes up coal and ash handling expenses after considering escalation following hybrid inflation (60% WPI of 2.96% + 40% CPI of 3.1%) factor of 3.02% during 2017-18 over admitted sum of Rs. 82.50 lakh (linked to target generation) in Tariff Order 2016 – 17, which comes to Rs. 84.99 lakh. Thus, Coal and Ash handling charges for 2017-18 is admitted for Rs. 84.99 lakh as per table 4.2.b below:





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Table 4.2.b Rs. in Lakh

Tariff Order 2016-17(Rs. lakh)	Inflation factor (Hybrid-60% WPI+40%CPI) during 2017-18	2017-18 Admitted (Rs. lakh)
82.50	3.02%	84.99

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

4.7 Water Charges:

4.7.1 The proposal of IPCL for Water Charges has been analyzed by the Commission for the year 2017-18. The actual water charges for the past four years as available along with projected expenditure for 2017-18 based on audited actuals vis-à-vis actual generation for the past four years and projected generation for 2017-18 considering the actuals are placed in the table 4.3.a below.

Table -4.3.a

Years/ Particulars	2013-14 (actual)	2014-15 (actual)	2015-16 (actual)	2016-17 (actual)	2017-18 (projected)
Generation (MU)	61.38	39.02	40.00	41.65	58.95
Water Charges (Rs.lakh)	165.38	10.93	1.54	1.70	3.55

4.7.2 Commission admitted a sum of Rs. 10.93 lakh as water charges in Tariff Order 2016-17. Such sum of Rs. 10.93 lakh,, after considering escalation following hybrid inflation (60% WPI of 2.96% + 40% CPI of 3.1%) factor of 3.02% during 2017-18 comes to Rs. 11.26 lakh. The cost of water cess is for generation function only. Commission, accordingly decides to admit an amount of Rs. 3.55 lakh as claimed by





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IPCL towards water charges for 2017-18 being less than the derived sum of Rs. 11.26 lakh for 2017 – 18, as stated in their petition based on bills received at Table 4.3.b below:

Table 4.3.b

Rs Lakhs		
2016-17-Tariff Order	2017-18- Claim	2017-18-Admitted
10.93	3.55	3.55

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

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

4.8.1. O&M Expenses for Generation:

IPCL has proposed operation of the sole 12 MW generating unit during the control period. IPCL has claimed O&M expenses of Rs. 91.33 lakh for generation function considering hike of 6% over norms specified for 2016-17 in schedule 9A of the Tariff Regulations. The Commission considers O&M expenses for generation function following schedule 9A of Tariff Regulations. However, in absence of any norms specified for the year 2017-18 in Schedule 9A of the Tariff Regulations, the Commission considers the O&M norms specified for 2016-17. The O&M expenditure for 2017-18 for the generating station will be reviewed applying the average inflation rate for the years under the last control period over the norms specified for 2016-17 in terms of regulation 2.8.6.1 of the Tariff Regulations, in the APR for 2017-18, in case no norm for 2017-18 are specified in Tariff Regulations subsequently. Accordingly, the Commission admits the O & M expenses for generation function of IPCL for the year 2017 – 18 at Table 4.4 below:





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Table 4.4

Unit	Capacity	Rs. lakh per MW	2017-18-Admitted-Rs.lakh
12 MW unit at Dishergarh (Rs.lakh per MW)	12 MW	7.18	86.16

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

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; and
- (ii) Rates and Taxes charges.

While determining fixed charges on such heads for the fifth control period (FY 2017-18), the followings have been considered,.

4.8.2.1 IPCL in their original submission dated 22.3.2017 has claimed an amount of Rs. 1446.58 lakh based on proportionate rise considered in O&M Expenses as a factor of Fixed Assets. However, it has been observed from their submission dated 18.11.2019 based on audited actuals that the figure has taken a sharp rise to Rs.2226.79 lakh. IPCL has not mentioned any reasons for such sharp rise in expenditure. The Commission decides to proceed considering the relevant inflation indicators and business volume parameters to provide end of justice to all of the concerned stakeholders. Accordingly, the Commission decides to determine projected inflation rate and the resultant escalation rate as detailed out in subsequent paragraphs.

- a) CERC, while fixing the norms of O&M Expenses for the period 2014 – 19, adopted a combined index considering Wholesale Price Index (WPI) and Consumer Price Index (CPI) after assigning 60% weightage on WPI and 40% weightage on CPI. Such Hybrid index methodology has also been considered by the Commission while determining tariff for other licensees for the





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FY 2017-18. Thus, the inflation rate considered for tariff computation for O&M expenses under distribution head in 2017-18 is 3.02 % as per the following table 4.5.a.

Table-4.5.a

INFLATION TRENDS				
Financial Year	CPI	WPI	Combined WPI & CPI (60: 40)	Remarks
(1)	(2)	(3)	(4) = (2) X 0.4+(3) X 0.6	Data Source
2017-18	3.1	2.96	3.02	WPI-Office of EA,CPI-RBI

- b) Commission decides that for the purpose of determination of ARR for the fifth control period, the impact of increase in business volume on different sub-heads/heads will be considered as exercised during 2014-15 to 2016-17. For such purpose, two important business volume parameters, namely, Distribution line length (DLL) in Circuit Kilometer (CKM) and Consumer strength (CS) are considered. Different elements of fixed charge elements are sensitive to either of the above two parameters. The following table 4.5.b mentions the respective business volume parameters as considered for determination of admissible O&M expenses for 2017-18.

Table-4.5 b

Sl. No	Expenditure Head	Business Volume Parameter
1	Repair & Maintenance Expenditure	DLL
2	Auditor's Fees	DLL
3	Legal Charges & Consultancy fees	CS
4	Other A&G Expenses	CS

It is pertinent to mention the relevant figures of business volume parameters considered for the purpose of determining O&M expenses under distribution head as below at Table 4.5.c:





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Table-4.5 c

Sl. No	Business Volume Parameter	2014-15 Actual	2015-16 Actual	2016-17 Tariff Order	2016-17- Actual	2017-18- Actual
1	Distribution Line Length (DLL)- CKM	927.063	915.724	969.44	900.354	941.367
2	Consumer Strength-No.	1230	1484	1725	1883	2373

4.8.2.2 **O&M Expense determination for distribution function:** Based on the principle laid down in paragraph 4.8.2.1 above, admitted expenditures under different sub-heads of O&M function are determined, as follows.

- a) **Repair & Maintenance Expenditure including stores and spares:** IPCL has projected a sum of Rs.576.98lakh as repair and maintenance expenditure including stores and spares in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 797.20 lakh on this account in their submission dated 18.11.2019 besides expenditure of Rs. 199.12 lakh on account of contract labours for distribution function. They have not furnished any reason for such sharp increase in this head of expenditure. They have incurred a sum of Rs.790.09 lakh on account of repairs as a whole for IPCL in 2017-18 at actuals. It is observed that Commission has approved a sum of Rs. 367 lakh on account of repair and maintenance expenses including stores and spares in Tariff Order for 2016-17. Accordingly, Commission determines the admissible repair and maintenance expenses including stores and spares for 2017-18 applying hybrid inflation rate of 3.02% for 2017-18 as per table 4.5.a above on such approved amount of Rs. 367 lakh as per Tariff Order 2016-17 besides factoring change in business volume parameter of DLL in 2017-18 as furnished by IPCL as per table 4.5.c above. The admitted amount, accordingly comes to Rs. 367.06 lakh.





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- b) **Audit fee:** IPCL has projected a sum of Rs. 33.54 lakh as audit fees in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 39.78 lakh on this account in their submission dated 18.11.2019. They have not furnished any reason for such increase under this head of expenditure. They have incurred a sum of Rs. 38.01 lakh towards the same head in 2017-18 at actuals. It is observed that Commission has approved a sum of Rs. 9 lakh as audit fees in Tariff Order for 2016-17. Accordingly, Commission determines the admissible audit fees for 2017-18 applying hybrid inflation rate of 3.02% for 2017-18 as per table 4.5.a above on such approved amount of Rs. 9 lakh as per Tariff Order for 2016-17 besides factoring change in business volume parameter of DLL in 2017-18 as furnished by IPCL as per table 4.5.c above. The admitted amount accordingly comes to Rs. 9.00 lakh.
- c) **Legal Charges and Consultancy Fees:** IPCL has projected a sum of Rs. 400.08 lakh as legal charges and consultancy fees in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 532.43 lakh on this account in their submission dated 18.11.2019. They have not furnished any reason for such sharp increase in this head of expenditure. They have incurred a sum of Rs. 538.35 lakh towards this head in 2017-18 at actuals. It has been observed that the Commission has approved a sum of Rs. 78 lakh as Legal charges and Consultancy fees in Tariff Order for 2016-17. Accordingly, the Commission determines the admissible Legal and Consultancy fees for 2017-18 applying hybrid inflation rate of 3.02% for 2017-18 as per table 4.5.a above on such approved amount of Rs. 78 lakh as per Tariff Order 2016-17 besides factoring change in business volume parameter of CS in 2017-18 as furnished by IPCL as per table 4.5.c above. The admitted amount accordingly comes to Rs. 110.57 lakh.
- d) **Other administrative and general expenses:** IPCL has projected a sum of Rs. 603.67 lakh as other administrative and general expenses in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 1056.95 lakh on this account in their submission dated 18.11.2019





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besides Staff Training Expenses of Rs. 18.26 lakh. They have not furnished any reason for such sharp increase in this head of expenditure. They have incurred a sum of Rs. 798.81 lakhs towards this head in 2017-18 at actuals. It has been observed that the Commission has approved a sum of Rs. 252 lakh for other administrative and general expenses in Tariff Order 2016-17. Accordingly, the Commission determines the admissible other administrative and general expenses for 2017-18 applying hybrid inflation rate of 3.02% for 2017-18 as per table 4.5.a above on such approved amount of Rs. 252 lakh as per Tariff Order 2016-17 besides factoring change in business volume parameter of CS in 2017-18 as furnished by IPCL as per table 4.5.c above. The admitted amount accordingly comes to Rs. 357.22 lakh.

e) Rent, Rates & Taxes:

IPCL has projected a sum of Rs. 56.47 lakh as Rent, Rates & Taxes in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 62.71 lakh for distribution function on this account in their submission dated 18.11.2019. However, IPCL has not furnished any break-up of Rent and Rates & Taxes. Accordingly, the claim under Rent, Rates & Taxes has cumulatively been considered as controllable. IPCL has claimed an amount of Rs. 76.28 lakh covering Rs. 13.57 lakh for generation function and Rs. 62.71 lakh for distribution function in their submission dated 18.11.2019. It has been observed from the submitted annual accounts for the FY 2017-18 that a sum of Rs. 73.55 lakh has been spent in 2017-18. The admissible amount is worked out by prorating such audited figure into claimed amount for distribution function by IPCL. The admitted amount accordingly comes to Rs. 60.47 lakh in 2017-18. However, IPCL is directed to furnish the amounts under Rent, Rates & Taxes segregating under sub-heads of 'Rent' and 'Rates & Taxes' while submitting APR.

f) Thus, the admitted expenditure for IPCL under O&M expenses for distribution function are as follows at Table 4.5.d:





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Table-4.5 d

Rs.lakh

Sl. No.	Particulars	2017-18		
		As Claimed- 22.3.2017	As Claimed- 18.11.2019	As Admitted-
1.	R & M expenses	576.98	996.32	367.06
2.	Audit Fees	33.54	39.78	9.00
3.	Rent, Rates & Taxes	56.47	62.71	60.47
4.	Legal Charges & Consultancy fees	400.08	532.43	110.57
5.	Other A&G expenses	603.67	1075.21	357.22
6.	A&G expenses (2+3+4+5)	1093.76	1710.13	537.26
7.	O&M expenses (1+6)	1670.74	2706.45	904.32

The Repair & Maintenance expense and the Administrative & General expense admitted above for the year 2017 -18 are controllable elements of ARR in terms of table 2.5.5-1 of the Tariff Regulations and variation in expenditure of different elements under these heads is permissible subject to the provision of clause (iv) of regulation 2.5.5 of the Tariff Regulations.

4.9 Lease rental and rent for Generating Station:

4.9.1 Lease Rental for generating station

Two units (2 X 10 MW) of Chinakuri power station were being operated by IPCL under operating lease from ECL. The Plant has since been handed over to ECL in 2016-17. It has been found from the audited Annual Reports & Accounts for 2017-18 that no expenditure was incurred by IPCL during the year under this head under DPSC division. The Commission, therefore, admits no expenditure on lease rental during the fifth control period.

4.9.2 Rent for generating station

IPCL has projected a sum of Rs. 1.96 lakh towards Rent, Rates & Taxes for generating function in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 13.57 lakh for generating function on this account in



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their submission dated 18.11.2019. IPCL has claimed an amount of Rs. 76.28 lakh covering Rs. 13.57 lakh for generation function and Rs. 62.71 lakh for distribution function in their submission dated 18.11.2019. It has been observed from the submitted annual accounts for the 2017-18 that a sum of Rs. 73.55 lakh has been spent in 2017-18. The admissible amount is worked out by prorating such audited figure with claimed amount for generation function by IPCL. The admitted amount accordingly comes to Rs. 13.08 lakh in 2017-18.

4.10 Insurance

4.10.1 IPCL has projected a sum of Rs. 36.80 lakh towards Insurance in their original petition dated 22.3.2017 for 2017-18. However, they have submitted a revised figure of Rs. 36.56 lakh on this account in their submission dated 18.11.2019. IPCL has claimed an amount of Rs. 36.56 lakh covering Rs. 7.26 lakh for generation function and Rs. 29.30 lakh for distribution function in their submission dated 18.11.2019. It has been observed from the submitted annual accounts for 2017-18 that a sum of Rs. 36.56 lakh has been spent in 2017-18. The admitted amount and allocation between generation and distribution functions are given in Table 4.6 below as per submission of IPCL in their petition:

Table-4.6

Rs.lakh

Sl. No	Particulars	2017-18		
		As Claimed- 22.3.2017	As Claimed- 18.11.2019	As admitted
1	Dishergarh TPS (12 MW)		7.26	7.26
3	Distribution System	36.80	29.30	29.30
4	Total	36.80	36.56	36.56

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





4.11 Interest on Loan Capital and Finance Charges

4.11.1 IPCL has claimed a sum of Rs. 2144.50 lakh as per audited actuals for 2017-18 as interest on borrowed capital including interest on normative debt, in the revised Form E(B) submitted vide letter dated 18.11.2019. However, IPCL has not furnished any break up of such interest.

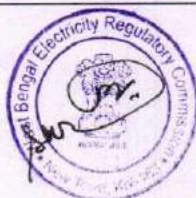
4.11.2 **Interest on Actual capital Borrowings:** IPCL has submitted Form-C vide their letter dated 31.10.2019 without indicating purpose of drawal of fresh loan for some of the items. It appears that the sum claimed in Form E(B) is not in sync with information at Form C. The projected claims as per Form C are summarized as under at Table 4.7.a:

Table-4.7 a

Rs. lakh

Sl. No.	Source	Opening Balance	Fresh Drawal	Repayment	Closing Balance	Rate of Interest	Interest	Purpose
1	IDBI Bank	2666.68		444.44	2222.24	11.85%	284.76	Dishergarh New -12 MW
2	South Indian Bank	6851.36	207.00	855.52	6202.84	11.00%	762.91	220 KV J.K.Nagar S/S
3	Corporation Bank	770.66		93.20	677.46	11.40%	83.98	Part Financing of Capex for LT network
3	Ratnakar Bank	4750.00		750	4000.00	10.25%	465.48	Maintenance of Capex and Net working Capital
4	IDBI-Short term Loan		1100.00	1100.00	Nil	10.50%	23.73	Purpose of Loan not mentioned in the petition
5	Lakshmi Vilas Bank-TL		353.00		353	11.00%	19.57	
6	Lakshmi Vilas Bank-STL		10000.00		10000.00	9.30%	441.77	
7	NCD-100 Crs						987.23	
8	NCD-20 Crs						240.00	
9	Total						3309.43	

The Commission now proceeds to assess source-wise loan and corresponding interest chargeable to revenue as recoverable through tariff for the fifth control period, i.e., FY 2017-18.





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- (i) IPCL had earlier drawn term loan for Rs. 4000.00 lakh in phases (Rs. 2000.00 lakh during 2011-12, Rs. 1500.00 lakh during 2012 -13 and Rs. 500.00 lakh during 2013 – 14) from IDBI Bank at original interest rate of 12.75% for construction of 12 MW Dishergarh Power Station with a moratorium period of 24 months from 1.4.2012 and repayable in 36 equal quarterly instalments. The Commission noted that total drawal of loan for construction of 12 MW Dishergarh plant is within 70% of the project cost of Rs. 6654.00 lakh as approved by the Commission at 2nd stage. The asset was put to commercial operation on 25.9.2012. Rate of interest has undergone downward revision from year to year as per information furnished by IPCL irrespective Form C relating to previous years and such rate for 2017-18 is 11.85%. The actual interest on the term loan during 2017-18 is Rs.284.76 lakh which is admitted.
- (ii) IPCL had earlier drawn two term loans of Rs. 5000.00 lakh and Rs. 2700.00 lakh in phases (Rs. 5000.00 lakh during 2012-13 and Rs. 2493.00 lakh during 2014-15) from South Indian Bank at original interest rate of 13.00% for construction of 220 KV J.K.Nagar Sub Station and lines, repayable from 01.12.2015 in 36 equal quarterly installments. The Commission noted that total drawal of loan for construction of 220 KV J.K.Nagar Sub Station and lines is within 70% of the final project cost of Rs. 11008.00 lakh as approved by the Commission. It has also been noted that the approved project cost includes a sum of Rs. 3860.97 lakh towards cost of LILO of Santaldih -Durgapur 220KV D/C line of WBSETCL. The Commission vide order dated 23.12.2020 in Case no.WBERC / OA-57/2009-10 directed that, the capital cost of transmission asset pertaining to LILO of Santaldih -Durgapur 220KV D/C will be reimbursed to IPCL in 120 equal monthly installments. Thus, Rs. 3860.97 lakh pertaining to such project will not be considered under the fixed asset of IPCL; hence, ROE and depreciation will not be applicable for such asset. However since IPCL has to service the debt taken for the project, the interest on such debt is allowed on the total loan taken for the project. The asset has been put into commercial operation on 11.12.2015. Rate of interest has undergone downward revision from year to year





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as per information furnished by IPCL at respective Form C related to previous years and such rate for 2017-18 is 11.00 %. The actual interest on the term loan during 2017-18 is Rs.762.91 lakh which is admitted.

- (iii) IPCL had earlier drawn term loan of Rs. 932 lakh from Corporation Bank at an original interest rate of 11.45% during 2015-16 for part financing the Capex for LT Network. Rate of interest has undergone downward revision from year to year as per information furnished by IPCL at respective Form C related to previous years and such rate for 2017-18 is 11.40%. The actual interest on the term loan during 2017-18 is Rs.83.98 lakh which is admitted.
- (iv) In respect of rest of the sources as mentioned at Table 4.7.a above, IPCL has not mentioned any purpose of loan drawal for Rs. 1100.00 lakh from IDBI and for Rs. 353.00 lakh Long Term Loan along with short term loan of Rs. 10000.00 lakh from Lakshmi Bilas Bank and consequent claim of interest. Regarding loan drawal from Ratnakar Bank, they have not mentioned any specific purpose. The Commission does not consider interest of Rs. 465.48 lakh on fresh loan drawn from Ratnakar Bank as the said loan was stated to have been drawn both for meeting routine CAPEX and towards working capital requirements as per submission at Form C, without providing any segregation and capitalization details. As regards NCD, such NCD was utilized as bridge finance till drawal of loans for 12 MW Dishergarh Power Station and 220 KV J.K.Nagar Substation & lines mainly. As also observed at para 2.6.2 in the order for APR 2012-13 in case no. APR-41/13-14 IPCL (erstwhile DPSCL) has been utilising the NCD amount towards 12 MW Dishergarh Power Station, J. K. Nagar Substation & lines, 2X270 MW Project at Raghunathpur and the balance for various substations etc. It was also observed that in case of 1 X12 MW Dishergarh Power station, a sum of Rs. 4000 lakh was availed from IDBI Bank substituting the NCD and in case of J. K. Nagar Substation & lines, a sum of Rs. 5000 lakh was availed from South Indian Bank substituting the NCD. So this was used as bridge finance during construction.





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In the original petition submitted on 22.3.2017, IPCL has projected a capital expenditure of Rs. 114.76 lakh in 2017-18. IPCL has submitted Form 1.18.a which describes Capex and transfer to fixed asset during the year vide letter dated 16.6.2017 wherein no capital expenditure was proposed and no amount was shown as transfer to fixed assets during 2017-18. Such form 1.18.a as mentioned, has not been revised later. The position of fixed assets as observed from audited actuals in 2017-18 and as also furnished vide revised form 1.18 which describes cost of fixed assets, shows a net reduction of assets after considering approved cost of such assets by the Commission besides adjustment of assets on consumer contribution. Such position of asset addition in 2017-18 is furnished at Table 4.7.b below:

Table-4.7 b

Rs.lakh

SI No	Particulars	Opening Balance		Closing Balance	
1	Gross block of Fixed assets as per audited actuals of 2017-18	43840.37		44234.64	
2	Less Assets Disallowed				
A	Value of additional 3 floors of building at Salt Lake (Kolkata) including the cost of air conditioning, plant and elevator	1665.26		1660.03	
B	Value of leasehold land at Salt Lake in Kolkata	1324.55		1324.55	
C	Value of flats at Haldia.	132.29		132.29	
D	Fixed asset capitalized in excess of Commission approved amount for Dishergarh new plant	2228.68		2322.85	
E	Fixed asset capitalized in excess of Commission approved amount for J K Nagar 220/33 KV substation	7442.71	12793.49	7442.71	12882.43
3	Gross Value of Fixed Assets for energy business operation (Sl. 1-Sl 2 a to 2 e)	31046.88		31352.21	
4	Less: Contribution from Consumers towards Service Line and Advance from Consumers for job	2103.76		2497.61	
5	Net Cost of Fixed Assets (Sl. 3 -Sl. 4)	28943.12		28854.60	
6	Net Addition of Fixed Assets (Closing Balance -Opening Balance at Sl. 5)			(-) 88.52	
7 a	Net Cost of Fixed Assets at Sl 5 for Generation Function	6654.00		6654.00	
7 b	Net Cost of Fixed Assets at Sl 5 for Distribution Function	22289.12		22200.60	

Based on the above facts and discussions,the Commission admits the following Interest on actual Capital Borrowings for the fifth control period, FY 2017-18 at Table 4.7.c belowwith allocation among generation and distribution function as per submission of IPCL at Form C:



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Table-4.7 c

Rs.lakh

Sl. No.	Particulars	Amount Admitted
1	Interest on borrowings for 12 MW Plant	284.76
2	Interest on borrowings for J.K.Nagar S/S	762.91
3	Interest on loans for Distribution network	83.98
4	Interest on actual capital borrowing admitted	1131.65
5	Interest allocable to Generation	284.76
6	Interest allocable to Distribution	846.89

4.11.3 **Interest on Normative Debt:** IPCL has claimed a sum of Rs. 2144.50 lakh as interest on normative debt at revised form 1.20 (b) submitted on 31.10.2019 whereas the total claim for interest on capital borrowing at Form E(B) is also submitted as Rs. 2144.50 lakh. The reason for claiming such amount has not been furnished. The Commission now proceeds to assess the interest admissible on normative debt.

As per Regulation 5.4.2 of WBERC (Terms & Conditions of Tariff) Regulations, 2011, where equity employed is more than 30% of the amount of equity, it shall be limited to 30% and the balance shall be considered as normative loan capital. Servicing of such normative loan capital is allowed at weighted average rate of actual loan drawn on the average admissible net normative debt considering opening amount and closing amount to be worked out in accordance with form 1.20 b of Annex-I of WBERC tariff Regulations, 2011. Interest on normative debt is computed after adjusting cumulative normative repayment at the beginning of the year as well as current year's normative repayment of normative debt as at form 1.20 b of Annex-I of WBERC tariff Regulations, 2011. IPCL has not considered any repayment of normative debt for 2017-18 the reason of which has not been explained. It has been observed that repayment of normative debt has not taken place since 2008-09. In case of actual repayment of loan, regulation 5.4.2 of WBERC Tariff Regulation, 2011 specifies a repayment period of 10 years while computing Advance against Depreciation. Regulation 4.5.2 of WBERC (Terms & Conditions of Tariff) Regulations, 2007 (now repealed) had also specified repayment for a period of 10 years for actual repayment of loan while computing Advance against





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Depreciation. Accordingly, the cumulative repayment of normative loan up to 2012-13 has been worked out considering 1/10th of opening balance of normative loan in line with actual repayment of loan before adjustment of normative repayment each year based on approved APR as follows at Table 4.7.d below:

Table-4.7 d Rs. lakh

Sl. No	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1	Opening balance before adjustment of normative debt	515.04	1532.16	1790.12	2426.11	2426.11
2	Additions of normative debt	1017.12	257.96	635.99	0.00	3883.51
3	Closing balance of normative debt (1+2)	1532.16	1790.12	2426.11	2426.11	6309.62
4	Due Repayment of normative debt (1/10 th of sl. 1)	51.50	153.22	179.01	242.61	242.61
5	Cumulative repayment of normative debt (progressive addition of sl. 4 above)	51.50	204.72	383.71	626.34	868.95

Such amount of Rs. 868.95 lakh has been adjusted from opening normative debt of 2013-14 at Sl. 2 of Table 4.7.e below. Thereafter, current years repayment has been worked out considering the same principle of 1/10th annual repayment on net opening balance of Rs. 5440.67 lakh for Rs. 544.07 lakh as at Sl. 9 of Table 4.7.e below. Such process has been repeated for all the subsequent years up to 2017-18.

The amount allowable towards interest on normative loan is computed in terms of Form 1.20 (b) of WBERC Tariff Regulations, 2011 as at Table 4.7.e below:

Table 4.7 e Rs.lakh

Sl. No	Particulars	Derivative	2013-14	2014-15	2015-16	2016-17	2017-18
			Amount	Amount	Amount	Amount	Amount
1	Opening gross normative debt (closing balance of 2012-13)	A1	6309.62	6309.62	7428.84	10854.02	11867.38





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2	Less Cumulative Repayment up to previous year	A2	868.95	1413.02	1902.68	2455.29	3295.17
3	Opening Net Normative Debt	a=A1-A2	5440.67	4896.60	5526.17	8398.72	8572.21
4	Actual addition to debt for the year	B	500.00		722.32		207.00
5	Addition to the fixed assets during the year	c	-514.62	1598.89	5924.99	1447.66	-88.52
6	Normative addition to debt @ 70% of the addition to fixed asset during the year	d = c x 0.7	0	1119.22	4147.49	1013.36	0
7	Addition to debt for the year to be considered to APR	e = higher of b and d	500.00	1119.22	4147.49	1013.36	207.00
8	Additional gross normative debt during the year	F1 = e - b	0.00	1119.22	3425.17	1013.36	0.00
9	less Repayment of normative debt during the year	F2	544.07	489.66	552.62	839.87	857.22
10	Net additional normative debt during the year	g = F1-F2	-544.07	629.56	2872.56	173.49	-857.22
11	Closing balance of net normative debt	h = a + g	4896.60	5526.17	8398.72	8572.21	7714.99
12	Average balance of net normative debt	i = (a+h)/2	5168.64	5211.38	6962.44	8485.47	8143.60
13	Weighted average rate of interest paid on term loan during the year	j = 12.75%	12.75%	13.00%	11.45%	11.73%	11.73%
14	Allowable Interest on normative debt allowed	k = j x i	659.00	677.48	797.20	995.35	955.24
15	Closing balance of gross normative debt	B1=A1+F1	6309.62	7428.84	10854.02	11867.38	11867.38
16	Cumulative repayment of normative debt up to the end of the year	B2=A2+F2	1413.02	1902.68	2455.29	3295.17	4152.39

While computing interest on normative debt, asset addition and corresponding loan has been considered excluding asset of Rs 3860.97 lakhs towards cost of LILO of Santaldih -Durgapur 220KV D/C line of WBSETCL and corresponding loan of Rs 2702.68 lakhs as explained in para 4.11.2.(ii). Such interest on normative debt as admitted for Rs.955.24lakh is allocated in the ratio of net average admissible fixed assets [(Opening Bal +Closing Bal)/2] during 2017-18 for respective functions of generation and distribution as per SI No 7a & 7b of table 4.7.b above and furnished as below:





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Table-4.7 e (i)

Rs Lakh

SI No	Particulars	Amount
A	GFA-Generation	
1	Opening Admissible GFA	6654
2	Closing Admissible GFA	6654
3	Average GFA	6654
B	GFA-Distribution	
1	Opening Admissible GFA	22289.12
2	Closing Admissible GFA	22200.60
3	Average GFA	22244.86
C	Interest on Normative Loan	955.24
1	Generation [(A3/ (A3+B3) * C]	219.94
2	Distribution [B3/(A3+B3)* C]	735.30

4.11.4 The Commission, thus admits interest on capital borrowing for the year 2017-18 as below at Table 4.7.f:

Table 4.7 f

Rs.lakh

SI No	Particulars	Amount Generation	Amount Distribution	Amount Total (Generation +Distribution)
1	Interest on actual Capital borrowing (from Table 4.7.c)	284.76	846.89	1131.65
2	Interest on normative loan (from Table 4.7.e)	219.94	735.30	955.24
3	Total interest on capital borrowings (SI. 1+ SI. 2)	504.70	1582.19	2086.89

4.11.5 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.

4.12 Interest on Consumers' Security Deposits

4.12.1 IPCL has projected an amount of Rs. 150.43 lakh towards interest on consumers' security deposit in 2017-18. As per note 30 of audited accounts of IPCL for the year





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ended 31st March 2018, the balance of interest accrued but not due on consumers' security deposit as on 01.04.2017 and 31.03.2018 were Rs. 366.83 lakh and Rs. 439.96 lakh respectively.

4.12.2 According to the provision under regulation 4.2.6 of the West Bengal Electricity Regulatory Commission (Miscellaneous Provisions) Regulations, 2013, interest on consumers' security deposit comes to Rs. 155.99 lakh, being 6% on the average balance of liabilities for consumers' security deposit of Rs. 2626.96 lakh as on 01.04.2017 and Rs. 2572.69 lakh as on 31.03.2018 as per note 24 of audited accounts of IPCL for 2017-18 which is admitted in MYT 2017-18.

4.12.3 The Commission opines that this amount and the amount 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 up to 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 too. 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 a report, supported by necessary audited data, in its application for Annual Performance Review and also for determination of tariff showing as to how the amount of security deposit has been utilised. Similar directive was given to IPCL in the Order of ARR for the year 2014-15 to 2016-17 in case no. TP-58/13-14 on 21.7.2016. The expenditure on this account is to be booked under distribution system.

4.13 Other Finance Charges

4.13.1 IPCL has claimed an amount of Rs. 50.61 lakh towards finance charges being Non-Convertible Debenture (NCD) issue expenses in Form 1.17(c) of the MYT petition for 2017-18. Such expense is incidental to the issuance of NCD interest which has been disallowed as explained at para 3.6.5.





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Accordingly, NCD issue expense for Rs. 50.61 lakh is not considered by the Commission. No amount has, thus, been considered under 'other finance charges' in the APR order for 2013-14.

4.14 Return on Equity

4.14.1 IPCL has claimed Rs. 2764.54 lakh towards return on equity in 5th Control period, i.e., FY 2017-18. As per audited annual report of IPCL for 2017-2018, actual equity base at the beginning and end of the year 2017-2018 is calculated as follows in the Table 4.8.a below:

Table-4.8 a

Rs. in lakh

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
A. Opening Balance					
1. Share Capital	9737.90	9737.90	9737.90	9737.90	9737.90
2. Free Reserve:					
a. Share Premium	0.00	0.00	0.00	0.00	0.00
b. General Reserve	170.04	170.04	436.68	436.68	436.69
c. Surplus	2303.12	4736.63	6271.55	8471.56	-11453.51
3. Total (1+2a+2b+2c)	12211.06	14644.57	16446.13	18646.14	-1278.92
4. Less: Cost of lease hold land at corporate office including registration charges	308.91	308.91	308.91	308.91	308.91
5. Total Actual Equity Base= (3)-(4)	11902.15	14335.66	16137.22	18337.23	-1587.83
B. Closing Balance					
1. Share Capital	9737.90	9737.90	9737.90	9737.90	9737.90
2. Free Reserve:					
a. Share Premium	0.00	0.00	0.00	0.00	0.00
b. General Reserve	170.04	436.68	436.68	436.69	436.69
c. Surplus	4736.63	6271.55	8471.56	11453.51	-10818.90
3. Total (1+2a+2b+2c)	14644.57	16446.13	18646.14	-1278.92	-644.31
4. Less: Cost of lease hold land at Corporate office including registration charges	308.91	308.91	308.91	308.91	308.91
5. Total Actual Equity Base= (3)-(4)	14335.66	16137.22	18337.23	-1587.83	-953.22
C. Net admissible addition to total actual equity base during the year (B 5 - A 5)	2433.51	1801.56	2200.01	0.00	0.00

4.14.2 There is no Net actual addition to equity base during 2017-18 as observed in the table above.





4.14.3 Admissible average equity base for allowing returns to the licensees is computed in terms of Form 1.20.a of Annex-1 to the WBERC Tariff Regulations as below: The actual average equity base for the purpose of computation of return on equity during the year 2017 – 2018 comes to Rs. 11721.45 lakh as under in Table 4.8.b:

Table 4.8 bRs.lakh

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1	Actual equity base at the beginning of the year	11902.15	14335.66	16137.22	18337.23	18337.23
2	Admissible equity base at the beginning of the year	9631.95	9477.56	9957.23	11734.73	11734.73
3	Actual addition to equity base during the year (from Table 4.8 a above)	2433.51	1801.56	2200.01	0.00	0.00
4	Actual equity base at the end of the year (1+3)	14335.66	16137.22	18337.23	18337.23	18337.23
5	Net Addition to the original cost of fixed assets during the year	-514.62	1598.89	5924.99	1447.66	-88.52
6	Normative addition to equity base (30% of 5)	-154.39	479.67	1777.50	434.30	-26.56
7	Addition to equity base considered for the year (lower of 3 and 6)	-154.39	479.67	1777.50	0.00	-26.56
8	Admissible equity base considered at the end of the year (2+7)	9477.56	9957.23	11734.73	11734.73	11708.17
9	Average equity base for allowing returns on equity (2 + 8) / 2	9554.76	9717.40	10845.98	11734.73	11721.45

Addition to asset on account of J.K.Nagar Project has been considered excluding asset on 220 KV LILO of Transmission & Communication line between STPS &J.K.Nagar Sub station under the ownership of WBSETCL, the amount being Rs. 3860.97 lakhas detailed in para 4.11.2 (ii) above.

4.14.4 Return of equity is computed on average equity base as determined and admitted in Table 4.8.b above.





4.14.5 As per regulation 5.4.2 of WBERC (Terms & Conditions of Tariff) Regulations, 2011, for the purpose of determination of tariff on new capital expenditure after the notification of the abovementioned Tariff Regulations, the debt-equity ratio shall be 70: 30. Accordingly, equity base of the 12 MW Dishergarh Power Station has been computed in terms of the said Tariff Regulations of WBERC. The equity base of 12 MW Dishergarh power Station shall be 30% of admitted GFA for the plant which comes to Rs. 1996.20 lakh, being 30% of admitted GFA of Rs. 6654 lakh. Similar regulation prescribing debt equity ratio of 70:30 was incorporated w.e.f. 1.4.2006 for new capital expenditure incurred after issuance of the said Regulations on 21.11.2005 vide regulation 4.4.2 in the repealed WBERC (Terms and Conditions of Tariff) Regulation, 2005. The assets of distribution function are available in a clubbed manner comprising of assets put to use prior to 1.4.2006 and after 1.4.2006 without reference to the age of the assets. Accordingly, the opening equity base in respect of Distribution function in MYT 2017-18 has been derived based on admissible closing equity base as on 31.3.2014 of the admitted APR 2013-14 and computation for the subsequent years as furnished in Table 4.8.b above. Based on the above, the following cost center-wise allocation of equity base and return of equity for generation and distribution functions are admitted in the fifth control period in 2017-18 at Table 4.8.c below:

Table -4.8 c Rs. lakh

Particulars	Admissible Equity Base of 2017-18		Average Equity Base of 2017-18	Return on equity (%)	Return admitted in MYT 2017-18
	Opening	Closing			
(1)	(2)	(3)	(4) = [(2) + (3)]/2	(5)	(6) = (4)x(5)/100
Generation:					
Dishergarh (New)	1996.20	1996.20	1996.20	15.50	309.41
Distribution	9783.53	9711.97	9725.25	16.50	1604.67
Total (Generation + Distribution)	11734.73	11708.17	11721.45		1914.08

4.14.6 IPCL is directed to allocate its equity base to its generating station and distribution system based on the utilization of the same in acquiring fixed assets and to submit





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the same with the application for Annual Performance Review for the corresponding years for necessary adjustments.

4.15 Depreciation

4.15.1 IPCL has furnished projection of depreciation for the year 2017-18 in revised Form E(B) as Rs. 1529.85 lakh with break-up in Form B. As observed therein, IPCL has considered depreciation during 2017-18 considering value of net depreciable assets of Rs. 40322.04 lakh as on 1.4.2017 and Rs. 41250.05 lakh on 31.3.2018 after deducting value of assets on Value of additional 3 floors of building at Salt Lake (Kolkata) including the cost of air conditioning, plant and elevator along with value of leasehold land at Salt Lake in Kolkata. However, the Commission will admit depreciation based on admissible value of fixed asset. Accordingly, the Commission will consider admissible value of fixed assets as worked out at Table 4.7.b in para 4.11.2. Corresponding proportionate admissible Depreciation has been worked out on average admissible fixed assets based on opening Fixed assets and closing fixed assets of Generation and Distribution function vis-à-vis depreciation worked out by IPCL at Form B for respective functions. The Commission approved a cost of Rs. 6654.00 lakh for 12 MW Dishergarh new unit in 2nd stage in case no. WBERC/OA-129/11-12. Rest of the assets are considered as Distribution assets.

Based on the above facts, the Commission now determines the admissible depreciation in Table 4.9.a below:

Table -4.9.a

Rs. lakh

Sl. No	Particulars	Projection as per Form-B	Admitted amount
1	Generation assets		
A	Opening Balance as on 1.4.2017	8882.68	6654.00
B	Closing Balance as on 31.3.2018	8976.85	6654.00
C	Average Assets employed during 2017-18	8929.77	6654.00
D	Depreciation	329.36	245.42
2	Distribution Assets		
A	Opening Balance as on 1.4.2017	31966.27	24392.88
B	Closing Balance as on 31.3.2018	32261.41	24698.21

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C	Average Assets employed during 2017-18	32113.84	24545.55
D	Depreciation	1200.49	917.57
3.	Total Depreciation (1d+2d)	1529.85	1162.99

Note: Admitted value at Sl. 1D and 2D has been computed as (projected depreciation / Projected Fixed assets x Admitted Fixed assets)

4.16 Advance Against Depreciation

IPCL has not projected any amount for Advance Against Depreciation in the fifth control period, i.e., FY 2017-18. However, it has been observed from the revised Form – C submitted vide IPCL letter dt 31.10.2019 that IPCL has projected repayment of loan of Rs. 1393.16 lakh in respect of admissible borrowings as considered in para 4.11.2 (i), (ii) and (iii) during the years 2017-18 comprising of Rs. 444.44 lakh for Generation Function and Rs. 948.72 lakh for distribution function. Out of the loan repayment of Rs. 948.72 lakh for distribution function a sum of Rs. 300.07 lakh is attributable to 200 kV D/C LILO of Santaldih – Durgapur Transmission Line under the ownership of WBSETCL as worked out based on proportionate loan drawn against proportionate project cost of such Transmission & Communication lines against total cost of 220/33 KV J.K.Nagar Substation with associated Transmission system as approved by the Commission. Such repayment will not count for computation of advanced against depreciation or interest credit as detailed under paragraph 4.11.2(ii) above.

The Commission also admitted depreciation for Rs. 1162.99 lakh in para.4.15 of this order comprising of Rs 245.42 lakh for generation function and Rs. 917.57 lakh for distribution function in fifth control period, i.e., 2017-18. Thus, in terms of regulation 5.6.3 of the Tariff Regulations, no advance against depreciation is allowable in 2017-18 in terms of formulation prescribed at Form 1.17 (e) of Annex I of WBERC Tariff Regulations, 2011 as in Table 4.9.b below:



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Table-4.9. b

Rs. lakh

Sl. No.	Particulars	Amount
1	Total allowable repayment of loan with proportionate adjustment of 220 kV LILO of Santaldih-Durgapur line of WBSETCL	1093.09
2	1/10 th of original loan amount net of disallowed loans	993.13
3	Maximum permissible amount of loan repayment restricted to 1/10 th of original admitted loan	993.13
4	Depreciation as admitted	1162.99
5	Allowable Advance Against Depreciation (Sl. 3 - Sl. 4)	Nil

4.17 Taxes on Income/ Profit

4.17.1 IPCL has projected a sum of Rs. 924.45 lakh in their main petition dated 22.3.2017. However, IPCL has revised their projection at Rs. 760.73 lakh towards income tax during 2017-18 in their revised Form E(B) as submitted on 18.1.2019 based on actuals. IPCL has not furnished any break-up of such submitted figures. It has been observed from the note 42 of Annual Financial Statement for the year 2017-18 that IPCL has recognized a sum of Rs. 660.75 lakh as current year's tax in 2017-18. In terms of regulation 5.13 of the Tariff Regulations, the taxes payable on income stream from the core business of the applicant and other taxes under the provisions of Income Tax Act are recoverable as pass through from the consumers. The Commission, therefore, allows the current year's tax as recognized in the Annual Financial Statement for the year 2017-18 as Taxes on Income. The Commission, accordingly, admits Rs. 660.75 lakh.

4.17.2 The admitted taxes on income for IPCL are allocated to generating station and distribution system in the ratio of the admitted ROE of Rs 309.41 lakh for generation function and Rs 1604.67 lakh for distribution function at Table 4.8 C above and allocated in Table 4.10 below:

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Table 4.10

Rs. lakh

Sl. No.	Particulars	2016-17
1	Generation	106.81
2	Distribution systems including Transmission	553.94
3	Total (3 = 1 + 2)	660.75

4.17.3 The Commission directs IPCL to furnish the following documents in a comprehensive manner along with the APR petition for the year 2017-18 and also for subsequent years:-

- ii) Final Assessment Orders as available for the years, which are yet to be submitted to the Commission.
- iii) Audited Certificate in regard to Income Tax Assessed and Income Tax paid with corresponding credit of Income Tax received from 2010-11 to 2017-18.

4.18 Reserve for unforeseen Exigencies

4.18.1 IPCL has not claimed any sum on account of Reserve for unforeseen exigencies in MYT 2017-18. In terms of regulation no. 5.11 of the Tariff Regulations, generating companies and the licensees may provide and maintain a reserve up to 0.25% of the value of the gross fixed assets at the beginning of the year annually for dealing with unforeseen exigencies subject to an overall ceiling of 5% of such gross value of fixed assets. Accordingly, IPCL was allowed the amounts undernoted provisions in the tariff orders since 2006 – 2007 as in Table-4.11 below:

Table- 4.11

Financial Years	Order Reference	Amount (Rs. in lakh)
2006 – 2007	Order dated 15.09.2008 in Case No. APR-4/07-08	21.30
2007 – 2008	Order dated 28.05.2009 in Case No. APR-6/08-09	23.37
2008 – 2009	Order dated 26.07.2010 in Case No. APR-12/09-10	26.01
2009 – 2010	Order dated 24.08.2012 in Case No. APR-19/10-11	30.90
2010 – 2011	Order dated 26.03.2013 in Case No. APR-24/11-12	32.11
2011 – 2012	Order dated 10.09.2013 in Case No. APR-33/12-13	34.74
2012 – 2013	Order dated 02.12.2019 in Case No. APR-41/13-14	22.99





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2013 – 2014	Order dated 14.02.2013 in Case No. TP 51/11-12	88.04
2014 - 2015	Order dated 21.07.2016 in Case No. TP 58/13-14	90.76
2015 – 2016	Order dated 21.07.2016 in Case No. TP 58/13-14	111.69
2016 - 2017	Order dated 21.07.2016 in Case No. TP 58/13-14	130.22
Total		612.13

4.18.2 It is evident from the audited Balance Sheet of IPCL as on 31.03.2018 that the amount of reserve for unforeseen exigencies stands at Rs. 900.22 lakh which includes an amount of Rs. 282.97 lakh being reserve created out of interest earned through investment as 'unforeseen exigencies reserve interest'. The investment for unforeseen exigencies reserve along with 'unforeseen exigencies reserve interest stands at Rs. 391.31 lakh as on 31.3.2018 as per financial statement of 2017-18 submitted by IPCL. Such investment falls short by an amount of Rs. 612.13 lakh as allowed to IPCL so far as furnished at table 4.11 above.

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

4.18.4 IPCL is, however, directed to ensure that investment of the amount so far created under the head must be done in accordance with the provisions of the Tariff Regulations. In the event of 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 in terms of regulation 5.11.2 of WBERC Tariff Regulations, 2011. 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 determination of Net Aggregate Revenue Requirement in APR or tariff for any year.





4.19 Interest on Working Capital

4.19.1 IPCL has submitted a claim of Rs. 1075.81 lakh in Form-C for 2017-18 as per actual. IPCL has utilized cash credit from Scheduled Commercial banks and short-term loan from Financial Institutions to meet the requirement of working capital during the year 2017-18.

4.19.2 In terms of regulation 5.6.5.1 of the Tariff Regulations, working capital requirement shall be assessed on normative basis @ 10% on summation of annual fixed charges, fuel cost and power purchase cost reduced by non-cash expenses, viz., depreciation, return on equity, bad debt written off, reserve for unforeseen exigencies, cash security deposit taken from consumers etc. Accordingly, working capital requirement comes to Rs. 932.55 lakh as at sl. 12 of table 4.12.a below. As per regulation 5.6.5.2 of the Tariff Regulations, as amended, the admissible amount of the interest on working capital comes to Rs. 105.66 lakh as at sl. 13 of table 4.12.a below considering weighted average interest of 11.33% being lower than the short term prime lending rate of State Bank of India @ 14.05% as on 01.04.2016 applicable for this purpose as follows in Table -4.12.a:

Table- 4.12.a

Sl. No.	Particulars	Amount (Rs. in lakh)	Amount (Rs. in lakh)
1	Fuel & Power Purchase Cost as admitted in paragraphs 3.9 and 3.10	27378.70	
2	Net Fixed Charges excluding Interest on Working Capital (Annexure 3A)	11022.18	
3	Total (1+2):		38400.88
4	Return on Equity	1914.08	
5	Depreciation	1162.99	
6	Advance against Depreciation	0.00	
7	Reserve for Unforeseen Exigencies		
8	Provision for Bad Debt	0.00	
9	Total (4 to 8):		3077.07
10	Balance (3 – 9)		35323.81
11	Normative requirement of Working Capital (10% of 9)		3532.38
11	Security Deposit held at the beginning of the year		2599.83





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12	Requirement of working capital (Sl. 10 – Sl. 11)	932.55
13	Interest allowable @ 11.33% on Sl. 12 above	105.66
14	Actual amount of interest on Working Capital as per Form – C	1075.81
15	Admissible amount of Interest on Working Capital for the year 2013-14 (lower of Sl. 13 and Sl. 14)	105.66

4.19.3 The Commission, thus, admits interest on working capital for an amount of Rs.105.66 lakh in MYT 2017-18 with the allocation to generation and distribution functions in the same ratio of net revenue requirement excluding interest on working capital (Rs 3631.74 lakh for Generation function and Rs 34874.80 lakh for Distribution function), and furnished as in Table 4.12.b below:

Table 4.12 b Rs Lakh

		Rs Lakhs
A	Generation-Dishergarh	
1	Fuel Cost	1627.31
2	Net Fixed Cost	2004.43
3	Net ARR (A1+A2)	3631.74
B	Distribution	
1	Purchase of Power Cost	25751.39
2	Net Fixed Cost	9123.41
3	Net ARR (B1+B2)	34874.80
D	Total Net ARR (A3+B3)	38506.54
E	Allocation-Interest on working Capital	
1	Dishergarh (A3/D * E3)	9.97
2	Distribution (B3/D * E3)	95.69
3	Admitted Interest on Capital	105.66

4.20 Other Non-Tariff Income

4.20.1 IPCL has projected a sum of Rs. 314.10 lakh as income other than sale of energy at revised Form 1.26 submitted vide letter dated 31.10.2019. However, such income other than sale of energy arising out of non-tariff sources has been reported at note 34 and note 33.2 of the audited annual accounts for 2017-18. Such income from the





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non-tariff sources, are discussed below in sequence with break-up as available from the audited accounts of IPCL for 2017-18.

4.20.2 Other Miscellaneous Income: As per note 34 of the financial statement for the year ended on 31st March 2018, other income has been reported to be Rs. 1026.59 lakh. Such other income of Rs. 1026.59 lakh includes miscellaneous items besides interest income on two items, as (i) interest on non-current investments in bonds and securities of Rs. 21.57 lakh and (ii) interest on deposit and others for Rs. 233.70 lakh. According to note 34.1 of the notes on financial statement for the year ended on 31st March 2018, such interest income includes the earning of Rs. 58.89 lakh as interest from the investment of reserve for unforeseen exigencies, which is required to be included in the specific reserve fund only. Since earnings from investment of reserve for unforeseen exigencies are to be included in the specific reserve fund, any income from such investment is not considered as income from investment. Accordingly, the balance amount under Interest on Fixed Deposits & others for Rs. 196.38 lakhs (Rs. 21.57 lakh + Rs. 233.70 lakh - Rs. 58.89 lakh) is also not considered since the same is arising out of surplus investment of NCD. It has also been observed that a sum of Rs. 3.58 lakh has been reported as gain on fair valuation of Mutual Funds. Such gain arising out of fair valuation being an accounting adjustment with no impact on tariff is not considered prior to redemption. As such, the Commission admits Rs. 767.64 lakh (Rs. 1026.59 lakh - Rs. 58.89 lakh - Rs. 196.38 lakh - Rs. 3.58 lakh) towards other income for fifth control period, i.e., FY 2017-18 based on audited actuals of 2017-18 for deduction from gross allowable fixed charges as below in Table 4.13 with allocation to distribution function as proposed by IPCL:

Table-4.13

Rs.lakh

Sl. No.	Particulars	Amount in Rs. Lakh
1	Interest Income on non-current investments in Bonds and Securities	21.57
2	Interest Income on Deposits and others	233.70





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3	Interest on Income Tax refund	48.76
4	Interest income on unwinding of financial instruments	609.56
5	Gain on fair valuation of Mutual Funds	3.58
6	Gain on foreign exchange fluctuation	26.44
7	Dividend Income on non-current investment	10.34
8	Rent received	9.28
9	Insurance Claim Received	55.27
10	Misc. Receipts	5.77
11	Profit on sale of stores/scrap	2.32
12	Total: (Sl. 1 to Sl. 11)	1026.59
	Less	
13	Interest Income from Reserve for unforeseen exigencies	58.89
14	Interest Income on Deposits & Others	196.38
15	Gain on fair valuation of Mutual Funds	3.58
16	Admissible Other Miscellaneous Income (Sl. 12 – Sl. 13 – Sl. 14 – Sl. 15)	767.74

4.20.3 Other Non-Tariff Income from Operation

As per note 33.2 of the financial statement for the year ended on 31st March 2018, other operating income has been reported to be Rs. 3364.61 lakh. This includes a sum of Rs. 3109.40 lakh for liabilities no longer required and written back which is an accounting adjustment with no impact on tariff. Accordingly, the Commission admits Rs. 255.21 lakh (Rs 3364.61 lakhs- Rs 3109.40 lakhs) towards other non-tariff income from operation for 2017-18 based on audited actuals of 2017-18.

4.20.4 IPCL is directed to furnish details of Interest income on deposits and others specifying the amount attributable to investments related to NCD.

4.21 Interest Credit

4.21.1 IPCL has not projected any amount for Interest Credit in the fifth control period, i.e., FY 2017-18. However, it has been observed from the revised Form – C submitted vide IPCL letter dated 31.10.2019 that IPCL has projected repayment of loan of Rs. 1393.16 lakh in respect of admissible borrowings as considered in para 4.11.2 (i), (ii)





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and (iii) during the year 2017 – 18, comprising of Rs. 444.44 lakh for Generation Function and Rs. 948.72 lakh for distribution function.

- 4.21.2 Out of the loan repayment of Rs. 948.72 lakh for distribution function, a sum of Rs. 300.07 lakh is attributable to 220 KV Transmission & Communication line between STPS & J.K.Nagar Sub station under the ownership of WBSETCL as worked out based on proportionate loan drawn against proportionate project cost of such Transmission & Communication lines against total cost of 220/33 KV J.K.Nagar Substation with associated Transmission system as approved by the Commission. Such repayment has not been considered for computation of Interest Credit. The Commission has admitted depreciation for Rs. 1162.99 lakh in para.4.15 of this order comprising of Rs. 245.42 lakh for generation function and Rs.917.57 lakh for distribution function respectively in the fifth control period, i.e., FY 2017-18.
- 4.21.3 In terms of regulation 5.5.3 of the Tariff Regulations, where the actual amount of loan repayment in any year is less than the amount of depreciation admitted by the Commission, an interest credit at the rate of weighted average cost of debt is provided on such excess depreciation charged, i.e., outstanding loan on the amount of excess depreciation in terms of formulation prescribed at Form 1.17 (g) of Annex I of WBERC Tariff Regulations, 2011 as in Table 4.14 below.

Sl. No	Particular	Rs. lakh 2017-18
1	Depreciation allowed under paragraph 4.15	1162.99
2	Repayment of loan vide SI 1,2,3 of Table 4.7.a read with para 4.21.2 above	1093.09
3	Excess depreciation admitted -SI (1)-SI (2)	69.90
4	Weighted average cost of debt	11.67%
5	Interest credit admitted by the Commission on excess depreciation SI (3) * SI (4)	8.16

The

Admitted amount is allocated between Generation function as Rs 1.72 lakh and for Distribution function as Rs. 6.44 lakh, based on admitted depreciation of Rs 245.42 lakh for generation function and Rs 917.57 lakh for distribution function.





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4.22 Admissibility of recovery of Full Capacity Charges based on availability:

4.22.1 The ARR of IPCL for MYT 2017-18 including FPPCA and Fixed Cost has been allowed mainly based on actuals of 2017-18 as submitted by IPCL in Form E(B) on 18.11.2019. Actual figures of Plant Availability Factor (PAF) has been submitted by IPCL in Form 1.1. of their letter dated 31.10.2019. Normative PAF i.r.o. Dishergarh New generating station for 2014 – 15 onwards, has been set as 85% in the WBERC (Terms and Conditions of Tariff) (Amendment) Regulations, 2013. In Form 1.1 submitted on 31.10.2019 for MYT 2017–18, PAF of Dishergarh generating station has been furnished as 55.00%. The Commission, accordingly, considers recovery of capacity charge for Dishergarh generating station on the basis of actual PAF vis-à-vis normative PAF.

4.22.2 On the basis of aforesaid observation, the Commission decides to allow recovery of capacity charges to the extent of the PAF actually achieved vis-à-vis normative PAF in respect of Dishergarh Generating Station. Accordingly, capacity charge in respect of 12 MW Dishergarh generating station is admitted for Rs. 1435.95 lakh following provisions of Regulation 6.11.4.(i) of Tariff Regulations, 2011 as amended, disallowing capacity charges of Rs. 568.48 lakh as shown in Table 4.15 below:

Table-4.15

Rs. lakh

Generating Station	Target PAF (%)	Actual PAF (%)	Shortfall in percentage	Capacity Charge for 2017 – 18	Admitted Capacity Charge for 2017 – 18	Capacity charge disallowed
(a)	(b)	(c)	(d)	(e)	$(f) = (e) \times (0.5 + 35 / (b)) \times ((c) / 70)$	$(g) = (f) - (e)$
Dishergarh	85	55.00	30.00	2004.43	1435.95	568.48

4.22.3 Since the actual PLF achieved in Dishergarh generating station (55.00%) is lower than the targeted PLF, no incentive in terms of paragraph no. 1 of the schedule – 10 to the Tariff Regulations, is allowed.





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4.23 Fixed Charges as Admitted:

4.23.1 Based on the foregoing analysis, allowable fixed charges under different heads after adjustment of other incomes in respect of Dishergarh generating stations and distribution function of IPCL for the year 2017 – 2018 comes to Rs. 11127.84 lakh as shown in the Annexure 4A enclosed.

4.23.2 Net admissible amount of fixed charges of IPCL for the year 2013 – 2014 in respect of Dishergarh and Chinakuri generating stations as well as distribution function has been arrived at Rs. 10559.36 lakh after deducting the amount specified in paragraphs 4.22.2 above and cost-center wise allocation of admissible fixed charges are as follows in Table-4.16:

Table-4.16

Rs. lakh

SI No	Description	Generation	Distribution	Total
		Admitted	Admitted	Admitted
1	Net Fixed Charges(Refer Annexure -4A)	2004.43	9123.41	11127.84
2	Fixed Charges disallowed	568.48	0.00	568.48
3	Admissible Fixed Charges (1) – (2)	1435.95	9123.41	10559.36



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ANNEXURE – 4A

Admitted Fixed Charges

Sl. No.	ITEM	Rs.lakh		
		Generation-Dishergarh (New)	Distribution	TOTAL
1	Employee Cost	634.80	4309.13	4943.93
2	Water Charges	3.55	0.00	3.55
3	Coal & Ash Handling Expenses	84.99	0.00	84.99
4	Operation & Maintenance Expenses including consumables and payment to contract labour	86.16	904.32	990.48
5	Interest on Capital Borrowings including interest on Normative debt	504.70	1582.19	2086.89
6	Interest on Consumers' Security Deposit	0.00	155.99	155.99
7	Interest on Working Capital	9.97	95.69	105.66
8	Other Finance Charges	0.00	0.00	0.00
9	Lease Rental (for generating station)	0.00	0.00	0.00
10	Rent (for generating station)	13.08		13.08
11	Insurance Premium	7.26	29.30	36.56
12	Depreciation	245.42	917.57	1162.99
13	Advance Against Depreciation	0.00	0.00	0.00
14	Bad Debts	0.00		0.00
15	Reserve for unforeseen Exigencies	0.00		0.00
16	Taxes as per Income Tax Act	106.81	553.94	660.75
17	Return on Equity	309.41	1604.67	1914.08
18	Gross Fixed Charges for the year (SUM = 1 to 16)	2006.15	10152.80	12158.95
	Less: Adjustment			
19	Other Non-Tariff Income	0.00	255.21	255.21
20	Other Miscellaneous Income	0.00	767.74	767.74
21	Interest credit	1.72	6.44	8.16
22	Total (B 19 to B 21)	1.72	1029.39	1031.11
23	Net fixed charges (18 - 22)	2004.43	9123.41	11127.84
24	Capacity charges disallowed	568.48	0.00	568.48
25	Admitted fixed charges (23 - 24)	1435.95	9123.41	10559.36



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CHAPTER – 5

SUMMARIZED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2017 – 2018

- 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) for the fifth control period covering the year 2017 – 2018. Such summarized statements are given in Annexure 5 to this chapter.
- 5.2 The Commission in its order for APR 2012- 2013 dated 02.12.2019 in Case No. APR-41/13-14 has determined that the amount of Rs. 2035.70 lakh has been recovered by IPCL in excess of admissible revenue as determined by the Commission for the year 2012-13. In the same order, the Commission specified that, the entire amount of Rs. 2035.70 lakh or a part thereof shall be adjusted with the ARR of 2017-18 or of any other ensuing years as may be decided by the Commission and such decision will be given in tariff order of 2017-18 or of any of the following years. Now, considering the facts that, 5th control period consists of a single financial year (FY 2017–18) and ARR during 2017-18 itself being less than that of 2016-17, the Commission finds it prudent to adjust the APR adjustment amount of Rs. 2035.70 lakh in subsequent years.
- 5.3 Accordingly, the Commission has worked out the revenue recoverable through tariff from the consumers and average tariff for the year 2017-2018 and the same are as follows:

AVERAGE TARIFF FOR 2017 – 2018			
Sl. No.	Particulars	Unit	Total
1	Aggregate Revenue Requirement (ARR) for 2017 – 2018 (As per Annexure 5)	In Rs.lakh	37938.06
4	Energy sale to the consumers	MU	705.14
5	Average tariff for the consumers (Sl.1 x 10 ÷ Sl. 2)	Paisa/ kWhr	538.02





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- 5.4 The Commission provides the detailed tariff schedule and associated terms and conditions of tariff for 2017-18 in Chapter -6 of this order.



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ANNEXURE – 5

TOTAL AGGREGATE REVENUE REQUIREMENT

Sl. No.	ITEM	Rs. lakh
		Amount Admitted
1	Fuel Cost	1627.31
2	Purchase of Power Cost	25751.39
3	Employee Cost	4943.93
4	Water Charges	3.55
5	Coal & Ash Handling Expenses	84.99
6	Operation & Maintenance Expense for Generation	86.16
7	Operation & Maintenance Expenses for Distribution including consumables and payment to contract labour	904.32
8	Lease Rental (for generating station)	0.00
9	Rents (for generating station)	13.08
10	Insurance Premium	36.56
11	Interest on Capital Borrowings (including interest on normative debt)	2086.89
12	Interest on Consumers' Security Deposit	155.99
13	Interest on Working Capital	105.66
14	Other Finance Charges	0.00
15	Depreciation	1162.99
16	Advance Against Depreciation	0.00
17	Bad Debts	0.00
18	Reserve for unforeseen Exigencies	0.00
19	Taxes as per Income Tax Act	660.75
20	Return on Equity	1914.08
21	Gross Revenue Requirement (SUM = 1 to 20)	39537.65
	Less: Adjustment	
22	Other Non-Tariff Income	255.21
23	Other Miscellaneous Income	767.74
24	Interest credit	8.16
25	Total (SUM = 22 to 24)	1031.11
26	Net Total Revenue Required (21 - 24)	38506.54
27	Capacity charges disallowed	568.48
28	Net Total Revenue Required considering disallowable capacity charge (26 - 27)	37938.06



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CHAPTER – 6

TARIFF ORDER FOR 2017-2018

- 6.1 As mentioned in the previous chapters, the Commission, in accordance with the Tariff Regulations, has determined the Aggregate Revenue Requirement (ARR) for the fifth control period covering the year 2017 – 2018 and the revenue recoverable through tariff during the year 2017 – 2018. The Commission has also determined the average tariff for the consumers for 2017 – 2018. The tariff schedule applicable to the consumers in 2017 – 2018 and the associated terms and conditions has been included in this chapter.
- 6.2 IPCL in their petition has proposed a new consumer category for 11kV consumers who may opt for taking supply at 33kV as a “GROUP” and where consumers applying in group have to upgrade their internal infrastructure to 33 kV. IPCL has mentioned that, there will be such other conditions which are being framed by them. In the existing Tariff Regulations under Annexure-C1, the applicable class/category of consumers for tariff purpose has been specified, based on voltage level and nature of supply. Thus, the Commission restricts the consumer category to the extent allowed in the Tariff Regulations. The tariff schedule as applicable to the consumers in the year 2017 – 2018 is given at Annexure-6A1 for LV and MV consumers and at Annexure - 6A2 for HV and EHV consumers.
- 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 2017 – 2018 shall be as follow:
- 6.3.1 **Load Factor Rebate / Surcharge:**
- 6.3.1.1 Load factor rebate and load factor surcharge shall continue at the prevailing rate and conditions for those categories of consumers to whom these were applicable during the period.





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 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.
- 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 to be at prevailing rate and conditions for those categories of consumers to whom these were applicable during the period.
- 6.3.3.2 The rebate and surcharge against different time period shall be reflected in the bill separately and shall be treated separately
- 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 consumers.
- 6.3.6 All existing charges relating to meter rent, meter testing, meter replacement, fuse call charges, disconnection and reconnection etc. shall continue.
- 6.3.7 A consumer opting for pre-paid meter shall not be required to make any security deposit for the energy charge.





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- 6.3.8 The year 2017-18 is already over; thus, for a consumer the applicable rate of short-term/ temporary supply shall be at the same rate at which he/she had already been charged or the rate that is prevailing prior to issuance of this order.
- 6.4 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.
- 6.5 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.
- 6.6 In addition to the rebate under paragraph 6.5 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 website by using net banking, debit card, credit card, electronic clearing scheme) on introduction of it by the petitioner through notification in the newspapers 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 6.5.
- 6.7 Delayed payment surcharge shall be applicable as per regulation 4.14 of the Tariff Regulations.
- 6.8 All the rates and conditions of tariff for 2017 - 2018 are effective from 01.04.2017 and onwards except where specific date is mentioned. The rate will continue till the next tariff order issued by the Commission. For 2017-18, the consumers shall have to pay the rates mentioned in Annexure 6 A1 and Annexure 6 A2 of this order excluding the Monthly Variable Cost Adjustment (MVCA), if any, realized by IPCL.





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Tariff Order of IPCL for the year 2017 – 18

- 6.9 IPCL is directed to make adjustments, if any, for over recovery or under recovery for the year 2017-18 from respective consumers as per the tariff declared under this order vis-à-vis the actual amount paid by the consumer during the period. Such adjustment shall be made in 12 (twelve) equal monthly installments through subsequent energy bills and such adjustment will start from the energy bills raised on or after 01.01.2021.
- 6.10 There shall be no separate monthly variable cost adjustment (MVCA) for the year 2017-18. The MVCA realized during the year 2017 – 2018, if any, shall be adjusted in computation of adjustments for over/under recovery as mentioned in paragraph 6.9 above. However, IPCL shall be entitled to realize MVCA in terms of Tariff Regulations for any subsequent period after issuance of this order.
- 6.11 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.
- 6.12 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 rate for such consumers are mentioned in the tariff schedule.
- 6.13 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 secure terminal services apparatus to protect sophisticated meter; and
 - availability of prepaid-meter of appropriate capacity.





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Tariff Order of IPCL for the year 2017 – 18

- 6.14 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.
- 6.15 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.
- 6.16 No other rebate shall be applicable except which are specifically mentioned under this order or in any regulation(s).
- 6.17 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 6.16.
- 6.18 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.
- 6.19 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.
- 6.20 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





Tariff Order of IPCL for the year 2017 – 18

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.

- 6.21 The petitioner shall present to the Commission a gist of this order in accordance with regulation 2.9.6 of the Tariff Regulations within seven 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 2017-18)



Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme - I					Optional Tariff Scheme - II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * In Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
1.	Lifeline (Domestic)	D (LL)	Normal	All Units	280	5										
				First	34	357										
				Next	28	416										
				Next	40	515										
				Next	100	534										
				Next	100	556										
				Above	300	587										
2.	Domestic (Rural) or Domestic (Urban)	D(L)	Normal			15										
				Prepaid	All Units	485	15									
3.	Commercial (Rural) or Commercial (Urban) below 30 KVA	C(L)(ia)	Normal			30										
				Prepaid	All Units	485	15									
				Normal TOD	06.00 hrs to 17.00 hrs	535										
					17.00 hrs to 23.00 hrs	590										
					23.00 hrs to 06.00 hrs	486										
					All units	551										
					06.00 hrs to 17.00 hrs	551										
					17.00 hrs to 23.00 hrs	606										
					23.00 hrs to 06.00 hrs	463										
					All units	463										
4.	Commercial (Rural) / Commercial (Urban) 30 KVA and above	C(L)(ib)	Normal			30										
				Prepaid	All Units	552	30									
				Normal TOD	06.00 hrs to 17.00 hrs	549										
					17.00 hrs to 23.00 hrs	604										
					23.00 hrs to 06.00 hrs	461										
					All units	461										



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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2017-18)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional Tariff Scheme - I				Optional Tariff Scheme - II						
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	
5.	Irrigation	Rate C(at)	Normal TOD	06.00 hrs to 17.00 hrs	24	Rate C(atpp)	Pre-Paid TOD	All units	315	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
				17.00 hrs to 23.00 hrs				All units							All units	315
				23.00 hrs to 06.00 hrs				All units							All units	
6.	Commercial Plantation	Rate A(Cm-Ptpp)	Prepaid-TOD	06.00 hrs to 17.00 hrs	46	Rate C(atpp)	Pre-Paid TOD	All units	590	24	Not Applicable	Not Applicable	Not Applicable			
				17.00 hrs to 23.00 hrs				All units						All units	590	
				23.00 hrs to 06.00 hrs				All units						All units		
7.	Short Term Irrigation Supply	Rate C(stppt)	Prepaid-TOD	06.00 hrs to 17.00 hrs	24	Rate C(stppt)	Pre-Paid TOD	All units	230	24	Not Applicable	Not Applicable	Not Applicable			
				17.00 hrs to 23.00 hrs				All units						All units	230	
				23.00 hrs to 06.00 hrs				All units						All units		



LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2017-18)



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
8.	Short Term supply for Commercial Plantation	Rate A (Cm-StPtp)	Pre-paid TOD	06.00 hrs to 17.00 hrs	All units	540	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	824									
				23.00 hrs to 06.00 hrs	All units	310									
9.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	540	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	604									
				23.00 hrs to 06.00 hrs	All units	502									
10.	Government School, Government aided School or Government Sponsored School	Rate GS(L)	Normal	On all Units	357	20	Rate GS(L)T	Normal - TOD	06.00 hrs - 17.00 hrs & 20.00 hrs - 23.00 hrs	All units	352	20	Not Applicable	Not Applicable	Not Applicable
									17.00 hrs to 20.00 hrs	All units	388				
									23.00 hrs to 06.00 hrs	All units	341				



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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2017-18)



Sl No	Type of Consumer	Applicable 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 Rsi/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rsi/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rsi/ KVA/ mon
11.	Public Utility/ Specified Institution/ Public Bodies Municipal or Non-Municipal	Rate PU(LT)	Normal	On all Units	395	30	Rate PUpp (LT)	Prepaid	On all Units	387	30	Rate PUppt (LT)	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.	378 417 352	30
12.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate C(L)(ii)	Normal	All Units	404	30	Rate Cppt (L) (ii)	Prepaid - TOD	05.00 hrs - 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	395 435 367	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal - Medicinal - Bio-diesel Plant Farming, Food Processing Unit	Rate C(L)(iii)	Normal	All Units	506	30	Rate Cppt (L) (iii)	Prepaid - TOD	05.00 hrs to 17.00 hrs 17.00 hrs to 23.00 hrs 23.00 hrs to 06.00 hrs	487 547 452	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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LOW AND MEDIUM VOLTAGE CONSUMERS
(For the Year 2017-18)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional Tariff Scheme - i				Optional Tariff Scheme - ii						
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/KWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
14.	Public Water Works & Sewerage System	Rate B (II)	Normal	All Units	405	24	Rate B (II)ppt	Prepaid - TOD	All Units	397	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
15.	Industry (Rural) or Industry (Urban)	Rate (L)	Normal	First	500	30	Rate (L)	Normal - TOD	All Units	411	30	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				Next	1500	523										
				Above	2000	550										
16.	Street Lighting	Rate D(1)	Normal	On all Units	460	24	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	370	24	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
18.	Private Educational Institutions and Hospitals	Rate S (L)	Normal	On all Units	492	54	Rate S (L)	Normal TOD	All Units	482	54	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
									06.00 hrs to 17.00 hrs	482						
									17.00 hrs to 23.00 hrs	533						
19.	Emergency Supply	Rate D (2)	Prepaid-TOD	On all Units	558	46	Not Applicable	Not Applicable	All Units	448	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				06.00 hrs to 17.00 hrs	782											
				17.00 hrs to 23.00 hrs	440											

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LOW AND MEDIUM VOLTAGE CONSUMERS

(For the Year 2017-18)



Sl No	Type of Consumer	Applicable Tariff Scheme				Optional Tariff Scheme - I				Optional Tariff Scheme - II						
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/ KVA/ mon
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	501	46	Prepaid-TOD	17.00 hrs to 20.00 hrs On all Units	700	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
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	450	54	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	441	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
								17.00 hrs to 23.00 hrs	All Units	485						
								23.00 hrs to 06.00 hrs	All Units	411						
22.	Common Services of Industrial Estate	Rate D(5)	Prepaid - TOD	06.00 hrs. - 17.00 hrs. & 20.00 hrs to 23.00 hrs On all Units	550	46	Prepaid - TOD	17.00 hrs to 20.00 hrs On all Units	770	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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Tariff Order for IPCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



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			Demand Charge (Rs./KVA/month)			
					P/kWh						Summer	Monsoon	Winter		All Units	All Units	All Units
					Summer	Monsoon	Winter										
1.	Public Utility	Rate PU (H)	Normal	All Units	431	428	426	384	Rate PU (Ht)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs	425	422	419	384		
											17.00 hrs-20.00 hrs	638	633	629			
2.	Industries (50 KVA & above)	Rate I (H)	Normal	All Units	457	455	452	384	Rate I (Ht)	TOD	06.00 hrs-17.00 hrs	611	605	600	384		
											17.00 hrs-23.00 hrs	312	310	307			
3.	Industries (Below 50 KVA)	Rate I-2 (H)	Normal	All Units	510	507	504	36	Rate I-2 (Ht)	TOD	06.00 hrs-17.00 hrs	502	500	497	36		
											17.00 hrs-23.00 hrs	687	684	680			
											23.00 hrs-06.00 hrs	317	314	313			



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Tariff Order for IPCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



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)	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge P/KWh			Demand Charge (Rs./KVA/month)	
						Summer	Monsoon	Winter			Summer	Monsoon	Winter		
4.	Industries (33KV)	Rate I-3 (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	419	416	413	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs-23.00 hrs	All Units	594	591	554							
				23.00 hrs-06.00 hrs	All Units	305	303	302							
5.	Industries (132KV and above)	Rate I-4 (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	417	415	412	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs-23.00 hrs	All Units	590	587	583							
				23.00 hrs-06.00 hrs	All Units	305	303	302							
6.	Community Irrigation/ Irrigation	Rate AI (H)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	518	512	506	36	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs-23.00 hrs	All Units	800	791	783							
				23.00 hrs-06.00 hrs	All Units	306	303	301							
7.	Commercial Plantation	Rate S (cp)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	428	426	424	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs-23.00 hrs	All Units	599	596	593							
				23.00 hrs-06.00 hrs	All Units	305	302	301							

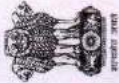


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Tariff Order for IPCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



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	Customer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge P/kWh			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	518	512	506	36	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				17.00 hrs- All Units	800	791	783									
				23.00 hrs- All Units	306	303	301									
				06.00 hrs- All Units	430	428	426									
9.	Short Term Supply for Commercial Plantation	Rate S(stcp)	Normal - TOD	17.00 hrs- All Units	600	597	594	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
				23.00 hrs- All Units	306	304	302									
				06.00 hrs- All Units	468	465	462									
				06.00 hrs- All Units	559	556	553									
10.	Commercial	Rate C (H)	Normal	All Units	06.00 hrs- All Units	462	458	454	384	Normal - TOD	All Units	462	458	454	384	
					17.00 hrs- All Units	467	641	635								
11.	Domestic	Rate D (H)	Normal	All Units	06.00 hrs- All Units	552	547	541	36	Normal - TOD	All Units	552	547	541	36	
					17.00 hrs- All Units	608	602	596								
					23.00 hrs- All Units	513	508	503								

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Tariff Order for IPCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



Sl No	SI 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				
12.	Public Water Works & Sewerage	Rate PWW (H)	Normal	All Units	444	439	436	384	Rate PWW(Ht)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	438	433	429	384
13.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S (c)	Normal	All Units	361	351	341	29	Not Applicable							
14.	Cold storage or Dairy with Chilling Plant	Rate S (pi)	Normal	All Units	402	397	392	384	Rate S (pit)	Normal - TOD	06.00 hrs-17.00 hrs-23.00 hrs	All Units	397	391	385	384
	Emergency Supply	Rate E (em)	Normal - TOD	06.00 hrs-17.00 hrs-23.00 hrs	476	474	472	384	Not Applicable							
West Bengal Electricity Regulatory Commission												Not Applicable			78	

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Tariff Order for IPCCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



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 17.00 hrs-20.00 hrs 23.00 hrs-06.00 hrs	All Units All Units All Units	468 555 433	467 653 431	465 650 429	384	Rate E (con)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs to 23.00 hrs 17.00 hrs-20.00 hrs 23.00 hrs-06.00 hrs	All Units All Units All Units	468 555 433	467 653 431	465 650 429	384
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	All Units	544	541	538	35	Rate S (cot)	Normal - TOD	06.00 hrs-17.00 hrs 17.00 hrs-23.00 hrs 23.00 hrs-06.00 hrs	All Units All Units All Units	539 593 552	533 587 545	528 580 539	35

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Tariff Order for IPCL for the year 2017 - 2018
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HIGH & EXTRA HIGH VOLTAGE CONSUMERS
(For the Year 2017-18)



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 23.00 hrs	478	475	473	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
						669	665	662							
						317	315	313							
19.	Traction	Rate T	Normal	All Units	All Units	460	456	452	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
20.	Short-term Supply	Rate S (ST)	Normal - TOD	All Units	06.00 hrs-17.00 hrs-17.00 hrs-23.00 hrs-23.00 hrs-06.00 hrs	476	474	472	384	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
						666	664	661							
						317	315	313							
21.	Private Educational Institutions	Rate E (ei)	Normal	All Units	All Units	405	402	400	384	Normal - TOD	All Units	06.00 hrs-17.00 hrs-17.00 hrs-23.00 hrs-06.00 hrs	400	394	390
						400	434	429							
						372	367	363							



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Tariff Order of IPCL for the year 2017 – 18

CHAPTER – 7

DIRECTIVES

- 7.1 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 for the FY 2017 - 18. IPCL shall comply with those directives. IPCL shall also comply with the following directives. The Commission has also given directions under Chapter 9 of the Tariff Order for the years 2014-15, 2015-16 and 2016-17 in respect of IPCL as well as the directions issued from time to time. These are required to be complied with by IPCL.
- 7.2 Now, the Commission issues the following directions to IPCL in the instant Tariff Order:
- 7.3 While submitting APR application of any year, IPCL shall submit the certificates of the annual accounts of the said year certified by the statutory auditor for the following parameters:
- List of expenditure arising on account of penalty, fine and compensation due to non-compliance of any statute or statutory order along with the reasons for each of such type of penalty, fine and compensation separately.
 - A reconciliation certificate showing head-wise expenditure claimed in Form E(B) vis-à-vis the amount reflected in the Audited account of IPCL.
- 7.4 In case of expenditure over and above the admitted amount under any uncontrollable factor in this tariff order on account of fixed charges, IPCL has to justify in detail such higher expenditure with supporting documents and evidence while submitting APR application of FY 2017 – 18. On the basis of those, 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 either fully or partly. Similarly, for controllable factors, wherever 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





Tariff Order of IPCL for the year 2017 – 18

parameter and actual inflation rate to which such uncontrollable item is sensitive to, 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, wherever applicable, the percentage ratio of increase in expenses on any item and the increase in sensitivity parameter will remain the same as that mentioned in this tariff order.

- 7.5 IPCL shall submit an audited statement showing the consumer category-wise adjustment in terms of recovery / refund (arising out of the direction given under chapter 6 of this order) along with the APR application for 2017 - 18.
- 7.6 IPCL shall take appropriate measures to comply with the Renewable Purchase Obligation in terms of RPO target specified by the Commission under West Bengal Electricity Regulatory Commission (Co-generation and Generation of Electricity from Renewable Sources of Energy) (First Amendment) Regulations 2020.
- 7.7 IPCL is directed to furnish a report regarding their readiness to supply all consumers under their area of supply within 30 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.
- 7.8 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.
- 7.9 IPCL is directed to ensure the following in terms of para 4.10 of FPPCA and APR Order of IPCL for the year 2013-14:
- (i) there shall be no procurement of coal other than linkage or direct e-auction from CIL without prior approval of the Commission.
 - (ii) transparent competitive bidding should be the mode of procurement of power by the licensee and any exception shall be only with prior approval of the Commission.





सत्यमेव जयते



Tariff Order of IPCL for the year 2017 – 18

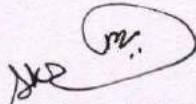
7.10 IPCL is also directed to submit their APR and FPPCA petition for the year 2017-18 within three months from the date of issuance of this order.

Sd/-
PULAK KUMAR TEWARI
MEMBER

Sd/-
DURGADAS GOSWAMI
MEMBER

Sd/-
SUTIRTHA BHATTACHARYYA
CHAIRPERSON

DATE: 28.01.2020


(SAIBAL KANTI DAS)
SECRETARY



Certified true Copy