



**ORDER**

**OF THE**

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

**FOR THE YEAR 2008-09**

**IN**

**CASE NO: TP – 41 / 08 – 09**

**IN RE THE TARIFF APPLICATION OF THE WEST BENGAL  
STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR THE  
YEARS 2008-2009, 2009-10 AND 2010-11  
UNDER SECTION 64(3)(a) READ WITH  
SECTION 62(1) AND SECTION 62(3) OF THE ELECTRICITY ACT, 2003**

**DATE: 30.09.2008**



## CHAPTER – 1 INTRODUCTION

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- 1.1 The West Bengal State Electricity Regulatory Commission (referred to as the Commission hereinafter) was constituted by the State Government of West Bengal in 1999 in pursuance of the Provisions of Section 17 of the Electricity Regulatory Commissions Act, 1998. The latter, along with the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 was repealed by dint of Section 185 of the Electricity Act, 2003, (referred to as the Act hereafter) which came into force with effect from 10<sup>th</sup> June 2003. The first proviso of Section 82(1) of the Electricity Act, 2003 has ensured continuity of the Commission – along with that of all other State Electricity Regulatory Commissions – by laying down that the State Electricity Regulatory Commissions established by a State Government under Section 17 of the Electricity Regulatory Commissions Act, 1998 (and a few other State enactments), and functioning as such immediately before the appointed date, shall be the State Commissions for the purposes of the Electricity Act, 2003.
- 1.2 The functions of a State Commission have been specified in Section 86 of the Electricity Act, 2003. One of the main functions of a State Commission relates to determination of tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within a State. Further, Section 62(1) of the Act also requires the appropriate Commission to determine the tariff in accordance with the provisions of the Act, for supply of electricity by a generating company to a distribution Licensee, for transmission, for wheeling as also for retail sale of electricity.
- 1.3 The Commission has, therefore, all the powers and authority under the Electricity Act, 2003 to determine the tariff, as laid down in the Act, and these powers and authority are in continuation of similar powers and authority that were enjoyed by the Commission under Section 29 of the Electricity Regulatory Commission Act, 1998.
- 1.4 The West Bengal State Electricity Board, a State Electricity Board constituted under Section 5 of the Electricity (Supply) Act 1948 after being reorganized in



- terms of Section 131 of Electricity Act, 2003 has been replaced by (i) West Bengal State Electricity Transmission Company Limited and (ii) West Bengal State Electricity Distribution Company Limited w.e.f 1.4.2007 in accordance with a transfer scheme viz., West Bengal Power Sector Reforms Transfer Scheme 2007 notified by Govt. of W.B vide No.12-PO/O/III/3R-29/2006 dated 25.1.2007. Whereas the functions and business in transmission activities and load despatch activities have been transferred to and vested in West Bengal State Electricity Transmission Company Limited (hereinafter referred to as WBSETCL), the functions and business in distribution activities and activities related to hydro undertakings have been transferred to and vested in West Bengal State Electricity Distribution Company Limited (hereinafter referred to as WBSEDCL). Both WBSETCL and WBSEDCL are deemed to be licensee under the Electricity Act, 2003 in terms of fifth proviso to Section 14 of the Act and the area of operation for both WBSETCL and WBSEDCL covers the whole State of West Bengal excepting those areas of operation that are covered by other licensees. In exercise of powers conferred under Sub-section 1 of Section 39, the Govt. of W.B has notified and authorised vide No.89-PO/O/III/3R-5/2007 dated 26.3.2007 West Bengal State Electricity Transmission Company Limited to function as State Transmission Utility w.e.f 1.4.2007.
- 1.5 The Commission had determined the annual tariff in favour of West Bengal State Electricity Board for seven consecutive years starting from 2000-01. The tariff for the year 2007-08 for one year control period on the basis of multi year frame work in terms of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007 had been determined for West Bengal State Electricity Distribution Company Limited, one of the successor entities of West Bengal State Electricity Board.
- 1.6 West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007 was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2007 in the extra ordinary edition of The Kolkata Gazette dated 31<sup>st</sup>



December, 2007. In this amendment it was inter-alia provided after the first proviso to the regulation 2.5.2 of the principal regulations that;

“ Provided further that the licensee, part of whose electricity business is regulated by the Commission shall file the application for determination of tariff according to these regulations for that part only.

Provided also that for the second control period the filing may be made 30 days before the commencement of the control period.”

CESC and WBSEDCL - Both distribution licensees of this Commission sought extension of time for submission of the multi year tariff petition for the second control period starting from 1<sup>st</sup> April, 2008 on the ground that preparation of said tariff petition will take a considerable period of time and the time available was highly inadequate.

- 1.7 The Commission after waiving the procedural formalities and after giving due consideration to the points raised by the licensees agreed that the time available with the licensees as also other tariff seekers was rather inadequate if one takes into account the effects with the latest amendment to the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007 after come into forces w.e.f 31<sup>st</sup> December, 2007 and further that these amendments contain a number of provisions taking account of which is essential for the purpose of submission of the multi year tariff petition for the second control period. The Commission vide its order dated 29<sup>th</sup> January, 2008 extended the time for submission of the tariff petitions for the second multi year tariff period by the distribution licensees, the transmission licensee and the generating company upto 21<sup>st</sup> March, 2008.
- 1.8 Subsequently West Bengal State Electricity Distribution Company Limited, Durgapur Projects Limited, Dishergarh Power Supply Company Limited – the distribution licensees; West Bengal State Electricity Transmission Company Limited – transmission licensee and West Bengal Power Development Corporation Limited – the generating company sought further extension of time

for submission of the multi year tariff petition for the second control period starting from 1<sup>st</sup> April, 2008 on the same grounds. The Commission after waiving the procedural formalities and after giving due consideration to the submissions further extended the time for submission of the tariff petitions for the second control period by the distributions licensees, transmission licensee and the generating company upto 31<sup>st</sup> May, 2008.

- 1.9 The tariff petition for determining the tariff for wheeling and retail sale of electricity for the second control period comprising of 2008-09, 2009-10 and 2010-11 under the MYT frame work was submitted by WBSEDCL which was admitted by the Commission and was marked as No.TP-41/08-09. After admission of the petition WBSEDCL was directed to publish the gist of the tariff petition as approved by the Commission in newspapers. Accordingly, the gist petition was published simultaneously in Ananda Bazar Patrika, Bartaman, Ganasakti, The Times of India and Sanmarg on 16<sup>th</sup> June, 2008.
- 1.20 While publishing the gist of the tariff petition, the insertions in the newspapers called upon all interested parties and members of the public to file objections or make comments on the petition. They were also afforded opportunities for inspection of the petition and take copies of the same in terms of the relevant provisions of the WBERC (Conduct of Business) Regulations, 2003 as amended.
- 1.21 Objections to / comments on the aforementioned tariff petition of WBSEDCL for the second control period were received by the Commission from the following objectors within the stipulated time i.e., 18<sup>th</sup> July, 2008. One set of objection to / comments on this tariff petition was received late from Modern India Con-Cast Limited, and has not been considered.

1. Jayashree Textiles, A unit of Aditya Birla Nuvo Ltd.
2. Exide Industries Ltd.
3. Hooghly Chamber of Commerce & Industry
4. Eastern India Textile Mills Association
5. Manoranjan Roy Energy Education
6. CESC Ltd.



7. West Bengal Cold Storage Association
  8. EPCOS India Pvt. Ltd.
  9. West Bengal Cold Chain & Cold Storage Owners' Welfare Association
  10. Indian Tea Association
  11. Shri Pijush Kanti Sharma & 8490 others (submitted by ABECA)
  12. Sri Vasavi Industries Ltd.
  13. Eastern Railway
  14. South Eastern Railway
  15. Bharat Chamber of Commerce
  16. Rohit Ferro-Tech Limited
  17. ABECA
- 1.22 Objections to / comments on the tariff petition in question received by the Commission within the stipulated period i.e. 18<sup>th</sup> July, 2008 have been described in short in Chapter – 3.



## CHAPTER – 2

### THE CASE OF WBSEDCL, 2008-09

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- 2.1 West Bengal State Electricity Distribution Company Limited (WBSEDCL) in its tariff petition has claimed that the aggregated assets and liabilities vested in West Bengal State Electricity Company Limited in terms of “West Bengal Power Sector Reforms Transfer Scheme 2007” notified by the Government of W.B has been considered for estimating the expenditure under different heads. WBSEDCL has further claimed that the said assets and liabilities were prepared as per balance sheet of erstwhile WBSEB on 31.3.2006. After adjusting the transactions during the year 2006-07 the balance sheet has been stated by the petitioner to have been recast as on 31.3.2007 to arrive at the opening balance for the year 2007-08.
- 2.2 According to the petitioner total equity of WBSEDCL in terms of West Bengal Power Reforms Transfer Scheme was Rs.1942 crore as per balance sheet of erstwhile WBSEB as on 31.3.2006. Actual equity added during the year 2006-07 was Rs.194.75 crore and considering the same equity base considered by the petitioner at the beginning of the year 2007-08 has been arrived at Rs.2136.75 crore. Equity to be added during the years 2008-09, 2009-10 and 2010-12 has been considered by the petitioner to be Rs.270.11 crore, Rs.307.67 crore and Rs.335.39 crore respectively. Average equity base computed by the petitioner for ARR for 2008-09, 2009-10 and 2010-11 are Rs.2358.30 crore, Rs.2647.19 crore and Rs.2968.72 crore respectively. A return on equity of Rs.330.16 crore has been claimed by WBSEDCL in the Revenue Requirement for the year 2008-09. Return on equity for the years 2009-10 and 2010-11 have been claimed to be Rs.370.61 crore and Rs.415.62 crore respectively.
- 2.3 WBSEDCL has claimed to have attempted to reduce cross-subsidy and rationalize of tariff for the various classes of consumers in line with the section 61(g) of the Electricity Act, 2003.
- 2.4 WBSEDCL has claimed to have already taken up various steps to reduce T & D loss. It has also been claimed by the petitioner that the circle-wise ATC loss is being computed and every endeavour is being made to reduce ATC loss.

WBSEDCL has claimed to have taken the following measures to reduce the distribution loss (both technical and commercial):-

- (a) Regular monitoring of revenue
- (b) Conduct of raids by Security and Loss Prevention Wing
- (c) Introduction of high voltage distribution system primarily for power supply to irrigation and agricultural consumers
- (d) To facilitate energy audit mapping and documentation of entire power network of WBSEDCL, Geographical Information System (GIS) has been stated to have been taken up and is under progress. Spot billing facility for all categories of L & MV consumers under three urban group supply is stated to be already in place and such billing facility has been envisaged to be extended widely.
- (e) Implementation of distribution transformer metering to locate loss prone areas.
- (f) Introduction of spot billing facility for L & MV consumers.

- 2.5 Claiming that the metering at the sub-station upto 11 KV feeder considered under 100% metering scheme is already completed. The petitioner has submitted that the scheme for 100% metering for agricultural consumers is in progress and is expected to be completed by 31<sup>st</sup> March, 2009.
- 2.6 Pointing out that the allowable transmission loss for WBSEDCL for the years 2008-09, 2009-10 and 2010-11 as provided in the regulations have been considered for the energy to be transmitted through the system of WBSEDCL to WBSEDCL for assessing the energy balance. The petitioner has claimed to have considered normative distribution loss as per the regulation framed by the Commission to arrive at the projected sale of energy for the 3 years of the control period based on the trend in growth of consumption during the last 3 years for the respective categories.
- 2.7 WBSEDCL has claimed to have taken up a massive programme for rural electrification in line with the guidelines contained in the National Electricity Policy. It has also been pointed out by the petitioner that due to this crash



- programme additional consumers will be connected every year in the rural areas during the years 2008-09, 2009-10 and 2010-11.
- 2.8 Total projected consumption in different categories of consumers of erstwhile licensee Singur-Haripal Rural Electric Cooperative Society Limited (SHRELCOP) has been claimed by WBSEDCL to have been clubbed in the projected category-wise sale of WBSEDCL for the respective years in terms of the order of the Commission passed on 28.2.2008 authorizing WBSEDCL to take over the assets and liabilities of SHRELCOP and to supply electricity to all the consumers of SHRELCOP treating them as their own consumers.
- 2.9 The required expenditure to be met for supply of electricity to the consumers of SHRELCOP and the revenue requirement on account of loan liabilities and depreciation of the assets taken over by WBSEDCL has been stated to have been considered in the revenue requirement of the petitioner.
- 2.10 Revenue income from the consumers of SHRELCOP has been stated to have been considered in the revenue income of WBSEDCL. It has been claimed by WBSEDCL income on account of meter rental etc. from the consumers of SHRELCOP has been considered in other income of the petitioner.
- 2.11 It has been claimed that WBSEDCL has submitted their views / information including the relevant documents for the purpose of arriving at the final statement of assets and liabilities of SHRELCOP in terms of the order dated 28.2.2008 of the Commission. The accumulated loss arising out of taking over the assets and liabilities of SHRELCOP has been prayed to be passed on to the revenue requirement of WBSEDCL for the ensuing years.
- 2.12 The petitioner has drawn the attention of the Commission to the amount of Rs.637.96 crore deducted from the revenue requirement of 2004-05 towards excess interest allowed in the earlier years on the basis of G.O dated 9.10.2002 reducing the interest rate to 2% w.e.f 2001-02. The petitioner has claimed that the aforesaid G.O dated 9.10.2002 was subsequently withdrawn restoring the rates at which loans were originally sanctioned. Accordingly, Rs.637.96 crore deducted by the Commission from the revenue requirement has been claimed by the petitioner to be refundable to WBSEDCL. In order to avoid tariff shock 5% of

the deducted amount i.e. Rs.31.85 crore has been claimed by the petitioner in the revenue requirement of 2008-09 under special appropriation head.

- 2.13 In the tariff petition the petitioner has drawn the attention of the Commission to Rs.372.98 crore withheld by the Commission from the revenue requirement of WBSEB in the tariff order of 2004-05 for non-submission of full documents, information, data etc. On being satisfied that adequate steps to furnish such documents, information and data etc. has already been taken the Commission released Rs.124.33 crore in the tariff order of 2006-07 and Rs.100 crore in the tariff order of 2007-08.

In the tariff petition for 2008-09, 2009-10 and 2010-11 the petitioner has proposed to release  $\frac{1}{3}$ <sup>rd</sup> of the balance withheld amount in the year 2008-09 and release the balance withheld amount in the year 2009-10 to avoid tariff shock to the own consumers of the petitioner.

- 2.14 Consumption under different categories of consumers during 2<sup>nd</sup> control period i.e. during 2008-09, 2009-10 and 2010-11 has been claimed by the petition to have been estimated from the trend in growth of consumption during the last three years for respective categories of consumers. Accordingly, 8400 MU has been projected to be consumed by the consumers under L&MV category in the year 2008-09. Under the same category in the year 2009-10 and 2010-11 the petitioner has projected the consumption under the same category to be 9505 MU and 10404 MU respectively. Under the HV & EHV category consumption in the year 2008-09 has been projected to be 6580 MU while under the same category 7520 MU and 8480 MU respectively have been projected to be the consumption during the year 2009-10 and 2010-11.

- 2.15 Total sale of energy to own consumers of WBSEDCL has been projected as 14980 MU in the year 2008-09, 17025 MU in the year 2009-10 and 18884 MU in the year 2010-11. T&D loss has been considered on the normative basis at a level of 18.75% in the year 2008-09, 18.25% in the year 2009-10 and 17.75% in the year 2010-11. Taking into consideration energy utilized in the own premises of the petitioner including construction power and the energy for sale to licensee at voltage below EHV level etc. total energy which will be available to WBSEDCL

- has been projected by the petitioner as 18553.88 MU in the year 2008-09, 20943.34 MU in the year 2009-10 and 23077.41 MU in the year 2010-11 which includes the T&D loss at the aforesaid percentage level.
- 2.16 The petitioner has projected sale of total energy to other licensees like CESC, DPL and DPSCCL at a level of 1610 MU, 1560 MU and 1560 MU respectively in the years 2008-09, 2009-10 and 2010-11. The projection of sale of energy to licensees has been stated to have been made on the basis of present trend of drawal by CESC and request of DPSCCL for enhanced load at Bankola.
- 2.17 In terms of an agreement signed between the Govt. of W.B and Govt. of Sikkim the petitioner has claimed that 46 MU of energy being 20% of the sent out generation from Rammam Hydel station Stage-II shall be supplied to Sikkim each year of the control period.
- 2.18 Sale of incidental surplus energy to the persons other than consumers and licensee during 2008-09, 2009-10 and 2010-11 has been estimated by the petitioner to be at a level of 4648 MU, 6111 MU and 5520 MU respectively taking into account surplus energy to be made available from the new projects / extension projects of WBPDCCL / DPL after meeting the requirement of the own consumers, the licensees of the State & Government of Sikkim and considering 1050 MU of energy required in the pumping mode of PPSP. After taking into account losses in transmission and distribution system, WBSEDCL has computed its overall gross energy in its system to be 25985.7 MU.
- 2.19 In terms of West Bengal Power Sector Reforms Transfer Scheme 2007, all the existing hydel power stations, all gas turbine units and diesel generation units with all associated equipments of WBSEB was transferred to WBSEDCL from 1.4.2007. The Purulia Pumped Storage Project (PPSP) has also been transferred to WBSEDCL.
- 2.20 Gross generation available from the hydel power stations of WBSEDCL has been projected to be 1288.04 MU in 2008-09, 1288.14 MU in 2009-10 and 1288.26 MU in 2010-11. The main hydel station of WBSEDCL namely Rammam and Jaldhaka are claimed to be working at reasonably high PLF. The generation at TCF Hydel Power Station as stated by the petitioner, cannot be achieved by

- WBSEDCL at the designed value stated to be due to constraints towards release of 330 cusec of water as per DPR for non-completion of Dauk-nagar Main Canal by I & W Deptt. and frequent shut down of Main Canal for long periods. Annual generation at PPSP at a level of 800 MU during the years 2008-09, 2009-10 and 2010-11 has been estimated by the petitioner and has been said to be according to the system requirement during peak hours considering optimum utilization of the surplus energy mainly during off peak hours. No generation from the gas turbine stations has been envisaged by the petitioner and no cost for these stations has been stated to have been considered by WBSEDCL for the ensuing years. WBSEDCL is maintaining diesel generation plant only at Rudranagar in Sagar Island. In view of excessive cost associated with diesel generation the petitioner has claimed to have restricted generation from this plant and the same has been stated to have been supplemented by non-conventional energy sources. In absence of adequate capacity addition from non-conventional sources and to meet the increased demand a new diesel set of capacity of 320 KVA has been reported to have been commissioned in 2007-08. Energy available from this diesel generating station has been estimated at 1.04 MU, 1.14 MU and 1.26 MU in 2008-09, 2009-10 and 2010-11 respectively.
- 2.21 To discharge the function of a distribution licensee, WBSEDCL continues to purchase power in the same manner as was being followed by erstwhile WBSEB from different agencies namely West Bengal Power Development Corporation Ltd. (WBPDC), Durgapur Projects Ltd. (DPL), Dishegarh Power Supply Corporation Ltd. (DPSCL), Damodar Valley Corporation (DVC), National Thermal Power Corporation Ltd. (NTPC), National Hydel Power Corporation (NHPC) and Power Trading Corporation (PTC). On commissioning of Tala Hydro Electric Power in Bhutan, Government of India has allocated power to the State of West Bengal from Tala Hydro Electric Power stated to be after curtailment of share from NTPC power stations in eastern region.
- 2.22 WBSEDCL has also claimed to have made all endeavour to procure power from green sources as specified by the Commission and has stated that procurement

would be met from such sources according to the availability of power from non-conventional sources.

It has been claimed that with financial grant of IREDA, WBSEDCL has commissioned the new hydel power station (3 MW) at Mongpoo-Kalikhola in the district of Darjeeling, annual generation from which has been estimated 6 MU for the ensuing years. WBSEDCL has claimed that a number of entrepreneurs are setting up biomass based power plant, small hydel plant and cogeneration plant for selling power to WBSEDCL. The petitioners have informed that WBSEDCL is already purchasing power from the cogeneration plant of M/s. Eletro Steel Castings Ltd. at Haldia and from small hydel plant of M/s. Neora Hydel Power Plant at Chalsa & M/s. Nippon Power Ltd. in Darjeeling. Considering the trend of generation of all these non-conventional power sources yearly energy available from the above power plants have been estimated by the petitioner at a level of 90 MU for the ensuing years. The petitioner has also drawn the attention of the Commission to the power plant being set up by M/s. Hooghly Metcafe Ltd. at Haldia which has been transferred to M/s. Tata Power Ltd. 20 MW of power is envisaged to be purchased by WBSEDCL from these plants. Considering the present status of work of the said plant and other plants to come up with cogeneration sources additional annual energy purchase from these proposed plants has been estimated at 75 MU during the year 2008-09, 2009-10 and 2010-11.

2.23 The planning of power purchase has been claimed by WBSEDCL to have been done keeping in view the following aspects.

- (a) Estimated system demand for the ensuing years based on the projected load growth.
- (b) Maximum generation that may be available from the hydel power stations of WBSEDCL.
- (c) Commitment to meet the peak system demand.
- (d) Optimization of power purchase cost with an eye on Merit Order Purchase as far as practicable.

- (e) Reduction in purchase of energy from DVC, DPSCL in radial mode by way of taking over the loads in steps.
  - (f) Requirement of pumping energy for optimum utilization of PPSP to meet the system demand.
- 2.24 It has been claimed by the petitioner that power will be procured by WBSEDCL from WBPDC, DPL and DPSCL whose prevailing tariff has been taken into account for arriving at the estimated cost of power procure from them. It has also been claimed that the interim orders passed by the Commission allowing hike in price in respect of WBPDC and DPL and the recent FPPCA orders for 2006-07 in respect of WBPDC has also been considered while estimating the power purchase cost.
- 2.25 WBSEDCL has claimed to be trying to follow the principles of power purchase on Merit Order basis as directed by the Commission but has at the same time submitted that certain practical constraints is said to have given little room to directly follow the Merit Order power purchase plan. The petitioner has tried to explain that although WBSEDCL has taken initiative to take over in a staggered manner the load of Asansol area which are now being supplied radially from DPSCL and DVC sub-stations, the licensee will continue with the existing arrangement of power purchase in radial mode from DVC (at 33 KV), DPL (at 33 KV & 11 KV) around Durgapur and DPSCL (at 11 KV) at Asansol area in order to cater its own consumers independent of the tariff of these agencies during the ensuing years.
- The petitioner has further pointed out that entire generation of WBPDC and surplus power of DPL at 132 KV in inter connecting mode is to be purchased by WBSEDCL without any consideration for Merit Order. In addition to this, WBSEDCL has to purchase power from Central Power Stations namely NTPC, NHPC Ltd. upto its total allocated share in order to reduce the burden of fixed charge as otherwise the consumers of WBSEDCL may have to shoulder the higher per unit power purchase cost.
- 2.26 The petitioner has submitted that after meeting the requirement of its own consumers, the requirement of other licensees of the State and the requirement

of pumping energy of PPSP, there will be some incidental surplus energy. This incidental surplus energy available with WBSEDCL mainly during off peak hours has been proposed to be sold to others on long term basis resulting in reduction of over all revenue requirement of WBSEDCL.

- 2.27 The petitioner has pointed out that considering load growth the demand in its system including the supply of power to CESC Ltd. has been estimated to be 3746 MW, 4120 MW and 4532 MW for the years 2008-09, 2009-10 and 2010-11 respectively. In addition to this demand WBSEDCL through radial mode of power purchase from DVC at 132 KV, 33 KV & 11 KV, from DPL at 33 KV & 11 KV and from DPSCL at 11 KV will meet its additional demand. It has been brought to the notice of the Commission by the petitioner that with the commissioning of Asansol 220 KV sub-station and construction of associated 11 KV lines 50 MW of load at Asansol area will be shifted to WBSEDCL system which will reduce the drawal of power from DVC and DPSCL on radial mode during the ensuing years. It has been further pointed out by the petitioner that with the commissioning of 132 KV sub-station at Barjora and 132 KV sub-station at Belmuri, WBSEDCL will be in a position to reduce its drawal at radial mode from DVC at those areas during the ensuing years.
- 2.28 The petitioner has further submitted that in consideration of the load growth in its own area and time for stabilization of new units of WBPDC, WBSEDCL will continue to purchase equivalent amount of power through the grid and total purchase from DVC in synchronous and radial mode shall remain at the same level.
- 2.29 With net generation of 1273.11 MU and net purchase of 25588.21 MU the petitioner has claimed to be able to meet its gross energy requirement of 18553.88 MU in 2008-09 including the losses in its own system, energy utilized in own premises and for construction and energy sold on radial basis below EHV level to the licensees. In addition to this, incidental surplus energy estimated by WBSEDCL to be 4648 MU will be sold at EHV to other than licensees of the State in the year 2008-09.





- 2.30 The petitioner has projected Rs.5098.47 crores as total power purchase cost for the year 2008-09 while for the years 2009-10 and 2010-11 the power purchase cost has been estimated to be Rs.5829.64 crores and Rs.6142.05 crores respectively. This power purchase cost includes the cost of purchase of estimated quantum of infirm power from the units under stabilization.
- 2.31 Transmission charges payable to WBSETCL for the energy required to be transmitted by the petitioner through WBSETCL system has been projected as Rs.611.63 crores for the year 2008-09. Rs.624.51 crores and Rs.658.27 crores have been projected for the year 2009-10 and 2010-11 respectively. SLDC charge of Rs.13.00 crores has been projected for each of the year of the control period.
- 2.32 An amount of Rs.533.40 crores has been estimated as employees cost for the year 2008-09. For the years 2009-10 and 2010-11 employees cost has been projected as Rs.592.23 crores and Rs. 641.96 crores respectively.
- 2.33 WBSEDCL has estimated that by the end of the financial year 2007-08 their employee strength will increase to 21634 and the assessed staff strength at the end of 2008-09 will be 22138 after considering 1872 nos. of retirement and recruitment of 1376 nos. Employee strength has been expected to come down from 2009-10 and the no. of employees as assessed for the years 2009-10 and 2010-11 are 20680 nos. and 18766 nos. respectively.
- 2.34 WBSEDCL has claimed that the element of D.A has been considered as per order of Government of West Bengal issued from time to time in the year 2006-07. The D.A element and its merger with the basic pay of the employees in terms of the order of the Government has been stated to have been considered. WBSEDCL has further pointed out that any further increase in D.A during the year 2007-08, if announced by the State Government will come as an additional expenditure. The petitioner has further stated that 2 nos. of additional D.A @ 6% each as declared by Central Government has been considered for the employee cost for the year 2008-09 along with 3% normal increase due to increment, promotion and other staff benefits comprising a total of 50% hike in Pay, D.A and



H.R.A. The petitioner has further considered a D.A hike @ 10% each year for 2009-10 and 2010-11.

WBSEDCL has further explained that with regard to overtime payment only the technical staff who were engaged to attend emergency break down beyond normal hours particularly during rainy and festive seasons to minimize the period of interruption are allowed overtime payment. The petitioner has pleaded that disallowance of such payment would severely affect the quality of supply.

2.35 The petitioner has projected Repair & Maintenance (R&M) cost including consumables for the year 2008-09 to be Rs.124.63 crores. The cost includes repair & maintenance of plant & machinery, buildings, civil work and hydraulic works, distribution lines & cables, vehicles, furnitures & fixtures and office equipments. WBSEDCL has claimed that various schemes in distribution have been taken up by the petitioner in order to deliver power at reasonable quality parameters and to reduce instances of outage. Besides distribution assets, WBSEDCL has claimed to have added generation assets of PPSP of Rs.2680.00 crores in 2007-08 and will be adding further distribution assets of Rs.639.60 crores from its own fund different schemes in the 2008-09. The petitioner has tried to justify R&M expenses of Rs.124.63 crores in 2008-09 to meet the R&M requirement. For the years 2009-10 & 2010-11 the petitioner has claimed to have estimated the R&M cost by trend analysis along with other factors and has projected Rs.132.63 crores for the year 2009-10 and Rs.142.12 crores for the year 2010-11.

2.36 Rs.94.45 crores has been estimated and claimed by the licensee as administration and general expenses for the year 2008-09. The petitioner has further tried to justify this expenditure which is stated to be due to increase in activity of consumer services, revenue monitoring, drive against theft of power, increase of vehicle running expenses, vehicle hire charges, traveling expenses and also training and legal expenses. Due to shortage of staff, WBSEDCL has claimed to have decided to outsource some of its services and the estimated expenditure of Rs.39.26 crores has been considered for the year 2008-09 to meet the cost of outsourcing. For the years 2009-10 and 2010-11, Rs.45.15

crores and Rs.52.37 crores respectively has been considered by the licensee as cost of outsourcing estimated through trend analysis. Equipping the loss prevention wing (S&LP) upto circle level for detection of theft and reduction of loss has also added to the administration and generation expenses.

- 2.37 The petitioner has appealed for allowing bad debt as actually has been written off in the latest available audited accounts subject to 0.5% of the value of gross fixed assets at the beginning of the year in terms of West Bengal Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2007.
- 2.38 The petitioner has claimed to have capitalized the actual cost that would be required during the year for the construction activities. This methodology has been stated to be the same as was being followed by the erstwhile WBSEB. Besides the generation units, WBSEDCL has stated to have several distribution units having separate field office for construction as well as O&M jobs. Following percentage of the expenses on account of salary, overtime, D.A and other allowances of the respective offices as shown against each has been proposed to be capitalized.

Sl.No.	Type of Unit	Rate of Capitalization
1	Construction Divisions/All Projects under constn.	100%
2	Dist. HQ	60%
3	Corporate Office	60%
4	Material Controller	60%
5	Distribution Circle Office/Zonal Office	18%
6	Uluberia, Coochbehar, Asansol & Durgapur Dist. (O&M) Divn.	20%
7	Alipurduar Dist. (O&M) Divn.	33%
8	Jalpaiguri Dist. (O&M) Divn.	40%
9	All other O&M Divisions (Dist.)	12%
10	Darjeeling Const-cum-(O&M) Division	57%
11	Hydel/Gas Turbine/Salt Lake Complex/HRD	0%

For construction sub-division and all projects under construction, 100% expenditure on account of other employees cost, administration & general expenses, maintenance expenses, finance charges, other debts in respect of construction units have also been proposed to be capitalized. Capitalization of expenses other than interest has been estimated for the year 2008-09 to be Rs.78.36 crores. The break up of which has been proposed as follows:-



Rupees in Crore	
Item	2008-09(Estimated)
Employee Cost	74.14
Admn. & Other Expenditure	4.21
Other finance charges	0.01
Total	78.36

- 2.39 The rate of capitalization of interest during the year 2008-09 has been worked out by the petitioner to be 20% considering which the amount of capitalization of interest for 2008-09 has been estimated at Rs.74.04 crores.
- 2.40 Cost of depreciation of assets of WBSEDCL which will be in service during the year 2008-09 has been stated to have been computed by the petitioner at Rs.310.77 crores on the basis of the methodology stipulated in the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation 2007 which specifies that the depreciation would be calculated annually based on straight line method at the prescribed rates. The depreciation upto 90% of the original cost of assets has been stated to have been considered. Depreciation for the years 2009-10 and 2010-11 has been projected as Rs.350.35 crores and Rs.415.60 crores respectively.
- 2.41 The petitioner has provided the computations showing actual amounts of interest chargeable in revenue accounts in the proforma prescribed by the Commission.
- 2.42 Interest on working capital requirement on the normative basis @ 18% on estimated annual sale revenue reduced by the amount of depreciation, deferred revenue expenditure and return on equity has been stated to have been considered by the petitioner in terms of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation 2007.
- 2.43 The petitioner has claimed that the provision upto 0.25% for allowing a reserve for dealing with unforeseen exigencies of the value of gross fixed assets at the beginning of the year has been considered in terms of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation 2007. Accordingly, the amount projected by the petitioner for reserve for unforeseen exigencies for the year 2008-09 is Rs.24.20 crores whereas such reserve for the



- years 2009-10 and 2010-11 has been projected as Rs.26.54 crores and Rs.31.15 crores respectively.
- 2.44 Interest on consumers' security deposit has been projected by the petitioner for the year 2008-09 as Rs.43.34 crores. For the years 2009-10 and 2010-11 such interest has been projected as Rs.49.31 crores and Rs.55.94 crores respectively.
- 2.45 Total expenditure of Rs.7951.36 crores has been computed by the petitioner and after excluding the revenue earned from other income, from bulk supply and supply to Sikkim, expenses attributable to export and taking into account the benefits passed on to the consumers, interest credit on depreciation and U.I earning of previous year the annual revenue required from sale of energy to its consumers has been estimated by the petitioner as Rs.5021.07 crores for 2008-09. Similarly, for the years 2009-10 and 2010-11 total expenditure of Rs.8962.95 crores and Rs.9441.51 crores respectively have been projected by the petitioner and after aforesaid deductions estimated for the years the ARR from sale of energy to its own consumers has been projected as Rs.5801.66 crores and Rs.6803.73 crores.
- 2.46 With projected revenue requirement of Rs.5021.07 crores proposed by the petitioner from sale of 14980 MU of energy to its own consumers, the average cost of supply per unit has been computed by the petitioner to be 335.18 piase / kwh for the year 2008-09.
- 2.47 Retail tariff has been claimed to have been proposed by the petitioner keeping in mind the provisions of Electricity Act 2003.
- 2.48 (a) No change in the rate of energy charge for lifeline domestic consumers has been proposed by the petitioner for 2008-09.
- (b) Fixed charge in Rs. / consumer / month for LT domestic category including lifeline consumers has been proposed by WBSEDCL. WBSEDCL has further proposed to realize fixed charge from LT commercial category in Rs./ KW / month in place of Rs. / consumer / month as was being done.



- (c) The rate for minimum charge has been proposed to be reintroduced for LT commercial category while the existing rate of minimum charge for LT domestic category has been proposed to be enhanced.
- (d) No change in the rate of demand charge for HV & EHV consumers has been proposed for the year 2008-09
- (e) The percentage considered for computation of energy charge during peak hours and off peak hours from the rate of energy charge during normal period in respect of HV & EHV industrial consumers has been proposed by the licensee to be changed so that the average rate remains close to non-TOD rate for the industries running 3 shifts at uniform load.
- (f) The rate of energy charge for industrial consumers taking supply at 33 KV has been proposed by the petitioner to be reduced by 7 paise / kwh in 2008-09.
- (g) The rate of power factor rebate has been proposed by the petitioner to be enhanced from the power factor above 95%.
- (h) A new tariff rate for IT sector availing power supply at HV & EHV has been proposed by the licensee to be introduced under commercial high voltage category keeping the rate of energy charge 10 paise less than the rate for commercial consumers of respective category.



## CHAPTER – 3 OBJECTIONS

### Objections against the Tariff Petition of West Bengal State Electricity Distribution Company Ltd (2008-2009)

3.0 The persons from whom objections, comments etc. on the tariff petition of WBSEDCL for the control period, covering the year 2008-09, 2009-10 & 2010-11 have been received within the stipulated date of 18<sup>th</sup> July, 2008 are mentioned in paragraph 1.21 of Chapter 1. The points of these objections, comments and suggestions, etc. are summarized in subsequent paragraphs of this Chapter against the respective names of such objectors.

#### 3.1 **Jayashree Textiles -**

In regard to energy charge under T.O.D tariff the objectors have objected to proposed lowering of normal rate of 7 paise for 33 KV consumers in 2008-09 and 2009-10 while raising the proposed rate by 4% for 132 KV consumer in 2010-11. Finding these proposals as “negative signals for 132 KV consumers” the objectors have suggested that instead of raising the normal rate on 132 KV consumers the suppliers should have taken efficient means to reduce T&D loss & Power Generation cost.

In regard to T.O.D rate the objectors have argued that due to change in timings of peak & off peak hours, industries under T.O.D tariff have suffered huge loss in 2007-08 which, it has been suggested that, should be compensated in 2008-09 by reducing the off-peak charges to 55% of normal rate.

On the subject of Load Factor Rebate the objectors have opined that the change in definition of Maximum Demand in the tariff proposal of the licensee will discourage the industrial units as they will never be able to achieve load factor of 80% or above. For Load Factor calculation the objectors have suggested that actual Maximum Demand in a billing month or 85% of contract demand should be considered for calculation of Load Factor.

They have also suggested raising of rebate for 132 KV consumers from the existing rate of rebate. At Load Factor between 55% & 60%, the objectors have suggested 22 paise / Kwh rebate in place of existing 5 paise/Kwh rebate.

Similarly for Load Factor between 60% & 70% the objectors have claimed a rebate of 30 paise / Kwh in place of existing 10 paise/Kwh and so on from 2009-10 or from January, 2009 so that the industries may analyse their demand requirement and fix the Contract Demand accordingly. They have also suggested to allow downward revision in Contract Demand at least twice each year in place of existing practice of once in a year.

The objectors have prayed for adjustment of Load Shedding / Power Cut hours while calculating L.F.

They have proposed higher rebates for improvement of Power Factor in slabs at the level of 95% to 96%, 96% to 97% and introduce such rebate above 97%. The objectors have suggested higher rebate on energy charge for 132 KV consumers. Suggesting a tariff on actual cost of supply to 132 KV consumers the objectors have suggested to indicate in the tariff order the extent of subsidy being contributed by one particular category of consumer. Increase in demand charge from Rs.200 / KVA to Rs.225 / KV in 2010-11 has also been objected.

### **3.2 Exide -**

The objectors have pointed out that the industry operated by them being a continuous process industry, the consumption pattern at normal, peak and off peak in a day is same. As a result cost of electricity at T.O.D tariff is becoming higher raising the cost of production. The objectors want that T.O.D tariff should not be applicable for them.

The objectors have suggested that FPPCA arrear be divided into 12 equal instalments. They have also proposed to withdraw the restriction of one year for reduction of sanctioned load. The objectors have proposed benefit on voltage dip in line with the similar benefit allowed on power interruptions. They have also proposed for P.F rebate above 0.97 and have suggested L.F rebate of 45 paise / Kwh above 80% L.F.

### **3.3 Hooghly Chamber of Commerce -**

Many of the objections & suggestions of the objectors are similar to those filed by M/s. Jayashree Textiles which have already been considered. The Commission, therefore, mentions here only those objections, suggestions and opinions of the Hooghly Chamber of Commerce which are in addition to those of M/s. Jayashree Textiles.

The objectors have suggested downward revision of normal rate of energy in case of 11 KV & 132 KV consumers by at least 5 paise. In addition to upward revision of L.F rebate for 132 KV consumers as suggested by M/s. Jayashree Textiles, Hooghly Chamber of Commerce have additionally proposed higher L.F rebate for 6.6 / 11 KV & 33 KV consumers also and have suggested such rebate to be 15 paise / Kwh and 20 paise / Kwh for 6.6 / 11 KV & 33 KV consumers respectively at L.F above 55% and upto 60% in place of existing rebates of 3 paise / Kwh and 4 paise / Kwh. In all other slabs of higher L.F also, the objectors have suggested higher L.F rebates than existing rate of these rebates.

Rebate on energy charge for 33 KV consumers have been suggested to be raised to 5% instead of existing rate of rebate of 3%. The objectors have also suggested to introduce an energy rebate of 2.5% (if not more) for 11 KV consumers.

The objectors have suggested that while fixing the tariff of consumers, the class of consumers who are already getting cross-subsidy should not be allowed further cross-subsidy in terms of percentage of average cost of supply.

### **3.4 Eastern India Textile Mills' Association -**

Objections and suggestions filed by the objector is generally in line with those of M/s. Jayashree Textiles & Hooghly Chamber of Commerce which have already been taken into account in earlier paragraphs. M/s. Eastern India Textile Mills' Association have suggested that the industry should be allowed



frequent change in Contract Demand as per need or at least should be allowed upward and downward revision in Contract Demand at least once in a quarter.

**3.5 Manoranjan Roy Energy Education Centre (MREEC) -**

Quoting from the para 5.5.2 of National Electricity Policy, MREEC have pointed out that the electricity utilities of the State are submitting tariff petitions to WBERC in gross violation of the stipulation \_\_\_\_\_ “A minimum level of support may be required to make electricity affordable for consumers of very poor category consumers \_\_\_\_\_ supply”. MREEC have pointed out that WBSEDCL has for the years 2008-09, 2009-10 and 2010-11 proposed average cost of supply to be 335.18 paise, 340.77 paise and 360.29 paise respectively but for life line consumers the licensee has proposed tariff of 206 paise, 208 paise and 224 paise in the respective years which were by far higher than the stipulated 50% of proposed average cost of supply.

MREEC have further suggested that the licensee shall submit adequate data in respect of number of such life line consumers so that their right to access electricity at cheaper rate is not denied MEERC have further suggested that the utilities widely notify through print and audio visual media this right of the poor people so that they know lawful claim and establish their right.

**3.6 CESC -**

Pointing out that CESC draws power from WBSEDCL for the purpose of redistribution only, the objectors have mentioned that increase in WBSEDCL's tariff for supplying power to CESC Ltd. as proposed in the tariff petition of WBSEDCL will have an adverse impact on consumers in CESC area. CESC have proposed not to enhance this tariff.

**3.7 West Bengal Cold Storage Association -**

The objectors raising objection for the proposed increase of 10 paise / Kwh for Cold Storage consumers, have termed the tariff proposal of WBSEDCL as prejudiced and “discriminatory” which according to the objectors, will act in

detriment to the financial interest of 170 H.V Cold Storage consumers. The objectors have pointed out that “effective gross rate of electricity in respect of S(fpi) category of consumers is Rs.3.26 per unit for FY 08 and most of the consumers under the same voltage class have been left out of tariff revision.” The application of clause 2(d) of the Tariff Order of WBERC for FY 08 in the computation of demand, in the opinion of the objectors, have resulted in an increase in per unit cost of electricity well above the gross rate of Rs.3.24 per unit during lean and unloading periods. With the help of a statement the objectors have submitted that during the months of January '08 and February '08, effective per unit cost of electricity for Cold Storage consumer went as high as Rs.28.00 and Rs.25.72. With the help of a chart showing the profile of monthly Maximum Demand and Kwh consumed in different months of the year the objectors have emphasized that the pattern of operation in a Cold Storage is seasonal with seasonally varying demand. Proposed raising of Contract Demand related demand charge from 75% to 85% for the calculation of demand charge, has been stated to increase the burden of electricity cost of Cold Storage consumers. Such an approach has been stated to be “distinctly unfavourable in lean months when effective electricity cost per unit goes as high as Rs.28/-.” The objectors have proposed “the recorded Maximum Demand based levy of demand charge or stipulated minimum demand as per agreement whichever is higher”, be approved for Cold Storage consumers in consideration of seasonal nature of operation. The objectors have also raised objection against proposed enhancement of demand charge by Rs.20 / KVA maximum demand per month for 2010-11.

In the case of projected AT&C loss the objectors have raised objection to the envisaged commercial loss of 3.749% in the year 2009-10 which is higher than the proposed commercial loss in 2008-09. Progressive reduction of AT&C loss has been suggested by the objectors.

Pointing out that the benefit of Load Factor rebate has not been extended to high voltage Cold Storage consumers under the tariff proposal of WBSEDCL for FY '09, the objectors have emphasized that such omission without

assigning any reason is not based on a right judgement. Drawing the attention of the Commission to this omission the Association have stated that except in lean period the Cold Storage units consume power at high Load Factor. The objectors have suggested P.F rebate to continue to encourage Cold Storage consumers to achieve a better system operation. The Association have further demanded that Meter Rent should be reduced as the earlier price of static meter has come down presently.

The Association have further pointed out to the Commission that the State Govt. fixes rent for storage in Cold Storage units after examining all cost components including electricity in the month of February each year. Revision of electricity tariff subsequently is not compensated by corresponding revision of rent of Cold Storage as a result of which the Cold Storage units suffer financially.

### **3.8 EPCoS -**

Objecting against the tariff revision proposal made by WBSEDCL the objectors have mentioned that they are one of the larger consumers consuming average 2,300,000 Kwh per month. The objectors have pleaded that due to high electricity cost in comparison to Chinese manufacturing units who enjoy much less electricity tariff, the objectors are finding it difficult to compete globally. It has also been pointed out by the objectors that even in Czech Republic their plant is enjoying lower electricity price.

The firm has emphasized that the proposal of WBSEDCL for tariff revision will put them further into trouble and lead to instability in business.

### **3.9 W.B. Cold Chain & Cold Storage Owners Welfare Association -**

The objection raised by W.B. Cold Chain and Cold Storage Owners Welfare Association, are mostly similar to those raised by West Bengal Cold Storage Association. However, some of the objections raised and suggestions made by W.B. Cold Chain and Cold Storage Owners Welfare Association are slightly different in nature and needs mention.

The objectors have pointed out that there being virtually no drawal of energy during December, January & February, the existing levy of Demand Charge on 75% of the Contract Demand, signifies a huge liability even by not consuming any energy in the lean period. The objectors have suggested that Potato Cold Storage consumers be given the status of seasonal consumers with rotating Contract Demand separately for summer, monsoon and winter. Objecting to the proposal of raising minimum chargeable demand from 75% to 85%, the objectors have pointed out that the increase in minimum reference demand would widen its divergence from the recorded maximum demand. The objectors have objected to the continuance of additional penal levy of 60% on the excess amount of power drawal over the Contract Demand because of repeatedly pointed out grounds of seasonal nature of operation of Cold Storage plants.

The Association have objected to what they have termed “Unaccounted Penal Levies” of WBSEDCL. Estimated revenue receipt of WBSEDCL, in the opinion of the objectors, have not considered the earnings of the licensee derived from penal levy in the form of Late Payment Surcharge, “over levy on account of application of minimum power drawal embargo etc.”

The objectors have demanded “Incremental Load Factor Rebate” for Cold Storage consumers without actually explaining the term. They have further objected to Contract Demand based computation of Demand Charge, as proposed by WBSEDCL as it does not reckon the interruption hours. In their opinion Contract Demand being maximum KVA which a consumer is entitled to receive in terms of agreement, is in no way related to actual Load Curve at the consumers’ premises over a period of time. For calculation interruption benefits, they have strongly advocated for consumers’ meter reading as computation parameter instead of substation readings which has been stated to be crude and faulty. Interruption benefits given to the consumers, in the opinion of the objectors, does not compensate the extra cost suffered by the

consumer in purchasing diesel, generating set, lubricants etc. and due to generation duty, over drawal demand charge etc.

The Association have suggested to allow additional rebate for delay in restoring supply beyond the time limit laid down in the regulation.

The objectors have raised objection to allowing a simple interest of 6% on Security Deposit. They have also pointed out that the interest for the term deposit for 1-year in bank is much higher.

The Association have also objected to upward revision of energy charge proposed by the licensee.

### **3.10 Indian Tea Association –**

Indian Tea Association, Tea Association of India, Indian Tea Planters' Association, Terai Indian Planters' Association, Consultation Committee of Plantation Associations, McLeod Russel India Ltd., Gillanders Arbuthnot & Co. Ltd. have been stated by the objectors to collectively represent majority of Tea Gardens in West Bengal. On behalf of these Associations / Committee / Company, a common objection and opinions have been submitted to the Commission on the tariff petition for the years 2008-09, 2009-10 and 2010-11.

Welcoming present position of one downward and one upward revision of Contract Demand in a year the objectors, the objectors have proposed, for the purpose of simplification of procedure, the provision of a one time opportunity for declaration of Contract Demand for all the seasons and off seasons for the different years of the control period. Demanding cost of supply related to particular category of HV consumer, the objectors have tried to argue that any departure from this is violation of the basic requirement of ensuring transparent policy on cross subsidy. The Association submits that substantial increase in the rates for multi year tariff both in terms of energy charge as well as demand charge has been proposed in the tariff petition by the licensee. The objectors have proposed to reduce the tariff appropriately for the Tea Industry.

Treating the overall average cost of supply as the average cost of supply for all consumers irrespective of the voltage at which supply is made has been termed by the objectors as “misconceived notion”. The Association’s opinion is that such an approach is not in line with provision of ‘Safeguarding the consumers’ interest. Submitting a calculation for 11 KV consumers vis-à-vis the proposed Demand Charge and the proposed tariff, the objectors have concluded that the amount of extra payment as cross subsidy shall be of the order of Rs.2.00 per unit for Tea Industry consumers. High average cost of power purchase, high transmission cost and non-utilization of Purulia Pumped Storage Scheme to optimum capacity have been identified by the objectors as the main reasons for high average cost proposed by the licensee.

Submitting their calculation, the objectors have inferred that including minimum demand charge the total charge per unit for 2008-09 and 2009-10 will be Rs.4.29 and for the year 2010-11 such charge has been calculated to be Rs.4.50.

Submitting that the standard definition for consumers’ load factor, voltage of supply and power factor are not matters included under terms & conditions of tariff and are purely technical terms universally accepted, the Association has suggested that the purpose of improvement of consumers’ load factor being achievement of overall improvement in system load factor, the contract demand should not have any relationship with the determination of load factor. The objectors have prayed for continuing with existing method of application of Load Factor Charge and Rebate on the basis of standard norms of load factor.

Drawing the attention of the Commission to “disproportionately high capital expenditure for creation of fixed assets” the objectors have raised certain points for the consideration of the Commission.

In respect of Purulia Pumped Storage Scheme, the objectors have mentioned that viability of the Scheme under ABT was objected earlier. The Association has quoted paragraph 5.9 of the Commission’s tariff order for 2007-08 and has pointed out that WBSEDCL’s projection of annual energy of 790.40 MU

for the year 2008-09, 2009-10 and 2010-11 is far less than that what was considered by the Commission as contribution of PPSP.

The objectors have, according to their calculation, claimed that fixed cost per unit of PPSP is of the order of Rs.6.80 / unit. Considering cost of pumping energy @ Rs.2 / unit for 1050 MU to be Rs.210 crores for an output of 790 MU, the objectors have maintained that Rs.2.65 / unit is the cost of energy output of PPSP. According to the Association overall cost of power from PPSP on the basis of generation projected shall be around Rs.10/unit.

Considering the total generation of PPSP to be 1700 MU annually, the objectors have assessed extra sale of 910 MU of energy at Rs. 10 / unit. 90% of such earning has been suggested by the objectors to be passed on to the consumers of WBSEDCL.

The Association has also raised objection against proposed increase in capital expenditure on distribution network during the three year of the control period and have pleaded for not accepting such expenses without commensurate benefit as a pass through for tariff determination and have suggested to quantify in terms of quality and quantity of supply that shall percolate to provide benefit to the consumers. The Association has argued that only justified and properly attributable expenses be considered in the tariff.

Raising objections on cost of transmission of WBSEDCL power through the transmission system of WBSETCL, the objectors have suggested that it will not be fair to book the entire cost of the transmission system under WBSETCL against the consumers of WBSEDCL. The other consumers sharing the facility in their opinion should also contribute towards the cost of transmission. The Association has argued that otherwise the consumers of WBSEDCL shall continue to subsidize the cost of supply to others which is not acceptable to the consumers of WBSEDCL.

Stating that one of the main reasons for creation of Regulatory Commissions being removal of danger of heavy cross subsidization sustained by the industrial consumers and thereby boosting up the economic growth through

rapid industrialization, the Association has emphasized that tariff at different voltage levels should be different.

In a substantial portion of their written objection and suggestions the Association has expressed its concern about cross subsidy. The Association has primarily raised objection against the WBERC (Terms & Conditions of Tariff) Regulation, 2007 & (Amendment) Regulation, 2007. In the opinion of the Association “The regulation made by the WBERC is conspicuous in remaining silent” on reduction of cross subsidy and the manner of reduction. The Association has further argued that definition of cross subsidy has not found place in the regulation “providing enough scope for distortion in making the proposals and thus frustrating the purpose of the act in tariff determination”. The Association has also argued that consumers located at various voltage levels have different costs depending upon the cost incurred by the supplier in providing supply at those voltage levels. In the opinion of the objectors, the continuance of determination of tariff in an ad-hoc manner as was done prior to the act is improper and inappropriate and also violative of Section 61 of the Act. The Association has suggested that the provision of the act be honoured keeping into consideration the state of affairs with regard to unsustainable cross subsidization by the industrial consumers. The objectors also want that the gradual decrease of cross subsidization be quantified in a transparent manner.

The objectors have raised objection on the amount of earnings of WBSEDCL as UI charges for the year 2005-06 which according to the objectors needs correction vis-à-vis the figures shown in ERLDC account.

The Association has further argued that since the UI has been earned by WBSEDCL through either non-supply to the consumers for whatever reasons it may or out of surplus share of power allocated to the consumers of the State from the generating station of the State or of Centre, this energy which constitutes the UI is the exclusive property of the consumers of WBSEDCL



and this benefit should be passed on to the consumers appropriately and to WBSEDCL.

The Association, on the same grounds has also proposed that not less than 90% of the gain of WBSEDCL through sale of energy to others be passed on to the consumers of WBSEDCL.

The objectors have also argued for providing opportunity of hearing to clarify the issues raised by them against the tariff proposal of WBSEDCL emphasizing that transparency is to be ensured by the Commission while exercising its power and discharging its functions. The instant petition being multi-year tariff it has been stated by the Association that it is highly important for consumers in general and industrial consumers in particular. Hearing (interactive session) has been said to provide access to bigger cross section of opinion enabling the Commission to address the issues in most effective manner.

### 3.11 **ABECA -**

#### **SRI PIJUSH KANTI SARKAR & 8490 OTHERS SUBMITTED BY ABECA -**

Among the objections raised by ABECA some are not related to tariff determination \_\_\_\_\_ a few being on the Standard of Performance, some are on general consumers grievances like problem of installing new connection, un-metered supply, load shedding, complaints of burnt transformers, false allegation of theft and penalization for alleged theft. In the submission the Association has even complained against corruption.

Among some suggestions not linked to determination of tariff, the objectors have suggested to stop load shedding immediately, arrange for supply of electricity for 24-hours at correct voltage, stop collection of dues of one consumer from another consumer, to introduce Meter Reading Card for agricultural consumers and to compensate for non-adherence to the Standard of Performance specified by the Commission.

In connection with determination of tariff the objection of the objectors to the tariff proposal of WBSEDCL are on Transmission & Distribution loss of the licensee and on introduction of Fixed Charge on domestic & commercial consumers. The Association has also objected to the proposed rise of average cost of supply and has suggested not to allow average cost of supply beyond Rs.2.00 per unit. The objectors have suggested to determine the tariff for agricultural consumers at the level of Rs.0.50 / unit and that for domestic consumers and small industrial consumers at the level of one rupee per unit. The objectors have suggested T&D loss of 11% for the licensee. They have argued that if T&D loss is reduced by 2.5% the tariff would have come down. The rise in tariff proposed by the licensee has been claimed to be due to commissioning of Purulia Pumped Storage Scheme and due to the Central Govt. programme of rural electrification and has been stated by the objectors to be unjustified. In the opinion of the Association if T&D loss is reduced by 2.5% and the expenditure on Purulia Pumped Storage Scheme and Rural Electrification are rejected then average cost of supply should come down to Rs.2.00 / unit.

The Association has demanded rejection of tariff petition of WBSEDCL.

### **3.12 SRI VASAVI INDUSTRIES LTD (SVIL) -**

The objectors SVIL, have presented their case by stating that the saga of their establishment of ferro-alloy plant in W.B has its genesis on the concessional tariff announced by Govt. of W.B. Withdrawal of their concession in later part of 2005 and unfavourable tariff applicable to their plant has been stated to be a serious blow to their financial viability which has become more important due to its long term implication.

The objections raised by SVIL on;

- (a) Cost of supply vis-à-vis cross subsidy;
- (b) Disproportionately high capital expenditure for creation of fixed assets;
- (c) Sharing of gains from export of power;

- (d) Load Factor Rebate / Surcharge on Load Factor  
and (e) Unscheduled Interchange charge being exactly the same as those raised by Indian Tea Association, are not reproduced second time for the sake of brevity. The comments and opinions on the requirement of providing opportunity of hearing are also mostly similar to the opinion of Indian Tea Association.

Additional issues which have been raised by SVIL but are not exactly similar to the objections of any other objectors are being taken up in following paragraphs.

Raising objections on expenditure of power purchase with reference to total expenditure submitted by WBSEDCL the objectors have proposed that power purchase be judiciously planned in order of merit as 70% of total expenditure of the licensee is on account of power purchase. The objectors have objected to proposed rise in per unit cost of power purchase and have determined that restriction of this increase will reduce the expenditure on power purchase by Rs.250 crores.

Quoting the Section 61(d) and 61(g) of Act the objectors have tried to emphasize that 'safeguarding the consumers' interest' calls for recovery of charges from 132 KV consumers at the cost related to that particular category of consumer for supply at 132 KV. Such cost has been determined by the objectors to be around Rs.2 / unit and has been reiterated that reasonable recovery of cost shall mean that the tariff for such category should be around Rs.2 / per unit. Application of overall average cost of supply as the average cost of supply for all consumers, irrespective of the voltage at which supply is made, has been termed by SVIL in exactly the similar manner as Indian Tea Association as "misconceived notion."

The main reasons for exaggerated average cost proposed by WBSEDCL has been analysed by SVIL and the objectors have informed that such reasons are;

- (a) High average cost of power purchase
- (b) High transmission cost and
- (c) Non-utilisation of Purulia Pumped Storage scheme to optimum capacity.

Another objection of SVIL is on the proposal WBSEDCL to increase the minimum billing demand to 85% of Contract Demand. The objectors have determined that this will increase the effective electricity charge to Rs.3.76 per unit from existing effective rate of Rs.3.71 per unit in the years 2008-09 and 2009-10. Such effective charge will become Rs.3.95 / unit in 2010-11.

In the opinion of the objectors reasonable tariff related to the cost of supply should be applied. Any departure according to the objectors, exhibits violation of the basic requirement of ensuring transparent policies on cross subsidy. Further violation, according to SVIL, is exhibited by ever increasing proposed by the licensee for HV / EHV consumers. In their opinion cost of supply is only Rs.2.00 per unit in place of proposed rate of Rs.3.76 / unit or Rs.3.95 / unit as argued and calculated by SVIL in the previous paragraph.

Grant of hearing has been opined by the objectors as absolute necessity for clarifying their points appearing in their submission of objections / comments on the tariff petition filed by WBSEDCL. The other opinions and arguments of SVIL on allowing hearing is similar to those of Indian Tea Association and is not being reproduced here again.

### **3.13 EASTERN RAILWAYS -**

Eastern Railways, a public utility engaged in transportation of passengers and various commodities including the essential ones like food grain, coal, cement, steel fertilizer etc. have pointed out in their objection / comments that there is an imperative need to keep the traction tariff at a reasonable level for viably and efficiently playing its desired role in growth and development of economy of the country.

Claiming to be a major consumer of bulk traction power supply from WBSEDCL, Eastern Railway has opined that being a compliant customer it

deserves special consideration for fixing railway traction tariff at a more economical rate. In support of their point the objectors have quoted from recommendations of Public Accounts Committee of Lok Sabha, Directives of Ministry of Power and even Article 287 of the constitution. The objectors have also pointed out the stipulations in tariff policy to reduce cross subsidy to within 20% of the average cost of supply by the end of 2010-11.

Objecting to the proposal of levying Maximum Demand charge @ Rs.200 / KVA / month the objectors have drawn the attention of the Commission to the prevailing Maximum Demand charge of Rs.140 / KVA / month in JSEB area. Eastern Railways in their objection have further pointed out that since the licensee realizes the total cost of augmentation of their transformer capacity from the Railways, levying of Maximum Demand charge is neither realistic nor justified.

Eastern Railways have also objected to proposed enhancement traction energy charge by 10 paise for 2008-09, 15 paise for 2009-10 and 28 paise for 2010-11 for 25 KV supply. The objectors have pointed out that such charges from HV industrial tariff has been proposed to be reduced by 7 paise / unit and for 132 KV consumers there is no proposal for enhancement.

The objectors have argued that the proposed tariff for the ensuing year is of enhancement of traction energy charge but reduction in industrial energy charge which is in addition to the proposed voltage rebate and load factor rebate allowed for industrial consumers. Such a tariff in the opinion of the objectors is discriminatory and not in conformity with clause 62(3) of the Act and tariff policy declared by Govt. of India. Drawing the attention of the Commission to the additional financial burden imposed on Eastern Railways by the proposed tariff the objectors have prayed for suitable reduction both in the fixed demand charge and in the energy charge for the railways.

The objectors have mentioned about voltage rebate in energy charges which has been said to have been proposed by WBSEDCL @ 3% and 7% in respect of 33 KV & 132 KV industrial consumers for 2008-09, 2009-10 and 2010-11.

According to the objectors no such rebate has been allowed to 25 KV and 132 KV railway traction tariff which in their opinion is discriminatory. Eastern Railways have prayed for voltage rebate to railways as would be applicable to industrial consumers.

Advocating Demand charge on the basis of simultaneous Maximum Demand of railways' total drawal at 132 KV from WBSEDCL, the objectors have quoted from the tariff order issued by Rajasthan Electricity Regulatory Commission. Penalty for overdrawal has also been pleaded to be accounted on the basis of simultaneous maximum demand.

The objectors have raised objection to the proposal to enhance minimum billing demand charge to 85% of Contract Demand and has called the proposal arbitrary, unjustified and discriminatory.

Regarding L.F rebate and surcharge the objectors have mentioned that since railways loads are fluctuating in nature due to various extraneous reasons, the consumption of traction energy is not uniformly distributed with respect to Contract Demand for a single supply point. Average L.F for railways is claimed to be about 25% and such L.F should be considered for rebate and surcharge level for railways. They have also proposed that rebate for Power Factor for railways should be allowed above P.F of 0.85 instead of 0.91.

The objectors have drawn the attention of the Commission to the realization of huge amount by WBSEB / WBSEDCL from railways towards service connection charges for augmentation of their transformer capacity of grid sub station to cater the growth of electric traction. Eastern railways have appealed not to realize such charges and recover the charges in terms of WBERC tariff order.

Eastern Railways have further appealed for compensation from WBSEDCL on account of failure to supply quality power at proper voltage and frequency.

### **3.14 BHARAT CHAMBER OF COMMERCE (B.C.C) -**

BCC has objected to the projected percentage of transmission loss in the WBSETCL system and has opined that it should be restricted to within 1%. In regard to sub-transmission and distribution loss the opinion of BBC is that there is in-built inefficiency in the system because of which such loss has been shown on the higher side. The objectors have proposed that sub-transmission and distribution loss for WBSEDCL system should be allowed at a level of 13% in 2008-09, 12% in 2009-10 and 11% in 2010-11. BCC has raised objection on the generation figures projected by WBSEDCL for PPSP Scheme and for other hydel power stations. Quantum of rise in PLF at Jaldhaka and Rammam has been objected mentioning that such rise in 2008-09, 2009-10 and 2010-11 will not be realistic. Similarly, the projected rise in PLF in case of little Rangeet for the year 2009-10 has been particularly objected by BCC.

According to the objectors the licensee has projected a figure of 800 MU generation from PPSP Scheme in 2008-09, 2009-10 and 2010-11. This figure of 800 MU has appeared to the objectors to be on the higher side. According to BCC all the gas turbines at Kasba, Haldia and Siliguri have outlived their effective life because of normal wear and tear and are not in a generation mode. The objectors have suggested that Commission may review these units to examine whether these units can be brought to strength with reasonable repairing cost for which WBSEDCL may consult with BHEL or other such organization. Diesel stations according to the objectors may not be considered because of high cost of generation.

Regarding green power or renewable energy the opinion of the objectors is that unless cost of generation is reduced it may not be acceptable to the consumers although this is eco-friendly. The objectors have proposed downward revision of TOD during normal period by at least 3 paise in case of 11 KV consumers and 28 paise for 132 KV consumers. The objectors have also objected to the continuity of timings of peak hour mentioning that existing peak hour from 5 P.M to 10 P.M has been changed by the Commission to 5 P.M to 11 P.M “without the power utilities even submitting their proposal for this time increase.” Bengal Chamber of Commerce has pointed out that this

change was done without any knowledge of the consumers and has suggested not to change the timings of the peak hour. They have also suggested reduction in energy charge for drawal during peak and off peak hours. Bengal Chamber of Commerce has objected to the proposed change in Demand Charges stating that the change will discourage industrial units. The objectors have further suggested that in case the Commission decides to accept the new definition of load factor on the basis of changed Maximum Demand then the load factor rebate should also be increased to off-set the loss to industries as a result of the proposed change of method. The objectors have further suggested that the Commission should provide applicability of change in Contract Demand and allow downward revision at least twice in 12 months period. Bengal Chamber of Commerce has also reiterated the demand of adjustment of load shedding / power curt hours while calculating the load factor.

Drawing attention of the Commission to Section 61(g) of the Electricity Act 2003, the objectors have pointed out that WBSEDCL has not indicated whether subsidy has been received due to cross subsidization of tariff. According to the objectors the WBSEDCL has also not indicated the quantum of cross subsidy allowed to particular class of consumers and its effects on other class of consumers. They have also suggested that since industrial consumers play a vital role in maintaining the health of the power supply system it is necessary that the amount of cross subsidy held should be passed on the industrial consumers.

Objecting to the inclusion of construction power in the auxiliary consumption, the objectors have suggested to direct WBSEDCL to restrict the auxiliary consumption according to the guidelines of CEA which in the opinion of the objectors is 2% maximum for hydro station and 7.5% for thermal station. Bengal Chamber of Commerce has suggested that realistic study be made between the assets created and additional staff proposed by the licensee, total benefits of the employees due to merger of 50% DA with basic pay, hike in DA



and HRA. It should be realistically judged so that the tariff revision does not become a burden due to such high employee cost.

Pointing out that the figures for repair and maintenance expenses for the years 2009-10 and 2010-11 has not been projected by WBSEDCL, the objectors have proposed that the figure of Rs.124.63 crores for 2008-09 cannot be accepted without a detail estimate being made available. Similar opinion has been given by Bengal Chamber of Commerce on administration and general expenses where WBSEDCL has projected figure of Rs.94.45 crores in 2008-09 without projection of figures of 2009-10 and 2010-11. Objecting to the submission of WBSEDCL to allow bad debts to the extent of 0.5% of the value of gross assets, the objectors have suggested to allow only the realistic figure of allowable bad debts since WBSEDCL should have adopted ways for realizing the outstanding revenue if necessary by approaching to the corresponding government before declaring it as bad debts. Objecting to the capitalization of interest the objectors have opined that such capitalization of interest projected as Rs.74.04 crores has been estimated based on 20% as the rate of capitalization of interest. The objectors have proposed that WBSEDCL be directed to assess the figure through detail estimate for 2008-09.

The objectors have also suggested to approach the State Government for restoring earlier rate of 2% interest rate so that the amount of Rs.637.96 crores is not passed through tariff to the consumers. It has also been mentioned by the objectors that in the tariff structure proper incentive for operation of industries in lean period has not been provided whereas tariff during peak load has been considerably increased. Industrial consumers role in flattening the load curve, according to Bharat Chamber of Commerce, have not been properly incentivised in the tariff. The objectors have further tried to point out that actual figures achieved by WBSEDCL has not been compared with projections made. Bharat Chamber of Commerce has emphatically submitted that WBSEDCL may be directed to make comparative study of the projected expenditure with respect to actual capital expenditure incurred and if

the expenditure is less proportionate reduction shall have to be made. Bharat Chamber of Commerce has also pointed out that the recovery of the amount against pilfered power and bad debts should be proportionately adjusted against the actual energy loss and the balance amount should be passed on to the consumers for reduction of tariff. Bharat Chamber of Commerce has also proposed that in future a soft copy of the tariff proposal be made available for purchase by the consumers intending to submit objections / comments etc.

**3.15 ROHIT FERRO-TECH LIMITED -**

Objections raised by M/s. Rohit Ferro-Tech Limited and their suggestions / opinions being exactly same as those submitted by Sri Vasavi Industries Ltd., these are not being mentioned separately.

**3.16 ABECA, 27A, DHIREN DHAR SARANI, KOLKATA-12 -**

In addition to the 8491 nos. of objections submitted by ABECA, the General Secretary, ABECA, 27A, Dhiren Dhar Sarani, Kolkata-12, has submitted a separate set of objections / suggestions on the tariff petition of WBSEDCL. The objections and suggestions submitted by ABECA are broadly divided into two parts. While in the first part some general issues have been raised by the Association, in the second part they have submitted point-wise suggestions / objections against WBSEDCL's tariff petition for 2008-09 to 2010-11. In the general issues the Association has made the suggestion of holding the public hearing / hearing of objectors before the tariff determination. They have further suggested that the projected submission of the licensee should be verified with the actual audited figure and the excess amount should be refunded to the consumers along with interest. ABECA has further pointed out that WBERC accepts the audited report of the licensee in allowing the expenditure. In the opinion of the Association, the Auditor's Report is not absolute and should be subjected to prudent check on the part of WBERC to ensure that costs shown are related to the improvement electricity supply benefiting consumers. ABECA has further analysed that since WBSEDCL had failed to provide uninterrupted supply to the consumers and load shedding

was frequent, real power purchase of WBSEDCL should have been lower during 2006-07 and 2007-08 and in their opinion corresponding power purchase cost must be lower than that projected and has been realized from the consumers in terms of the tariff orders of those years. The excess money according to ABECA should be refunded to the consumers before determining the tariff for 2008-09 to 2010-11. The Association has further suggested that any over recovery by the licensee should be refunded to the consumers with interest the rate of which shall be the same as delayed payment surcharge rate. According to them the licensee should also be penalized for projection of claims which exceed too much in comparison to the actuals. In the similar line the Association has suggested that for the multi-year tariff there should be a review in the second and subsequent years on the basis of the actuals on audited report and the over recovery should be refunded with interest. In the opinion of the ABECA improvement in consumers' service has also to be checked before allowing the claim of the licensee.

Point-wise suggestions / objections submitted by ABECA to the tariff petition of WBSEDCL for the second control period are now being taken up. The objectors have pointed out that WBSEDCL had submitted the projected claim in 2007-08. But without placing the actuals or audited certificate the licensee has again submitted the projected claim for 2008-09, 2009-10 and 2010-11. This according to ABECA is not justified for the revision of tariff of the licensee. ABECA has further pointed out that the estimated quantum of sale of energy by WBSEDCL to persons other than the consumers and other licensees was considered by WBERC to be 5229.72 MU in the year 2007-08 and the Commission has considered to pass on 90% of such benefit to the consumers. On this account Rs.714.30 crores which was passed on to the consumers, has been pronounced by ABECA as justified and legal.

In the opinion of the Association a distribution licensee should not sale power to anybody other than its own consumers as it leads to higher average cost of supply to the own consumers. They have suggested that since WBSEDCL purchases power from WBPDC, it is the generating company who should be

allowed to sale power directly to those who, not being consumers of WBSEDCL purchases power from WBSEDCL. This direct sale by WBPDC, according to ABECA will reduce the power purchase cost of WBSEDCL. ABECA has also not agreed to the argument of WBSEDCL in its tariff petition that rise in price index and rise in power purchase cost has contributed to the reason of rise in proposed tariff.

In regard to the PPSP Scheme the opinion of ABECA is that the scheme is an uneconomical use of resources and recovery of the claim of WBSEDCL on account of this project is against the interest of the consumers and violative of the principles as laid down in Section 61(c) of the Electricity Act, 2003. Suggesting that no claim on PPSP scheme should be allowed to WBSEDCL, the Association has opined that the project was constructed from foreign loan and cannot be taken into account in calculating returns.

The objectors have also pointed out that RGGVY in 10<sup>th</sup> plan is a Central Govt. sponsored scheme and is financed by the Central Govt. The capital cost of Rs.2872 crores under RGGVY according to ABECA are the contributions of Central Govt., State Govt. & WBSEDCL and in the opinion of the objectors, do not constitute share capital of WBSEDCL. According to ABECA the development scheme of RGGVY cannot be considered as an asset of the licensee as the Central Govt. & State Govt. funds are grants-in-aid. The Association has further pointed out that reasonable return is not considered on the basis of assets of licensee. According to the act, the objectors have opined, the return is determined on the basis of equity capital out of loan : equity ratio 70 : 30. ABECA has further objected to the submission of WBSEDCL that due to recent addition of new transmission assets the transmission charge payable to WBSEDCL shall be enhanced considerably. According to the objectors it is only WBSEDCL who can, in their tariff petition propose any enhancement of transmission charge on this account and any proposal of WBSEDCL to enhance claim of revenue requirement has been objected by ABECA.



Observing that the assets & liabilities which were vested in WBSEDCL were prepared as per balance sheet of erstwhile WBSEB as on 31.3.06, the Association has commented that, if there is no addition or alteration of these assets during the period from 31.3.06 to 31.3.07 the assets will remain as it was. The Association has felt that there is no scope of recast of those assets to arrive at the opening balance for the year 2007-08 as has been submitted by WBSEDCL (para 13 vol-1). The Association has suggested that in the name of recast, in order to arrive at opening balance for 2007-08 there should not be any increase in quantity in respect of assets and liabilities.

The addition of Rs.194.75 crores of equity during the year 2006-07 has been objected by the objector stating that the way in which this equity of Rs.194.75 crores was acquired needs to be explained by WBSEDCL. The objectors have opined that if no benefit goes to the consumer or no improvement in supply position takes place then the claim of enhanced equity should be rejected.

ABECA has also raised objection of respective addition in equity of WBSEDCL in the years 2008-09, 2009-10 and 2010-11 and has asked for cost benefit analysis of this addition of equity. The Association has felt that the Commission should reject it as it is not actual and reasonable cost. They have further opined that the rate of return should not be more than fixed deposit rate of the bank.

The Association has objected to the submission of WBSEDCL on reduction of cross subsidy and rationalization of tariff in line with Section 61(g) of Electricity Act 2003 and has tried to prove that such submission ignores the Section 62(3) of the Act and is against consumer interest.

In the opinion of ABCEA, distribution loss should be considered minimum to protect the interest of the consumers and for efficient & commercially viable service of the distribution licensee.

The Association has argued that the statement of WBSEDCL in the tariff petition that the energy requirement has been estimated considering

normative distribution loss as per regulation framed by the Commission is at variance with the tariff order of 2007-08 where the Commission mentioned that already a Consultant had already been engaged whose report on operating norms were expected shortly.

In the opinion of the Association proposed distribution loss of 18.75% in 2008-09, 18.25% in 2009-10 and 17.75% in 2010-11 show a reduction of this loss only by 0.75% in 2008-09 and 0.5% in 2009-10 and 2010-11. ABECA has suggested a distribution loss of not more than 10% during 2008-09 which has been further suggested to be reduced to 8% in 2010-11.

In the absence of proper reason and supportive documents to be furnished by WBSEDCL, the Association has objected to the proposal of WBSEDCL to refund Rs.637.96 crores deducted towards excess interest. ABECA has also objected to the release of remaining amount out of the total amount of Rs.372.98 crores withheld provisionally due to non-submission of full documents etc. and has proposed that instead of refunding the full withheld amount, WBSEDCL should be penalized for such non-submission of information.

In regard to the claim of WBSEDCL on the point of SHRELCOP, the objectors have suggested that actual strength of category-wise consumers be considered instead of projected figures. According to ABECA, loan liabilities should not be allowed and depreciation should be considered only on the basis of the life and value of assets. ABECA has also proposed to reject the claim of WBSEDCL on accumulated loss. In the opinion of the objectors the non-tariff income of SHRELCOP from investment in Bank should be deducted from revenue requirement of WBSEDCL.

Identifying some typing errors in the figure of the claimed amount of gross revenue requirement, ABECA has pointed out that increase in claim for revenue requirement for the year 2008-09 is Rs.1302.77 crores over that allowed in 2007-08 while such increase in 2009-10 and 2010-11 are Rs.2314.16 crores and Rs.2792.92 crores respectively. Revenue requirement

claim according to ABECA has doubled during this period. Average cost of supply in the opinion of ABECA has increased by 15 paise per unit in 2008-09, 20 paise in 2009-10 and 40 paise in 2010-11 on the ground of which the Association has objected to the average cost of supply claimed by WBSEDCL.

Objecting to the claimed power purchase cost of WBSEDCL, ABECA has argued that due to severe power cut and break down of several units of WBPDC in 2007-08 and due to the reason of lower tariff proposal submitted by WBPDC, actual power purchase cost will be lower also.

Objecting to the entire claim of WBSEDCL on unforeseen exigency fund for the years 2008-09, 2009-10 and 2010-11, the objectors have proposed the deduction of income generated by this fund resulting from its investment or return on this fund @ 14% whichever amount is higher from the claimed revenue requirement.

Objecting to the claim of bad debts for 2008-09, 2009-10 and 2010-11, the Association has opined that the enhancement of bad debts during this period over the bad debts allowed for 2007-08 is huge and unreasonable signifying non-commercial use of resources, low recovery and mismanagement. Suggesting that the bad debts may be allowed only when the dues are required to be reduced under the order of the court and the licensee does not have any control over the amount to be recovered, ABECA has opined that three months' security deposit should be sufficient to realize the dues.

ABECA has objected to the projected generation figure submitted by WBSEDCL for 2008-09, 2009-10 and 2010-11 commenting that if the PLF is raised to the standard rate of 86% then own generation would be more or less doubled and power purchase cost will be lower reducing the average cost of supply. In the opinion of ABECA the generation should be at least 10% higher in the projected figure than the amount allowed in the previous year otherwise it will, according to ABECA, signify uneconomical resources, inefficient management and unreasonable inflated projected cost.



Objecting to the sale of energy to Sikkim @ Rs.1.69 / unit in 2007-08 and continuation of the same rate during 2008-09, 2009-10 to 2010-11, ABECA has pointed out that the average cost of supply has been proposed to be raised from 320.49 Paise / unit in 2007-08 to 360.29 Paise / unit for 2010-11. The proposal is according to ABECA against the interest of the own consumers of WBSEDCL. ABECA has also objected to the proposal of energy sale to CESC, DPL and DPSCL @ Rs.2.65 / unit during 2008-09 to 2010-11. Average cost of supply to its own consumers is projected to rise by 15 to 20 Paise / unit during the period whereas the increase in the selling rate to CESC, DPL and DPSCL is only 10 Paise / unit which according to ABECA is unreasonable and objectionable.

The Association has raised the issue of proposed sale rate of 191.09 Paise / unit for 2008-09, 188.792 Paise / unit for 2009-10 and 186.986 Paise / unit for 2010-11 by WBPDCCL to WBSEDCL but WBSEDCL has proposed to sell the same energy to Sikkim @ 169 Paise / unit which will cause a total loss of earning of Rs.2.78 crores during these 3 years. As a result the claim of revenue requirement on the cost of supply to its own consumers has increased, according to ABECA.

By comparing the rate at which WBPDCCL sells power to WBSEDCL with the rate of 265 Paise / unit at which WBSEDCL proposes to sell power to CESC, DPSCL and DPL and the same rate of 265 Paise / unit for sale of power outside the region, ABECA has submitted their own calculation to prove from the rate at which WBSEDCL proposes to sell power to its own consumers that the proposed purchase from WBPDCCL & proposed sale to the licensees (like CESC, DPL and DPSCL), proposed sale outside the State and proposed sale to consumers of WBSEDCL at above rates signify an unnecessary burden on its own consumers as earnings of WBSEDCL from sale of 1 MU of energy to own consumers proposed by WBSEDCL is substantially higher than the earnings from sale of same quantum of power to licensee and outside the State. Based on their own calculations the Association has proposed that



WBSEDCL should not be allowed to sell outside the State and WBPDC should be allowed to sell power outside.

Objecting to the method adopted by WBSEDCL to estimate the consumption of energy under different categories of consumers during 2008-09, 2009-10 and 2010-11 from the trend in growth of consumption during last 3 years, the Association has suggested to invite applications from the intending consumers of the area and assess the load in order to avoid excess projection.

Advocating direct sale of power by WBPDC to CESC the Association has expressed that such a sale will be beneficial for the consumers of both CESC and WBSEDCL. According to the Association this will also reduce the cost of supply of WBPDC. ABECA has also objected to the existing arrangement of supply from WBSEDCL to Sikkim terming the agreement as “uneconomical”.

ABECA has suggested to consider a higher PLF of 80% for Jaldhaka & Rammam. The Association has objected to the submission of WBSEDCL in the petition regarding Purulia Pumped Storage Scheme comparing the cost of WBPDC generation and cost of PPSP generation. ABECA has also suggested to purchase maximum power from WBPDC as its cost is lower.

Objecting to overtime work and its payment, ABECA has suggested that the licensee should submit necessary documents of payment. Similarly for terminal benefit to the staff actual documents suitably authenticated has been suggested to be considered instead of projected figure. For repair and maintenance also the Association suggests that instead of un-audited figures actuals should be submitted by the licensee. The Association has further opined that services of WBSEDCL is very poor. Load shedding and low voltage are continuing and the breakdowns are not being repaired in time. ABECA has objected to repair and maintenance cost. Capitalization of interest without any details has not been accepted by the objectors. For depreciation also item-wise depreciation has been suggested to be submitted by the licensee. Proposed fixed charge has also been opposed by ABECA.

Opposing the proposed minimum charge for L.T. Commercial category, increased minimum charge for L.T. Domestic consumers and reduction of energy charge for 33 KV consumers by 7 Paise / unit in 2008-09 and 2009-10, the Association has opined that burden of major fixed and variable cost has been imposed on domestic, commercial and industrial units under L.T. category forcing their small business and industries to wind up creating severe unemployment. This has been viewed by ABECA as a violation of National Electricity Policy and Electricity Act 2003. The Association has further argued that fixed charge being included in the tariff there is no provision of recovery of extra fixed charge from the consumers.

The objectors have raised objection against charging of minimum charge of Rs.400 / per month per KW for Housing complexes and Cooperative Societies.

The Association has raised many issues regarding Standard of Performance and quality of service rendered by WBSEDCL and has appealed for not raising the tariff of WBSEDCL. The objectors have also demanded supply of electricity to life line consumers @ Re.1 / unit.

ABECA has objected to the proposed minimum rate of L.T. Domestic consumers and has demanded a rate of 50 Paise / unit for agricultural consumers. The Association has also demanded to make T.O.D meter optional for agricultural consumers.

The Association has raised some issues on metering, meter reading etc. not directly related to determination of tariff of WBSEDCL.

- 3.17 The Commission has taken note of aforementioned objections, suggestions and comments which the objectors have submitted to the Commission in response to the publication of the gist of the tariff petition of WBSEDCL for the second control period of multi-year tariff in different newspapers. The Commission has considered the relevant points raised by the objectors that are directly concerned with the instant tariff petition. The views of the Commission in this regards will be reflected in the concerned part of the tariff

order where various determinants of the tariff have been analysed and discussed.

- 3.17.1 There are however, a few more objections which have not found any specific mention in the analyses in the chapters that follow. While some of them are not relevant, clarification of some, in the opinion of the Commission will be in order and has been given in the following paragraphs of this Chapter.
- 3.17.2 Some general remarks about the tariff proposal of WBSEDCL have been made by some of the objectors while there are a number of objectors who have proposed a lower average cost of supply. Some of the objectors have proposed a particular tariff for a particular type of consumers. Tariff for domestic consumers has been proposed by some objectors at a level lower than that proposed by WBSEDCL. The Commission determines tariff in terms of the method laid down in the concerned regulations of the Commission and in doing so the Commission is also guided by the Electricity Act 2003 as amended. The Commission also carefully examines the various data and the figures submitted by the petitioner subjecting them to prudent check. Proposal to accept lower average cost of supply or lower tariff for a particular category of consumers without supporting computation cannot be accepted by the Commission. In the absence of any reasoning or logic given by the objectors, the Commission did not take a view on these objections.
- 3.17.3 In another variation of such an objection it has been mentioned that WBSEDCL being a body set up for public at large shall be allowed to have only nominal profit. In a similar objection another objector has suggested deduction / disallowance on several counts from the claims made in the tariff petition and has thereby arrived at a lower average cost of supply to the consumers. On the above two objections the Commission feels that the Tariff Regulation has provided methodology of computation of tariff which includes a specified return on equity and incentives on the performance based on commercial feasibility. The proposed deduction and disallowances not having been supported by the facts and figures and not having followed the methods

laid down by the concerned regulations could not be considered by the Commission.

- 3.17.4 Some of the industrial consumers have proposed lower tariff for their own category and have pleaded to withdraw cross subsidy totally. Some of the industrial consumers on the other hand have objected to the proposal of WBSEDCL to lower the normal tariff rate of 33 KV consumers during the control period. The Commission has noted these objections and does not find merit on such contradicting proposals in the absence of proper logic.
- 3.17.5 Some of the objectors have raised the issue of electricity duty while submitting their objections on tariff. Electricity duty being governed by separate statute the Commission decides not to consider this issue under this tariff order while arriving at the aggregate revenue requirement.
- 3.17.6 On the issue of cross subsidy the industrial consumers' demand of total withdrawal of cross subsidy has been noted and the Commission likes to put it on record that the total withdrawal of cross subsidy has been replaced by gradual reduction in the Act and the Commission is well aware of the provisions of the tariff policy where tariffs within  $\pm 20\%$  of average cost of supply has been targeted by the end of the year 2010-11. The Commission determines the tariff in such a manner that the targeted cross subsidy can be achieved within the specified stipulated period.
- 3.17.7 A number of objectors have raised the issue pertaining to different aspects related to different provisions of tariff regulations. All regulations specified by the Commission were published in the newspapers before finalization inviting comments, suggestions, opinion of the interested persons. These comments, suggestions and opinions were carefully considered by the Commission while issuing the final regulations. Tariff petitions are examined in the Commission in terms of tariff regulations. Commission's view on the objection to provision of tariff regulation is that proceedings under tariff petitions are not the right opportunity for proposing amendment to tariff regulation. Commission, therefore, has not considered such objections.

- 3.17.8 Raising question about the correctness of the projections made by the licensee on different parameters some of the objectors have opined that more realistic figures need to be submitted by such petitioner. The Commission has taken this point into consideration and such projections have been reassessed and modified by the Commission wherever necessary. However, in addition to these reassessment and modifications the apprehension of the objectors are duly protected by the tariff regulation in the process of trueing up various parameters through annual performance review and FPPCA.
- 3.17.9 Some objectors have proposed proper reflection of revenue earned by the licensee through anti-theft measures in their submitted tariff application. In this context, the appropriate directives of the Commission shall be given in the relevant portion of this tariff order.
- 3.17.10 Some of the objectors have questioned the rationality of TOD tariff structure for particular categories of consumers. The Commission points out that in order to have rationalized tariff structure for TOD tariff the rates for peak period, normal period and off peak period are arrived at in accordance with the regulation 3.1.1 of the Tariff Regulation.
- 3.17.11 Some objectors have mentioned higher rebate in energy charge for EHV/HV supply without any substantial ground. The Commission has not found such objection reasonable. Such rebate is in the process of gradual reduction and Commission does not agree to the proposal for higher rebate in energy charge.
- 3.17.12 Objections have been raised against the enhancement of contract demand ceiling to 85%. Some of the objectors have opined in favour of contract demand ceiling of 75% while others have proposed 80%. The Commission, in this regard, decides to follow the tariff regulation for the reasons already mentioned. However, as far as the rate of demand charge is concerned no increase has been effected in the year 2008-09 for those consumers for whom demand charge was payable prior to 2008-09.

- 3.17.13 Regarding lifeline domestic consumers, there are suggestions to make the tariff at a level of 50% of the average cost of supply. The Commission agrees to need of the lower income group and decides to gradually reduce the tariff of such consumers to approach the targetted 50% of the average cost of supply.
- 3.17.14 Some objectors have raised the question of standard of services of the licensee and quality of power supply while some objectors have proposed penalization of the licensee on this account by lowering the tariff. The Commission's view in this regard is that such objections are dealt under the Standard of Performance of the licensee. The Commission, therefore, clarifies that such matters are to be dealt under WBERC Regulation No.24/WBERC dated 18.10.2005 (Standard of Performance of Distribution Licensees relating to consumer services) and not under WBERC Regulation No.31/WBERC dated 9.2.2007 (Terms & Conditions of Tariff) 2007 as amended.
- 3.17.15 Some consumers like Cold Storage, Tea Garden etc. have raised objections against uniform demand charge throughout the year in the light of seasonal nature of their energy requirement. Some of them have proposed to allow frequent change of contract demand to suit the consumption pattern of such seasonal consumers. The Commission clarifies that in accordance with the regulation specified by the Commission the consumers have the opportunity to revise their contract demand at appropriate time. This will reduce the apprehended impact of demand charge of low energy consumption during the lean season.
- 3.17.16 A few objectors have opined against any increase in the load factor and power factor surcharge while some other objectors have proposed higher rebate. Consumers of traction power have proposed the lowering of threshold limit for qualifying for the load factor rebate to 25% and allowing power factor rebate from power factor above 0.85 instead of from above 0.9.

On the load factor and power factor parameters, rebate and surcharge have been objected to by a number of objectors who have suggested various figures for these rebates and surcharge on load factor and power factor.

Suggestions have been received for introduction of the changed method of computation of load factor rebate / surcharge from April, 2009. The Commission has not accepted the last suggestion as tariff order is issued in accordance with the tariff regulation which was notified sufficiently in advance. However, the Commission decides to introduce such new methods of computation prospectively without any retrospective effect. The Commission clarifies that in order to improve the overall load factor of the licensee thereby attaining better capacity utilization the qualifying level of load factor for load factor rebate will gradually be raised to attain improved load factor by the consumers. Regarding power factor rebate and surcharge the Commission intends to move towards efficient region of power factor slowly over a longer period. Both the above processes of improvement in load factor and power factor will be a gradual process over a longer period in order to give the opportunity to the consumers to organize themselves according to the needs of improvement in the consumption scenario.

- 3.17.17 The objection related to additional penal levies due to over drawal of power and the question of unaccounted penal levies are related with tariff regulation. The Commission decides to follow the tariff regulation for the reasons already mentioned.
- 3.17.18 Some of the objectors have mentioned that interruption and load-shedding should be taken into consideration while computing the load factor and for the consideration of demand charges. The Commission found merit in these two issues especially in view of the increased shortage in power in recent past and decided to take into account the interruption and load-shedding during determination of load factor and demand charges.
- 3.17.19 Objectors of category of traction power consumers have appealed for a rebate on energy charge in line with industrial consumer. These consumers have also raised objections against levying demand charge for individual point of supply and have argued in favour of demand charge to be fixed on the basis of Simultaneous Maximum Demand. The Commission clarifies that

characteristics of load of traction power is different from that of industrial consumers and deserve to be treated distinctively. The tariff of energy charge at 25 KV level and 132 KV level for traction power when viewed with the tariff of industrial consumers at 33 KV and 132 KV level shows that the plea for such rebate does not hold any merit. In regard to the demand charge the Commission clarifies that onus of utility to keep its plant and installation ready for providing instantaneous service to a consumer lies separately on each individual supply point for the respective contract demand irrespective of whether the consumer draws any energy from such individual supply point. The Commission, therefore, does not find any merit in the argument for consideration of Simultaneous Maximum Demand for demand charge.

- 3.17.20 Some of the objectors have mentioned that against the generation capacity of 1700 MU from PPSP, WBSEDCL has considered generation of energy of 800 MU. In this context objector has asked its full capacity generation to the tune of 1700 MU so that surplus from such generation can be sold at highest U.I rate and by that process the gain from such sale can be credited for the consumers benefit. In contrast to such suggestion Bharat Chamber of Commerce has mentioned that the figure of 800 MU generation from PPSP in each of the three ensuing years appears on the higher side. They have also showed in a different context that there is practically no energy surplus unless there is capacity addition. The same line of thinking is further echoed by another objector with more thrust by raising the question of surplus energy availability during off peak hours in view of the shortage of power presently in the state arising out of non-availability of plant of WBPDCCL. The Commission clarifies that the estimated generation of 1700 MU from PPSP has been done considering the maximum requirement for pumping energy through utilization of surplus energy during off peak hours and considering system requirement during peak hours. The energy despatch strategy from PPSP depends on a number of factors like availability of surplus power for pumping operation of PPSP, internal demand within the state, external demand outside the state and the respective market selling price against such demand. It is also to be



noted that PPSP project was conceived prior to the Electricity Act 2003 as a well recognized system tool to meet high peak and off peak ratio of demand and unacceptable deviation of system parameters. It is important to note that energy supply to pumped storage plant is utilization of off peak surplus for the purpose for meeting the peak shortage and is one of the recognized methods of indirect short term storage of electricity. The ability of a pump storage plant to quickly change from pumping mode to generation mode with the facility for fast loading makes this type of generation particularly suitable for meeting the grid emergency. It has been mentioned by some of the objectors that PPSP plant is an uneconomical use of resources and is against the interest of the consumers. It is clarified in this regard that the utilization of off peak surplus energy with committed fixed charge payable by the licensee is directly in the interest of the consumers. Further, it is to be noted that the cost of peak power is rising fast and availability of peak power from external source has been coming down sharply due to all out peak shortage in the entire country. As a result the peak power is going to be costlier than what it is now and for quite sometime to come it may well continue to be costly. On the other hand off peak power from the grid is and will remain comparatively cheaper. Therefore, obtaining peak power in lieu of off peak power yields favourable financial consequences for the consumers because of which consideration of the sunk cost of this asset is in the interest of the consumers. Moreover, full requirement of energy from PPSP plant is less than 5% in comparison with total purchase of WBSEDCL in 2008-09 and the impact of the cost will be marginal keeping in view the advantage of meeting the peak and the trend of rise in total power purchase quantum of energy in future years and its cost.

- 3.17.21 Some objectors have complained that there is high increase in capital expenditure without commensurate benefit to the consumers. In support of their claim the objectors have referred to “the systematic and deliberate and undeclared load-shedding” in the name of power shortage. These objectors have also mentioned that the Commission should not accept the expenditure on the basis of project report of the distribution company alone without taking

into consideration any commensurate benefit derived from such activities through tariff determination. The Commission has also noticed that one of the objectors has recognized that there is practically no surplus energy unless there is capacity addition. All these objections signify that in a situation where load-shedding becomes inevitable the Commission should consider the financial impact on the consumers while determining the tariff of the licensee. The Commission appreciates that the load-shedding has significant financial impact on those consumers who pay for demand charges and those who avail load factor rebate for better consumption pattern. The Commission has, therefore, decided to consider the issues of load-shedding, interruption etc. for the calculation of load factor and demand charges as indicated in paragraph 3.17.18 of this Chapter. In regard to the capital expenditure the distribution licensee is now required to go through the investment approval procedure as laid down in the tariff regulation where the concern of such objectors are duly taken into consideration.

- 3.17.22 One of the objectors has mentioned that green power or renewable energy sources may not be acceptable to the consumers unless the cost of generation is reduced. Such objectors have, at the same time accepted that the generation from such sources is eco-friendly. The Commission feels that it is duty bound by the act to promote renewable and cogeneration energy sources and in doing so it will be bound by the policy of the appropriate regulation which has already taken into consideration the concern of the objectors.
- 3.17.23 Some objectors have raised objections on the proposal of WBSEDCL to consider the assets built-up under RGGVY project since fund in this project are received as grant-in-aid from central and state governments. The Commission assures the objectors that return on such asset is not being allowed by the Commission.
- 3.17.24 Some of the objectors have claimed that the electricity exported outside the state by WBSEDCL is from the power allocated to the state on the basis of

Gadgil formula. These objectors have argued that such power is basically allocated for the consumers in the state and thus 90% of the gain from the export shall be obtained in favour of the consumers. Some other objectors on the other hand have suggested that WBSEDCL should not be allowed to sell power outside the state. These objectors have suggested that WBPDCCL from whom the WBSEDCL purchases power should sell this power directly outside the state. In this regard the view of the Commission is that WBPDCCL and WBSEDCL have an agreement signed between themselves for sale and purchase of power. The Commission can not interfere in the provisions of this agreement signed between a generator and distribution licensee.

- 3.18 There are a quite few other objections and suggestions which have not been mentioned in the foregoing sub-paragraphs from 3.17.1 to 3.17.24 but the Commission has gone into the merits of all such objections and suggestions irrespective of their specific mention or absence of such specific mention in the instant tariff order.



## CHAPTER –4 LAW POINTS ON HEARING

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- 4.1 One issue that has been raised by more than one respondent concerns the question of hearing, i.e., these respondents have expressed a desire to be heard before the tariff is determined by the Commission. Since this is an oft repeated issue, the Commission would like to give the matter a close look before going into the nitty gritty of determination of tariff. Besides, the Commission has not, as a matter of fact, given any hearing either to the tariff petitioner or any of the objectors / respondents by way of observing procedural formalities. The matter therefore deserves a detailed treatment at the very beginning.
  
- 4.2 The Commission has meticulously followed the provisions of section 62 and section 64 of the Electricity Act 2003 while determining the tariff in question. Of these two, section 64 *ibid* contains the procedure of determination of tariff, and a bare reading of section 64, along with its sub sections clearly shows that while issuing a tariff order under section 64(3)(a) *ibid*, the Commission is required only to consider all the suggestions and objections received from the consumers, stake holders etc. but is not required to hear them. The Commission is of its considered opinion that under the Electricity Act, 2003, the legislators have deliberately excluded any scope of hearing while determining tariff in terms of section 62 read with section 64 of the Act.
  
- 4.3 It is to be noted that hearing has been specifically required in case the Commission decides to reject a tariff application in terms of section 64(3)(b) *ibid*, if in the opinion of the Commission, the application under section 64(1) is not in accordance with either the provisions of the Electricity Act, 2003, or the Rules, or the Regulations made thereunder, or the provisions of any other law for the time being in force. In other words, the Commission, even though empowered to reject a tariff application, can reject the same only after granting an opportunity of being heard to the applicant licensee or the generating company. Therefore, section 64(3)(b) *ibid* limits the scope of hearing only to cases of outright rejection of a tariff application. On the issue of hearing, the provision of section 64(3)(a) is in clear and sharp contrast to the provisions of section 64(3)(b). So much so, that

- it leaves one with no doubt that the exclusion of the requirement of hearing from section 64(3)(a) is a deliberate exclusion, the requirement of hearing being substituted by the requirement of consideration of all suggestions and objections received from the public.
- 4.4 It is also relevant to note that the Electricity Act, 2003 has laid down the specific requirement of hearing wherever the same is intended. The Act has entrusted the Commission with different kinds of functions. Determination of tariff under section 62 read with 64 is only one of such functions. In respect of some functions, the statute has clearly mandated the Commission to provide hearing. Some examples of such sections are 15(6)(b), 57(2), 142 and 143. These may be seen in contrast to sections 19(3), 63, 128(6) and 130 where the scope of hearing has deliberately excluded. It may also be noted that if tariff is determined under section 63 of the Act through a process of bidding, no hearing is required to be given to anyone.
- 4.5 Moreover, in line with the Electricity Act, 2003 Commission has also framed the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2007. Regulation 2.10.1 of said WBERC (Terms & Conditions of Tariff) Regulations 2007 also exclude the scope of any hearing either to any licensee or to a generating company or to the consumer or to the public while determining tariff.
- 4.6 The Commission is, therefore, of the opinion that under section 64(3)(a) read with regulation 2.10.1 of the WBERC (Terms and Conditions of Tariff) Regulations, 2007 no hearing is required to be given either to a tariff applicant or to the consumers or to the public. What is required is consideration of suggestions and objections received from the consumers and / or public. Therefore, the Commission rejects the contention of all the objectors who have sought hearing in the process of determination of tariff.

- 4.7 This point of law, as to whether in view of section 64 of the Act hearing is to be given to the licensee and consumers at large before tariff is determined was an issue in a writ petition being W.P.No.16166(W) of 2004 filed before the Hon'ble High Court, Calcutta in which West Bengal Electricity Regulatory Commission was one of the respondents. The Hon'ble Justice Pinaki Chandra Ghose by an order dated 04.10.2004 having considered the judgment of the Hon'ble Supreme Court reported in (2002) 8 SCC 715, inter alia held that :

“ After going through the said Regulations it appears to me that hearing was not contemplated under the said Section 64 of the said Act and the Regulations framed thereunder. Therefore, in my opinion, not granting of a hearing to the petitioner cannot said to be violation of natural justice after construing the said Act and the Regulations framed thereunder. Therefore, in my opinion, it cannot be said that at this stage the said order has been made arbitrarily or any violation of natural justice ..... ”

- 4.8 The aforesaid order dated 4<sup>th</sup> October,2004 of the Hon'ble Justice Pinaki Chandra Ghose was challenged before the Hon'ble Division Bench of the Hon'ble High Court in an appeal being MAT No.596 of 2005. The Hon'ble Division Bench comprising of the Hon'ble Justice Alope Chakrabarti and the Hon'ble Justice S.P.Talukdar affirmed the order of the Ld. Single Judge by an order dated 25<sup>th</sup> February 2005 and, inter alia held that :

“ ..... After due consideration of the relevant provisions of the Act,2003 and having regard to the submission made by the learned Counsel for the parties, we think that what is required at the stage of determination of tariff is consideration and not 'hearing' ..... ”

- 4.9 However, the Writ petition was dismissed for default by an order dated 29.03.07 by the Hon'ble Justice Aniruddha Bose due to non-appearance of the Ld.Advocate for the writ petitioner. The Commission records here that the Commission is aware of the fact that the aforesaid orders were interim in nature



and by virtue of the order dated 29.03.07 to the effect of dismissal of default of writ petition being W.P 16166(W) of 2004, those earlier orders of Hon'ble High Court, Calcutta do not exist. Nonetheless, the relevant part of the aforesaid two orders are recorded to here only for the fact that the view taken by the Commission was accepted by the Hon'ble High Court, Calcutta, while passing the interim order prior to dismissal of the writ petition on the ground of non-appearance of the Ld. Advocate for the writ petitioner.

- 4.10 The Commission therefore passes the instant tariff order for WBSEDCL under MYT framework for the second control period covering the years 2008-09, 2009-10 and 2010-11 without giving any hearing to either the tariff petitioner or any of the objectors-respondents, but after taking into consideration all suggestions and objections received from the public.



## CHAPTER – 5

### SCHEDULE OF PURCHASE, OWN GENERATION AND ENERGY BALANCE

5.1 West Bengal State Electricity Distribution Co. Ltd. (WBSEDCL) has, with effect from 1.4.2007, become a major deemed distribution licensee in the State and has been entrusted with the responsibility to supply electricity to different categories of consumers scattered throughout the State barring the licensed area served by CESC Ltd., Durgapur Projects Ltd. and DPSC Ltd. Only a small part of the energy requirement for supply to WBSEDCL consumers comes from the hydro power stations in its ownership while the balance energy requirement for distribution and supply in its licensed area is sourced by way of purchase. The energy available from own sources at generation bus after deduction of auxiliary consumption and transformation loss from generated energy of WBSEDCL Power Station as per norms as specified in Tariff Regulations are shown below against the proposal of WBSEDCL.

EX-BUS GENERATION OF WBSEDCL'S GENERATING STATIONS							
Sl No	NAME OF POWER PLANT	PROPOSED ENERGY IN MU			ADMITTED ENERGY IN MU		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	JALDHAKA	139.99	139.99	139.99	139.99	139.99	139.99
2	RAMMAM	230.00	230.00	230.00	230.00	230.00	230.00
3	TCF	100.00	100.00	100.00	100.00	100.00	100.00
4	PURULIA PUMPED ENERGY	800.00	800.00	800.00	800.00	800.00	800.00
5	RUDRANAGAR DIESEL	1.04	1.14	1.26	1.04	1.14	1.26
6	OTHER HYDRO	17.01	17.01	17.01	17.01	17.01	17.01
7	<b>TOTAL OWN GENERATION (1+2+3+4+5+6+7)</b>	<b>1288.04</b>	<b>1288.14</b>	<b>1288.26</b>	<b>1288.04</b>	<b>1288.14</b>	<b>1288.26</b>
8	AUXILIARY CONSUMPTION OF JALDHAKA	0.868	0.8120	0.7560	0.8680	0.8120	0.7560
9	AUXILIARY CONSUMPTION OF RAMMAM	1.150	1.1500	1.1500	1.1500	1.1500	1.1500
10	AUXILIARY CONSUMPTION OF TCF	0.500	0.5000	0.5000	0.5000	0.5000	0.5000
11	AUXILIARY CONSUMPTION OF PPSP	5.600	5.6000	5.6000	5.6000	5.6000	5.6000
12	AUXILIARY CONSUMPTION RUDRANAGAR	0.003	0.0030	0.0030	0.0030	0.0030	0.0030
13	AUXILIARY CONSUMPTION OF OTHER HYDRO	0.170	0.1530	0.1370	0.1700	0.1530	0.1370
14	<b>TOTAL AUXILIARY CONSUMPTION</b>	<b>8.29</b>	<b>8.22</b>	<b>8.15</b>	<b>8.2910</b>	<b>8.2180</b>	<b>8.1460</b>
15	TRANSFORMATION LOSS OF JALDHAKA	6.64	6.60	6.56	0.6956	0.6959	0.6962
16	TRANSFORMATION LOSS OF RAMMAM				1.1443	1.1444	1.1443
17	TRANSFORMATION LOSS OF TCF				0.6965	0.6965	0.6965
18	TRANSFORMATION LOSS OF PPSP				3.9720	3.9720	3.9720
19	TRANSFORMATION LOSS OF OTHER HYDRO				0.0842	0.0843	0.0843
20	<b>TOTAL TRANSFORMATION LOSS (Sum 15 to 19)</b>	<b>6.64</b>	<b>6.60</b>	<b>6.56</b>	<b>6.5926</b>	<b>6.5931</b>	<b>6.5933</b>
21	<b>NET SENT OUT (7-14-20)</b>	<b>1273.11</b>	<b>1273.33</b>	<b>1273.56</b>	<b>1273.16</b>	<b>1273.33</b>	<b>1273.52</b>



- 5.2 In addition to generation above ex-bus energy requirement WBSEDCL has to purchase power from different sources as mentioned in the following table where for power purchase from DPL, DPSC and WBPDC has been undertaken as per targeted sent out of energy and its cost as determined by the Commission for them for the ensuing years of 2008-09 to 2010-11. For other sources WBPDC's projection has been admitted. FPPCA cost of WBPDC for the year 2006-07 is included in the power purchase cost of 2008-09 and 2009-10 respectively.
- 5.3 Out of the above purchase almost all the energy is being available at the generation bus-bar except a part of the DVC and power drawn from other licensee at HV level radial mode. The radial mode feeding from any licensee is considered at the point of injection in the distribution system. The feeding by DVC in the grid (132 KV) is in the STU system. For DVC Mejia injected energy is calculated at the generating bus-bar. Accordingly the energy balancing is shown in the following table.

ENERGY BALANCE FOR SECOND CONTROL PERIOD 2008-09 TO 2010-11				
SI No.	PARTICULARS	ENERGY IN MU		
		2008-09	2009-10	20010-11
1	TOTAL POWER PURCHASED (GROSS) AT EHV	22753.45	27131.00	31458.79
2	OWN SENT OUT AT EHV	1255.36	1255.42	1255.48
3	<b>TOTAL ENERGY WITH WBSEDCL AT EHV(1+2)</b>	<b>24008.81</b>	<b>28386.42</b>	<b>32714.27</b>
4	OWN SENT OUT AT 33 KV & BELOW	17.79	17.91	18.04
5	ENERGY PURCHASE AT 33KV & BELOW	979.43	736.00	432.00
6	<b>TOTAL ENERGY PURCHASE BY WBSEDCL (3+4+5)</b>	<b>25006.03</b>	<b>29140.33</b>	<b>33164.31</b>
7	<b>SALE TO LICENSEE (a+b+c+d)</b>	<b>1919.91</b>	<b>1949.93</b>	<b>1279.02</b>
	a) SALE TO CESC	1775.00	1792.00	1058.00
	b) SALE TO DPSC	48.910	111.931	175.020
	c) SALE TO SIKKIM AS PER CONTRACT	46.00	46.00	46.00
	d) SALE TO DPL	50.00	0.00	0.00
8	<b>OWN CONSUMPTION</b>	<b>36.00</b>	<b>36.00</b>	<b>38.00</b>
9	<b>STU LOSS FOR INCOMING POWER</b>	<b>936.34</b>	<b>1078.68</b>	<b>1210.43</b>
	Normative STU Transmission loss in %	3.90	3.80	3.70
10	<b>CS GRID LOSS</b>	<b>199.40</b>	<b>219.00</b>	<b>247.54</b>
11	<b>PPSP PUMPING ENERGY( Cycle efficiency 74%)</b>	<b>1081.08</b>	<b>1081.08</b>	<b>1081.08</b>
12	<b>TRANSMISSION LOSS FOR PUMPING ENERGY</b>	<b>43.87</b>	<b>42.70</b>	<b>41.54</b>
13	<b>ENERGY SALE TO CUSTOMER</b>	<b>14980.00</b>	<b>17025.00</b>	<b>18854.00</b>
14	<b>ENERGY SALE TO LICENSEE BELOW EHV</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>
15	<b>DISTRBUTION LOSS (against 13 &amp;14)</b>	<b>3470.77</b>	<b>3814.08</b>	<b>4081.74</b>
	Normative Distribution loss in %	18.75	18.25	17.75
16	<b>ENERGY REQUIRED BY WBSEDCL FOR CONSUMER &amp; LICENSEES (7+8+9+10+11+12+13+14+15)</b>	<b>22727.38</b>	<b>25306.47</b>	<b>26893.35</b>
17	<b>Sale to person other than licensee or Consumer</b>	<b>2278.65</b>	<b>3833.86</b>	<b>6270.96</b>
18	<b>Total Energy Requirement at Demand Side (16+17)</b>	<b>25006.03</b>	<b>29140.33</b>	<b>33164.31</b>



While above energy balancing is considering the transmission loss in the STU system and distribution loss in the distribution system is considered as per the norms as specified in the Tariff Regulations.



**Tariff Order of WBSEDCL for the year 2008 – 2009**

**Annexure-5A**

<b>DETAIL OF POWER PURCHASE BY WBSEDCL</b>							
SL No.	POWER PURCHASE HEAD	ADMITTED ENERGY IN MU			COST IN LAKH RS		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Kolaghat TPS	7045.19	7152.36	7259.76	122769.68	133210.19	138792.78
2	Bakreswar TPP (Unit I to III)	4017.69	4017.69	4017.69	71802.01	72400.99	72838.73
3	Bandel TPS	2007.64	2153.34	2263.02	37173.65	42631.38	45011.76
4	Santaldih TPS (Unit I to IV)	1258.76	1331.69	1404.93	25739.71	28641.48	29989.43
5	FPPCA Adjustment of 2006-07				13469.97	0.00	0.00
6	DPL	1620.06	1158.58	844.64	33249.12	24265.69	17997.72
7	DPSC	200.43	100.00	50.00	7365.48	3866.40	1921.45
8	WBREDA	0.41	0.41	0.41	10.25	10.25	10.25
9	DVC-132	46.00	46.00	46.00	1324.80	1324.80	1324.80
10	DVC-33 & 11 KV	400.00	400.00	200.00	11520.00	11520.00	5760.00
11	DVC Grid Supply	425.00	425.00	680.00	12325.00	12325.00	19720.00
12	DVC- MEJIA V	125.00	250.00	250.00	3625.00	7250.00	7250.00
13	CHUKHA	601.00	601.00	601.00	9855.80	9855.80	9855.80
14	KURICHHU	120.00	120.00	120.00	1967.88	1967.88	1967.88
15	TALA	1330.00	1330.00	1330.00	24472.00	24472.00	24472.00
16	RANGEET	96.00	96.00	96.00	1989.02	1989.02	1989.02
17	FSTPS	1936.00	1936.00	1936.00	33409.55	33713.50	33713.50
18	KSTPS ST-I	0.00	0.00	0.00	0.00	0.00	0.00
19	KSTPS ST-II	206.00	618.00	618.00	3554.94	10761.85	10761.85
20	TSTPS	624.00	624.00	624.00	10768.37	10866.34	10866.34
21	IMPORT FROM TRADER	0.00	0.00	0.00	0.00	0.00	0.00
22	RANGPOO SIKKIM	0.20	0.20	0.20	7.44	7.44	7.44
23	CESC IN RADIAL MODE	65.00	70.00	70.00	2460.84	2741.27	2765.14
24	TEESTA V, TEESTA LD III & IV	425.00	425.00	1215.00	6885.00	6885.00	24858.90
25	ELECTRO STEEL	77.00	77.00	77.00	1948.10	1948.10	1948.10
26	NEORA HYDRO ELECTRIC	6.00	6.00	6.00	216.00	216.00	216.00
27	NIPPON HYDRO ELECTRIC	7.00	7.00	7.00	212.80	215.60	218.40
28	GREEN POWER- OTHERS	75.00	75.00	75.00	2512.50	2512.50	2512.50
29	Sagardighi TPS - I & II	323.92	1913.18	3826.37	3605.51	21295.65	42591.30
30	Bakreswar TPS IV & V	425.56	1339.23	2678.46	4736.94	14906.96	29813.91
31	Santaldih TPS - V	269.02	1594.32	1594.32	2994.48	17746.38	17746.38
32	<b>TOTAL POWER PURCHASE-EX-BUS</b>	<b>23732.88</b>	<b>27867.00</b>	<b>31890.79</b>	<b>451971.84</b>	<b>499547.47</b>	<b>556921.38</b>



## CHAPTER –6 FIXED CHARGES

6.1 WBSEDCL has projected the gross fixed charges, income from different non-tariff sources and different income from other heads for the ensuing years 2008-09, 2009-10 and 2010-11. In the above projections though WBSEDCL has shown some allocation in some heads to generation and distribution system but, as required, they have not submitted the information on each and every head against different generating stations as well as distribution system separately which are essential under the ABT regime of operation. The Commission, therefore, has allocated the cost to generation and distribution system while dealing with fixed cost elements in this chapter with the specific direction that henceforward in the application for Annual Performance (APR) for any ensuing year or base year, WBSEDCL must submit each and every expenditure/ income after allocating properly on the following heads.

- a) Purulia Pump Storage Project
- b) Jaldhaka HEP
- c) Teesta Canal Fall HEP
- d) Rammam HEP
- e) Other Generating Stations as a whole
- f) Distribution System

### 6.1.1 Purulia Pump Storage Project (PPSP)

The Commission, during determination of Aggregate Revenue Requirements (ARR) for the years 2008-09, 2009-10 and 2010-11, has considered the following issues:

- (i) The report as per regulation 2.8.1.4.13 of the Tariff Regulations has not yet been submitted by WBSEDCL which requires withholding of 5% of the provisional project cost.
- (ii) Since WBSEDCL has not yet submitted the performance guarantee test result, in accordance with regulation 2.8.1.4.10 of the Tariff Regulations, 10% of ARR for each year of the second control period is being withheld till performance guarantee test result along with all related documents is submitted by WBSEDCL to the Commission with the application for next tariff determination or next Annual Performance Review (APR), as the case may be.

- (iii) Withholding of 5% of the provisional project cost as per clause (i) above and thereby reduction of the provisional project cost would have effect on different fixed charge components viz. depreciation, interest, return on equity and reserve for unforeseen exigencies. However, while determining the ARR for WBSEDCL for 2008-09, 2009-10 and 2010-11, deduction has been made from the allocation under the heads of depreciation and return for generation as separate cost is not available for Purulia Pump Storage Project. In order to facilitate interest payment, no reduction in the allocation under interest head has been effected. As reserve for unforeseen exigencies is primarily to protect the interest of the consumers, no reduction in allocation under this head also has been effected. These allowances under the heads of interest and reserve for unforeseen exigencies, however, will not be detrimental to the interest of the consumers as the total withheld amount under clause (i) and (ii) above will be sufficient to take care of the allowances mentioned above. These allowances under the head interest and reserve for unforeseen exigencies shall not be construed as approval of the Commission to the project cost applied for.
- (iv) Thus the total withheld amounts are Rs1181.45 lakh, Rs1212.20 lakh and Rs573.47 lakh for the years 2008-09, 2009-10 and 2010-11 respectively.

## **6.2 Employee Cost**

6.2.1 For consideration of employee cost, the Commission has taken into consideration the following submissions of WBSEDCL.

- a) Gradual decreasing trend of projected manpower of 22138, 20688 and 18766 in 2008-09, 2009-10 and 2010-11 respectively.
- b) Two installments of additional DA @ 6% expected in 2008-09.
- c) 3% normal increase due to increment, promotion and other staff benefits.
- d) 10% additional DA for each year in 2009-10 and 2010-11.



- e) Salary impact of new entrant in 2008-09.
- f) Bonus and Terminal benefits.
- g) Impact on employee cost due to commissioning of Purulia Pumped Storage Projects (PPSP) resulting in consideration of employee cost of PPSP under revenue account.

In addition to the above points, the Commission has also taken into consideration the following factors.

- a) WBSEDCL has declared interim relief of 20% on basic pay i.e. 13% on (Basic + Dearness Pay).
- b) Sharp inflationary trend in 2008-09.

6.2.2 On analyzing the employee cost asked for by WBSEDCL in its tariff application and the objections received on this issue, the Commission has considered the terminal benefits and employee cost combined as has been done in the tariff order for 2007-08. The Commission has decided to allow 17.5% increase in employee cost for 2008-09 over the total amount admitted for the year 2007-08. In addition, the Commission has also allowed for 2008-09 Rs. 1000 lakh and Rs. 1400 lakh for the new entrants in 2008-09 and impact of employees of PPSP in revenue account respectively. For 2009-10 and 2010-11, an increase of 7.5% and 5% over the admitted amount of the preceding year has been allowed. For each year, the allocation between generation and distribution system has been done in proportion to the proposal of WBSEDCL in the tariff application. In the following table the amounts proposed by the WBSEDCL and the amounts admitted by the Commission are shown:

Rupees in Lakh

Employee cost of WBSEDCL						
Segment	Proposed			Admitted		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
<b>Generation</b>	1520.76	1800.93	1925.00	1306.39	1404.37	1474.59
<b>Distribution</b>	51819.55	57422.56	62270.86	44514.94	49257.93	51720.83
<b>Total</b>	53340.31	59223.49	64195.86	45821.33	50662.30	53195.42



6.2.3 If, due to revision of pay, there is any variation in the admitted amount for any year, WBSEDCL shall submit all relevant information and supporting documents with application for APR for the concerned year in support of its claim. While submitting such information, WBSEDCL shall show figures against each head in the following format.

Cate gory	Sl. No.	Particulars	Annual expenditure for the year concerned	Arrear payment in the year due to pay revision	
A	Expenditure in Rupees in Lakh				
	1	Salary and Wages			
		a	Basic Pay		
		b	Dearness Allowances		
		c	Other Allowances		
	2	Statutory Retirement Benefit			
		a	Gratuity		
		b	Company's contribution to PF		
		c	Company's contribution to Pension Scheme		
	3	Statutory Bonus and Ex-Gratia			
	4	Leave Salary			
	5	LTC and Leave Encashment			
	6	Workmen and staff welfare expenditure			
7	Others, if any				
B	Number of Personnel				
Note: In serial no. 7 of Category A under the head "Others", specific head to be mentioned					

The period related to arrear payment shall be mentioned distinctly. Such information shall also show the expenditure of own employees and contracted manpower in regular establishment separately. Interest payment to Contributory Provident Fund and General Provident Fund shall not be considered as employee cost as it is not permissible unless it is explicitly established that inspite of investment of such fund in a prudent manner and management of fund efficiently, there is shortfall in accrued interest to discharge the liability of statutory interest payment as laid down in the concerned laws. Henceforth WBSEDCL shall show the production incentive separately in its accounts. Similarly, under centrally maintained expenses production incentive shall be shown clearly. In the application for APR for any year it must be clearly shown that the cost of outsourcing is not included in the employee cost.

### **6.3 Cost of Outsourcing**

WBSEDCL has projected cost of outsourcing for all the three ensuing years of 2008-09 to 2010-11 for the services that have not been mentioned in the tariff application. This is a new area of expenditure which was not shown in previous years. The Commission decides to allow a token amount at the rate of 10% of the claim on this head which amounts to Rs.392.60 lakh during 2008-09, Rs 451.50 lakh for 2009-10 and Rs 523.70 lakh for 2010-11 and allocates the same to distribution system for the time being with the following directives. WBSEDCL shall comply with the directives and submit report on compliance of the directives along with the application for APR for the concerned year.

- a) WBSEDCL shall submit, in detail, the expenditure in different areas which are covered through outsourcing along with number of manpower engaged on regular basis for such outsourcing. All such figures shall be shown separately for distribution system and different power stations as mentioned in paragraph 6.1.
- b) WBSEDCL shall intimate whether such type of expenditure was incurred prior to 2008-09 and in case the answer is in the affirmative, WBSEDCL shall show under which head of the Annual Accounts such expenditure was booked in 2006-07 and 2007-08. Break-ups of such expenditure incurred in 2006-07 and 2007-08 are to be shown separately for generating stations and distribution system as mentioned in paragraph 6.1.
- c) In the reports to be submitted as per (a) and (b) above, WBSEDCL shall indicate clearly if such outsourcing was taken recourse to for jobs which were being performed by the existing manpower of WBSEDCL or for any fresh area of activities.

### **6.4 Interest on Bonds for Terminal Benefits to Employees**

Under the West Bengal Power Sector Reforms Transfer Scheme, 2007, as referred earlier, a 8.5% bond fund (2016) has been created for discharging pension and gratuity liabilities of the erstwhile WBSEB. An amount of Rs. 1530.00 crores of the total bond amounts of Rs. 1800.00 crores has been kept in the account of WBSEDCL. The annual interest charges on this amount of bonds in the accounts of



WBSEDCL come to Rs. 13005.00 lakh and the same is admitted for ascertaining the Aggregate Revenue Requirement (ARR) for the year 2008 – 09, 2009-10 and 2010-11. The said Rs. 13005 lakh has been allocated as proposed by WBSEDCL between generating station and distribution system as Rs. 390.15 lakh and Rs. 12614.85 lakh respectively.

## **6.5 Operation and Maintenance Expenses**

a) As per regulation 4.7 of the Tariff Regulation the component of Operation and Maintenance (O&M) expense are as follows:

- (i) Repair & Maintenance Expenses (R & M)
- (ii) Administrative and General Expenses which are composed of followings
  - Rent and lease charges
  - Legal charges
  - Auditor's expenses, which include auditor's fees, auditor's expenses and payment to auditors in any other capacity or for any work which is necessary to be got done from them and audited.
  - Consultancy charges for work which cannot be done in-house or is uneconomical in doing in-house or is essential to be done from outside sources except payment to Auditors.
  - Other expenses necessary and arising from and ancillary or incidental to the business of electricity except penalty etc. levied under this Act or any other Act.

Accordingly, insurance is also considered under O&M expenses

b) After analyzing the tariff application of WBSEDCL for the period 2008-09 to 2010-11, while determining O&M expenses, the Commission has allowed O&M expenses for generation in accordance with the norms specified in Schedule 9A of the Tariff Regulations. In respect of O & M expenses for distribution system for the ensuing years 2008-09 to 2010-11, the Commission's decisions are stated below. Regarding rent, rates and taxes, legal charges, consulting fees and other administrative and general expenses amount for 2008-09, the Commission decides to allow the expenditure at the level of the actual expenditure of 2007-08 or the claim whichever is less. For audit fees and repair and maintenance charges the amount claimed has been admitted on the ground that after restructuring of



the erstwhile WBSEB into WBSEDCL and WBSETCL the actual requirement of fund in this two head are now under stabilisation. Moreover, for repair and maintenance head the distribution network strengthening of the rapidly expanding network as well as to put special emphasis on improving of this activity are other major reasons for admission of such claims by the Commission. The Commission also directs WBSEDCL to contain the expenditure under the head of other Administrative and General Expenses in future.

For 2009-10 and 2010-11, O&M cost for different sub-heads except rent, rate and taxes for distribution system has been determined by giving an increase of 7.5% and 5% over the admitted amount of the preceding year considering the present inflationary trend and assuming that present trend of inflation will be contained reasonably within 2010-11. For Rent, Rates and Taxes the claimed amount is admitted for distribution system for the year 2009-10 and 2010-11. Accordingly, the proposed and admitted amounts for O&M expenses for distribution system for the three ensuing years are depicted in the following table:

Rupees in Lakh

Operation and Maintenance Expenses for Distribution System						
Particulars	2008-09		2009-10		2010-11	
	Proposed	Admitted	Proposed	Admitted	Proposed	Admitted
Other Administrative & General Expenses	8334.80	5454.00	10638.54	5863.05	12574.94	6156.20
Rent & Rates & Taxes	101.56	101.56	105.92	105.92	110.16	110.16
Legal & Professional Charges	107.86	98.15	117.37	105.51	127.07	110.79
Consultancy Fees	145.61	83.04	174.73	89.27	209.67	93.73
Audit Fees	300.70	300.70	324.95	323.25	409.34	339.41
Insurance	170.72	194.00	242.50	208.55	290.03	218.98
R & M including Consumables	11538.12	11538.12	12202.63	12403.48	13052.05	13023.65
<b>Total O&amp;M Expenses</b>	<b>20699.37</b>	<b>17769.57</b>	<b>23806.64</b>	<b>19099.03</b>	<b>26773.26</b>	<b>20052.92</b>

The Commission hereby directs that in case the actual expenses under repair and maintenance head of distribution system are found to be less than the admitted amount for any of the three ensuing years, the Commission will allow the actual expenditure under this head in APR for the concerned year.



## Tariff Order of WBSEDCL for the year 2008 – 2009

The O & M expenses of WBSEDCL for 2008-09, 2009-10 and 2010-11 as proposed by the licensee and as admitted by the Commission with allocations to generation and distribution system is shown in the table below.

Rupees in Lakh

Sl. No	Particular	Operation and Maintenance Cost					
		Proposed by WBSEDCL *			As admitted by the Commission		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Generation	1308.63	1483.77	1607.23	3862.74	4017.25	4181.78
2	Distribution	20699.37	23806.64	26773.26	17769.57	19099.03	20052.92
3	Total (3 = 1+2)	22008.00	25290.41	28380.49	21632.31	23116.28	24234.70

\* Proposed figure achieved by adding administrative and general expenses, other centrally maintained expenses (excluding employee cost) and repair and maintenance cost.

### 6.6 Depreciation

WBSEDCL has computed depreciations chargeable for the year 2008-09, 2009-10 and 2010-11 in terms of the Tariff Regulations. The total amount of chargeable depreciation as proposed by WBSEDCL has been reduced in accordance to regulation 2.8.1.4.3 of the Tariff Regulations by an amount of 5% on the generation depreciation head due to non-availability of such data on PPSP in terms of paragraph 6.1.1 of this order.

Rupees in Lakh

Sl. No	Particular	Depreciation					
		Proposed by WBSEDCL			Admitted		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Generation	10975.98	11350.98	11469.34	10427.18	10783.43	10895.87
2	Distribution	20101.14	23683.70	30090.87	20101.14	23683.70	30090.87
3	Total	31077.12	35034.68	41560.21	30528.32	34467.13	40986.74

### 6.7 Interest on borrowings

WBSEDCL, as a new entity, has taken over the business of distribution and hydro-power generation of former WBSEB and inherited an amount of Rs.302200.00 lakh as borrowed capital as on 31<sup>st</sup> March, 2006 as shown in Schedule – B of the West Bengal Power Sector Reform Transfer Scheme, 2007 notified by the Government of West Bengal vide No: 12-PO/III/3R-29/2006 dated 25.01.2007. Out of this amount of Rs.302200.00 lakh, Rs.194800.00 lakh was from the Government of West Bengal carrying interest @ 8.5%. The balance amount of Rs.107400.00 lakh is from different

financial institutions and Central Government through CEA. WBSEDCL has submitted its projections of repayment of borrowings, programmes for fresh borrowings as well as the chargeable amount of interest to the revenue account after considering the Capitalization of interest of Rs. 7404 lakh for 2008-09, Rs. 7435 lakh for 2009-10 and Rs. 7837 lakh for 2010-11.

The amount of total chargeable interest on the above borrowings, taking the projected repayment and fresh borrowings schedules in view, works out as below. After detailed scrutiny of the data submitted, WBSEDCL is allowed the interest on borrowings as claimed in its application for tariff for the years 2008-09, 2009-10 and 2010-11. The Commission decides not to hold any amount as per regulation 2.8.1.4.3 of the Tariff Regulations for the reasons already explained in paragraph 6.1.1. The allocation of interest between generation and distribution has been done as proposed by WBSEDCL based on the purpose of the loan and its utilization.

Year	Outstanding Balance at the beginning of the year	Fresh drawal	Repayments	Outstanding at the Closing of the year	Interest charging to Revenue	Interest for Generation	Interest for Distribution System
2008-09	369570	46325	10211	405684	27752.00	14708.56	13043.44
2009-10	405684	35787	13152	428319	29741.08	15762.77	13978.31
2010-11	428319	13360	19165	422514	31348.19	16614.54	14733.65

#### **6.11 Other Finance Charges**

The estimation of other finance charges as submitted by WBSEDCL in specified format 1.17(c) is for a total amount of Rs. 1754 lakh for 2008-09, Rs. 1749 lakh for 2009-10 and Rs. 1180 lakh for 2010-11. On scrutiny it is found that it includes Rs. 40.23 lakh each year on account of Fees and expenses for restructuring. In the tariff order of WBSEDCL for the year 2007-08 also the said claim was rejected in absence of any clarification towards the substance of this claim. As restructuring process is already completed, the claim is not admitted. The other finance charge consisting of guarantee commission and Bank charges are admitted in proportion to the proposal by WBSEDCL as below.



## Tariff Order of WBSEDCL for the year 2008 – 2009

Rupees in Lakh			
Years	Generation	Distribution	Total
2008-09	153	1561	1714
2009-10	182	1527	1709
2010-11	198	942	1140

### 6.9 Bad Debts

The bad debts projected by WBSEDCL are as under:-

Rupees in lakh		
2008-09	2009-10	2010-11
<b>3578.31</b>	<b>2732.51</b>	<b>3030.88</b>

In terms of regulation 4.10.1 of the Tariff Regulations, the Commission may allow amount of bad debts as actually had been written off in the latest available audited accounts subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year. The projected amounts of WBSEDCL are agreed to subject to adjustment at the time of APR for the concerned years. The allowed amounts are Rs. 3578.31 lakh for 2008-09, Rs. 2732.51 lakh for 2009-10 and Rs. 3030.88 lakh for 2010-11 and allocated to the distribution system head

### 6.17 Income Tax

Income Tax consists of Fringe Benefit Tax and Minimum Alternative Tax. The amounts claimed by WBSEDCL are admitted subject to adjustment in APR on submission of Income Tax Assessment for the respective projected years and tax paid thereon. The amount allowed and allocated to generation and distribution system for the years 2008-09, 2009-10 and 2010-11 are given in the table below:

Rupees in Lakh			
	2008-09	2009-10	2010-11
Fringe Benefit Tax	250.00	288.00	331.00
Minimum Alternative Tax	1300.00	1300.00	1300.00
<b>Total Income Tax</b>	<b>1550.00</b>	<b>1588.00</b>	<b>1631.00</b>
Generation	46.50	47.83	48.92
Distribution System	1503.50	1540.17	1582.08
Overall	1550.00	1588.00	1631.00



#### 6.11 Interest on Consumers' Security Deposits

WBSEDCL has claimed towards interest on consumers' security deposit of Rs. 4334.00 lakh for 2008-09, Rs. 4931.00 lakh for 2009-10 and Rs. 5594.00 lakh for 2010-11. The projected amounts under this head are admitted and allocated to distribution system head. It has been observed from the accounts of WBSEB that the total amount of consumers' Security Deposits as on 31<sup>st</sup> March, 2007 was Rs.76946.00 lakh. The Commission feels that this amount and the amounts of security deposits received / to be received from the consumers of WBSEDCL thereafter should be invested as working capital of WBSEDCL in its core business upto the normative level of working capital in terms of the Tariff Regulations and the balance, if any, over the normative working capital should be properly invested. WBSEDCL is, therefore, directed to do the needful accordingly in this regard. The earnings from such investments shall be considered as income from other non tariff sources. WBSEDCL is also directed to submit henceforth a report, supported by necessary audited data, in its applications for APR and also for determination of tariff showing as to how the amount of security deposits has been employed by it. The actual interest paid by WBSEDCL for consumer security deposit will be adjusted in the APR of the concerned year.

#### 6.17 Reserve for Unforeseen Exigencies

WBSEDCL has claimed reserve for unforeseen exigencies for each year in 2008-09, 2009-10 and 2010-11.

Reserve for Unforeseen Exigencies			
As proposed by WBSEDCL			
Year	Generation	Distribution System	Total
2008-09	954.40	1474.49	2428.89
2009-10	995.49	1658.78	2654.27
2010-11	1015.34	2099.15	3114.49

Rupees in Lakh

It is noticed from the latest submitted accounts of WBSEDCL for the period ending 31.03.2007 that no reserve has been created for unforeseen exigencies in the books of accounts. In terms of regulation 4.11 of the Tariff Regulations, the sums appropriated to the reserve for unforeseen exigencies shall be invested prudently in securities in the manner specified in regulation 4.11.2 *ibid*. In terms of above referred



regulation, the Commission thus is allowing appropriations for creation of such reserves for the ensuing years also with the directives that investment of the amounts (including the arrears for earlier years) must be done in accordance with the provisions of the Tariff Regulations. For failure to comply with the provisions of the referred regulation, double the amount allowed for the purpose will be deducted from the amount of return on equity, allowed to WBSEDCL, during APR of any succeeding years. Income from such investments of Reserve for Unforeseen Exigencies shall be reinvested for the same purpose and shall be shown separately in the application of APR or tariff, as the case may be, supported by necessary audited data for any year. Moreover, this income should not be considered under income from non-tariff sources for the determination of Net Aggregate Revenue Requirement in APR or tariff for any year. The Commission decides not to hold any amount as per regulation 2.8.1.4.3 of the Tariff Regulations for the reasons already explained in paragraph 6.1.1. The Commission admits Reserve for unforeseen exigencies computed at the rate of 0.25% of the estimated gross value of fixed assets at the beginning of the year for each year in 2008-09, 2009-10 and 2010-11 and also allocates the same between generation and distribution in proportion to gross fixed assets at the beginning of the year as shown in the table given below.

Rupees in Lakh

<b>Reserve for Unforeseen Exigencies</b>			
<b>As approved by the Commission in the tariff order</b>			
Year	Segment	Opening value of gross fixed assets	Admitted Amount
2008-09	Generation	367075	917.69
	Distribution System	567113	1417.78
	Total	934188	2335.47
2009-10	Generation	381369	953.42
	Distribution System	635471	1588.68
	Total	1016840	2542.10
2010-11	Generation	389065	972.66
	Distribution System	804364	2010.91
	Total	1193429	2983.57

### 6.13 Interest for Working Capital

WBSEDCL has asked for interest on normative working capital as under:

Rupees in lakh

2008-09	2009-10	2010-11
16103	18173	18985

The claims for the amount of interest on working capital are not supported by any borrowing schemes. No amount of existing borrowings towards working capital at the beginning of 2008-09 has also been shown. The Commission, therefore, does not consider allowing any interest in this regard presently.

The necessity of borrowing working capital, however, cannot be ruled out. If any such borrowing is done for any of the years, the incident of interest on that will be considered for re-imbursement through APR for the concerned year.

**6.17 Fixed Charges for Singur–Haripal Rural Electric Co-operative Society Ltd (SHRELCOP)**

6.14.1 Singur – Haripal Rural Electric Co-operative Society Ltd. (in short SHRELCOP) had been a distribution licensee operating in the Singur and Haripal area in Hooghly District. The license of SHRELCOP was revoked with effect from 31<sup>st</sup> December 2005 and as an interim measure, erstwhile WBSEB was appointed as Administrator and was ordered to continue to act in that capacity until further orders. That function has got vested to the WBSEDCL, the successor entity taking over the distribution business of erstwhile WBSEB. In the instant tariff revision application, WBSEDCL has considered the energy supply requirement for the areas that had been under the operation of SHRELCOP and has drawn its energy purchase programme accordingly. WBSEDCL has also clubbed the consumer base of the said area with its own consumer base for the recovery of tariff revenue. It is, therefore, necessary to allow the reasonable fixed charges relating to SHRELCOP that WBSEDCL will be required to incur as the Administrator.

6.14.2 WBSEDCL has submitted the following estimation of the fixed charges as will be requiring to incur by it for SHRELCOP for 2008-09, 2009-10 and 2010-11 as below:

Rupees in Lakh			
	2008-09	2009-10	2010-11
Expenditure relating to SHRELCOP	718.43	678.71	686.75

It has, however, been observed that WBSEDCL has missed to mention the amount of income to be derived from other non-tariff sources. Such incomes are to come from meter rentals, other service charges recoverable from the consumers and interest on





investments made by SHRELCOP in the form of fixed deposits with the banks. It has also not asked for interest payable for the capital loan obtained by SHRELCOP from REC. In the application for APR for 2006-07, WBSEDCL had presented the actual Summarized Revenue Requirement statement separately in Form E (B) for SHRELCOP, which shows that Gross Revenue Requirement of SHRELCOP for 2006-07 was Rs. 538.16 lakh and the non-tariff income of SHRELCOP for 2006-07 was Rs. 197.06 lakh. This actual net aggregate revenue requirement of SHRELCOP for 2006-07 was Rs. 341.10 lakh and the said amount was admitted in APR for 2006-07. Considering the above position, the Commission decides to allow, Rs. 350 lakh in each of the three years of second control period in 2008-09, 2009-10 and 2010-11 and will be adjusted in the APR for the corresponding year on submission of actual audited data.

6.14.3 WBSEDCL is, however, to ensure that scheduled loan repayment obligations of SHRELCOP are met out of the amount of depreciation allowed.

The Commission has carefully taken notes of the different points raised by some of the objectors to the tariff proposals of WBSEDCL in regard to SHRELCOP. The Commission is to make it clear that the reasonable amount of revenue expenses that are needed to be incurred by WBSEDCL as an administrator are only allowed to it in view of the fact that the income to be derived from sale of energy to the consumers of SHRELCOP has been merged with such income of WBSEDCL. No part of the liabilities of SHRELCOP prior to the date of appointment of the administrator has been considered to be built in the tariff of WBSEDCL.

#### **6.17 Special Allocation**

WBSEDCL has asked for special allocation on the following accounts:

		Rupees in Lakh		
		2008-09	2009-10	2010-11
a	Release of the part of interest on borrowings disallowed in 2004 - 05	3185.00	3185.00	3185.00
b	Release of the part of ARR withheld in 2004 – 05	4955.00	9910.00	-
		8140.00	13095.00	3185.00

The Commission feels it prudent to clarify the position separately for each of the above items for which special allocations has been asked for in the year 2008-2009, 2009-10 and 2010-11

- (a) Release of the part of interest on borrowing disallowed in 2004 – 05.

The matter was dealt appropriately at length in the tariff order of WBSEDCL for 2007-08 and WBSEDCL was advised to make separate submission to the Commission. Since WBSEDCL has not made any submission separately to the Commission, the Commission has not allowed any claim on this score. The Commission hereby directs that WBSEDCL shall either submit a separate application on this issue or shall not put any submission on this issue with any other matter in future.

- (b) Release of the part of ARR withheld in the Tariff Order dated 9<sup>th</sup> June 2004 of the Commission:

In the tariff order for 2004-05 Commission withheld Rs. 37298 lakh from the ARR due to non submission of all documents, information, data etc. The Commission already released Rs. 12433 lakh and Rs. 10000 lakh through its tariff orders 2006-07 and 2007-08 respectively and now decides to release the balance claim of Rs. 14865 lakh in three equal instalments of Rs. 4955 lakh each for consideration in the ARR for the year 2008-09, 2009-10 and 2010-11 respectively.

#### **6.17 Return on equity**

WBSEDCL proposed 14% Return on Equity on the average Equity base for 2008-09, 2009-10, 2010-11 for the respective years. But they have neither segregated the said return between generation and distribution system nor requested for another 1% more return for their distribution segment. They have included some normative return while arriving at wheeling charges but the Commission has ignored these figures as these are not in conformity with their return on equity statement nor backed by any working data. Since WBSEDCL has not shown any breakup of their Opening Capital base between generation and distribution system, the Commission, in the process of computation, has broken down the Opening and Closing Equity base in proportion to the respective Opening and Closing original Fixed Assets cost of the respective years and averaging the same arrived at Average Equity Base for the respective years and allowed 14% return on the same. However, the total return allowed to WBSEDCL remains same as of their claim for the respective years. But, for complying with the regulation 2.8.1.4.3 of the Tariff Regulations, a 5% deduction on allocated return on generation head has been done in terms of paragraph 6.1.1 and are shown as below:

The workings are shown in the following table:

Particulars	2008-09		2009-10		2010-11	
	Generation	Distribution	Generation	Distribution	Generation	Distribution
Original Fixed Asset (Opening)	356766.00	551185.00	368425.00	615145.00	375524.00	783041.00
Original Fixed Asset (Closing)	368425.00	615145.00	375524.00	783041.00	375674.00	1043712.00
Equity Base Opening	87359.00	134965.00	93396.00	155939.00	90789.00	189313.00
Equity Base Closing	93396.00	155939.00	90789.00	189313.00	83012.00	230629.00
Equity Base (Average)	90378.00	145452.00	92093.00	172626.00	86901.00	209971.00
Return @ 14%	12653.00	20363.00	12893.00	24168.00	12166.00	29396.00
Return after deduction as per Regulation 2.8.1.4.3	12020.35	20363.00	12248.35	24168.00	11557.70	29396.00
Total ROE	32383.35		36416.35		40953.70	

#### 6.17 Income from Non-Tariff Sources

The income from non-tariff sources, comprising rental of meters and other apparatus, delayed payment surcharges, interest from investment income, etc. as projected by WBSEDCL for all the three ensuing years of 2008-09, 2009-10 and 2010-11. The projected amounts are considered to be logical and the Commission admits the same as per following allocations on the basis of non-tariff income on distribution head only and incase of income from investment such allocation between generation and distribution wing is done on the basis of the ratio of return.

Segment		As Projected and Admitted		
		2008-09	2009-10	2010-11
Generation	Income from Investment	353.00	324.00	285.00
	Non-tariff Income	0.00	0.00	0.00
Distribution	Income from Investment	568.00	607.00	690.00
	Non-tariff Income	16281.55	17431.00	18522.79
Total		17202.55	18362.00	19497.79

#### 6.18 Interest Credit

In terms of regulation 4.5.3 of the Tariff Regulations, WBSEDCL has proposed Rs. 1757.71 lakh for 2008-09, Rs. 1874.83 lakh for 2009-10 and Rs. 1872.39 lakh for 2010-11 as interest credit to be refunded while determining the Net Aggregate Revenue Requirement for the corresponding year in tariff as the amount of chargeable depreciation is more than the amount of loan repayable for those years.



**Tariff Order of WBSEDCL for the year 2008 – 2009**

The Commission computes the amount afresh based on the depreciation allowed and the schedule of repayment of loan and admits the same as shown below.

Rs. In lakh

Sl. No.	Particulars	2008-09	2009-10	2010-11
1.	Depreciation Allowed	30528.00	34467	40987.00
2.	Repayment as per Form-C	10211.00	13152	19165.00
3.	Excess fund created	20317.00	21315	21822.00
4.	Weighted average rate of interest of existing loan as per Form 1.17g	8.43	8.57	8.36.00
5.	Interest Credit admitted by the Commission	1712.00	1826.00	1824.00

In absence of any specific proposal from WBSEDCL and information about break-up of loan specific to generation and distribution, the Commission decides to allocate the same in the proportion to interest allowed to generation and distribution for respective years as shown in the following table, subject to final adjustment on the basis of actual audited data in the APR for the concerned years. WBSEDCL is directed to submit the information relating to purpose of the borrowings and utilization of the same for creation of assets used for generation and distribution separately.

Rs. In lakh

Sl. No.	Particulars	2008-09	2009-10	2010-11
1.	Generation	907.36	967.78	966.72
2.	Distribution System	804.64	858.22	857.28
3.	Interest Credit admitted by the Commission	1712.00	1826.00	1824.00

#### 6.19 Amount Recoverable from Bulk Supply

As referred in the statement of Energy Balance in the earlier chapter, the total quantum of bulk supply to other licensees in the State and Sikkim are provided along



with expected revenue for all the ensuing years of 2008-09, 2009-10 and 2010-11 as given below.

ENERGY SALE BY WBSEDCL TO OTHER LICENSEE OF WEST BENGAL AND SIKKIM							
Sl. No.	PURCHASER OF POWER	ENERGY SALE IN MU			REVENUE IN Rs. LAKH		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	SALE TO CESC	1775.00	1792.00	1058.00	45212.00	45696.00	26979.00
2	SALE TO DPSC	48.91	111.93	175.02	1247.22	2854.24	4463.01
3	SALE TO DPL	50.00	0.00	0.00	1275.00	0.00	0.00
4	SALE TO SIKKIM AS PER CONTRACT	46.00	46.00	46.00	777.40	777.40	777.40
5	SALE TO LICENSEE (1+2+3+4)	1919.91	1949.93	1279.02	48511.62	49327.64	32219.41

#### **6.20 Adjustment of Amounts received towards Unscheduled Interchange (UI)**

It has been observed by the Commission from the submission of WBSEDCL that erstwhile WBSEB and its successor WBSEDCL earned Rs. 26184.83 lakh and Rs. 31339.74 lakh being Unscheduled Interchange (UI) receivable during financial years 2006-07 and 2007-08.

The amount of 2006-07 is already adjusted in APR for 2006-07. For the subsequent year of 2007-08 WBSEDCL shall have to submit the audited amount of UI charges receivable on the basis of their Annual Accounts in the APR of any succeeding year.

#### **6.21 Transmission charges payable to WBSETCL**

WBSEDCL has asked for a provision for an amount of Rs. 61163.00 lakh in 2008-09, Rs. 62451.00 lakh in 2009-10 and Rs. 65827.00 lakh in 2010-11 towards transmission charges payable to the State Transmission Utility, i.e., West Bengal State Electricity transmission Company Ltd (WBSETCL). Based on the tariff application submitted by WBSETCL for the concerned year, the Commission has finalized the amount of the Aggregate Revenue Requirement (comprising of all its fixed charges) of WBSETCL and the same has come to Rs. 64674.81 lakh in 2008-09, Rs. 64246.61 lakh in 2009-10 and Rs. 62052.75 lakh in 2010-11. The particulars will be available in the Commission's order dated 23.09.2008 in Case No: TP-36/08-09 in regard to WBSETCL for the year 2008-09, 2009-10 & 2010-11. The Commission accordingly



allows a sum of Rs. 64674.81 lakh payable by WBSEDCL to WBSETCL as transmission charges in 2008-09.

## 6.22 SLDC Charges

WBSEDCL has claimed Rs. 1300.00 lakh towards SLDC charges for each of the year in 2008-09, 2009-10 and 2010-11. The Commission allows the same to be booked under distribution head subject to adjustment in APR for the concerned years on submission of actual audited data.

## 6.23 Withheld Amount

For non-compliance of directive given for conducting safety audit, the Commission decides to withhold an amount of Rs. 20 lakh and Rs. 80 lakh on generation and distribution head respectively for each ensuing year. In addition, in pursuance of regulation 2.8.1.4.10 of the Tariff Regulations, following amounts are kept withheld from ARR due to non-submission of performance guarantee test result and such deduction has been kept allocated under generation head only.

Rupees in Lakh

Withheld Amount					
Segment	Reason		2008-09	2009-10	2010-11
Generation	a	For non-submission of PG Test Report of PPSP	4392.85	4589.76	4645.71
	b	For non-compliance of Safety Audit	20.00	20.00	20.00
Distribution	a	For non-compliance of Safety Audit	80.00	80.00	80.00
Total			4492.85	4689.76	4745.71

## 6.24 Expenses attributable for Sale of energy to persons other than consumers, licensees of the Commission.

6.24.1 The expenses related to the energy projected to persons other than consumers and licensees of the Commission for the years under second control period for 2008-09, 2009-10 and 2010-11 have been considered as Rs. 43398.37 lakh, Rs. 68827.75 lakh and Rs. 109611.53 lakh respectively, subject to adjustments in APR / FPPCA for the concerned years.



**6.25 Sharing of benefits from sale of power to persons other than the consumers and licensees of the Commission**

6.25.1 WBSEDCL has projected to sell 4648.00 MU, 6111.00 MU and 5502.00 MU of electricity to persons other than to its own consumers and other licensees during 2008-09, 2009-10 and 2010-11 respectively. It has proposed to pass on a part of the benefits to be derived from such sale to the consumers. The proposed percentage of such gains to be passed on to consumers is 80, 60 and 60 for the year 2008-09, 2009-10 and 2010-11. The amounts of such gains proposed to be passed on to the consumers are Rs. 111830.88 lakh, Rs. 101755.48 lakh and Rs. 91581.89 lakh for the years 2008-09, 2009-10 and 2010-11 respectively.

6.25.2 The Commission has reviewed the above projections on the basis of rationality and considers that the quanta of electricity as will be available to WBSEDCL for such sale after meeting the requirements of the consumers and other licensees are 2278.65 MU, 3833.86 MU and 6270.96 MU during the year 2008-09, 2009-10 and 2010-11 respectively (vide the admitted Energy Balance as shown in paragraph 5.3).

6.25.3 Under the system of prospective tariff determination, the gains to be derived by the licensee from the sale of electricity to persons other than to consumers and licensees of the Commission cannot be precisely determined. The quantum of such sale as well as the price available for that will depend on the fluctuating demand and supply conditions in the market. The Commission, therefore, decides to consider the amounts of consumers' share of presumptive gains of Rs. 83564.98 lakh, Rs. 32765.70 lakh and Rs. 15806.74 lakh for the years 2008-09, 2009-10 and 2010-11 respectively as Regulatory Assets for adjustments before ascertaining the Aggregate Revenue Requirement for the concerned years to maintain the tariff at a reasonable level. The liabilities of WBSEDCL for sharing of such gains with the consumers on the basis of actuals as per the audited accounts will be taken up for adjustments with the aforesaid Regulatory Assets at the time of Annual Performance Review for the concerned years.



## **CHAPTER – 7**

### **SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT FOR THE YEARS 2008-09, 2009-10 & 2010-11 & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2008-09**

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- 7.1 Based on the analyses and findings recorded in the foregoing chapters we are now drawing the statements of Aggregate Revenue Requirements (ARR) separately for each of the three years of the second control period covering the years 2008-09, 2009-10 and 2010-11. Such summarized statements are given in Annexure 7A to 7C of this chapter.
- 7.2 In terms of the Tariff Regulations, we are also to ascertain the amount of revenue recoverable through tariff for the year 2008-09 after carrying out adjustments with the ARR for that year of the recoverable amount determined in Fuel and Power Purchase Cost Adjustment (FPPCA) and also refundable amount determined in Annual Performance Review (APR) for the year 2006-07. Though the Commission in its order dated 26.09.2008 in Case No. APR-5/07-08 has determined the net amount of Rs. 6928.40 lakh refundable to the consumers after taking into consideration the adjustments in both variable costs and fixed costs for 2006-07, the Commission's order dated 03.06.2008 in Case No. FPPCA-26/07-08 regarding recovery has not been interfered with and the amount of recovery in terms of that order has not been adjusted with the ARR for 2008-09. Accordingly, WBSEDCL is entitled for recovery from the consumers in terms of the Commission's order dated 03.06.2008 in Case No. FPPCA-26/07-08. The Commission has decided to adjust the net refundable amount of 6928.40 lakh determined in APR for 2006-07 with the ARR for 2008-09 to determine the revenue recoverable through tariff during 2008-09. Accordingly, the amount of revenue to be recovered through tariff, capacity charges and fixed charges for the year 2008-09 work out as under:





## Tariff Order of WBSEDCL for the year 2008 – 2009

Rupees in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2008-09				
Sl. No.	Particulars	Generation	Distribution	Total
1	Aggregate Revenue Requirement for 2008-09	38255.25	519748.24	558003.49
2	Adjustment for APR for 2006-07	(-) 1145.00	(-) 5783.40	(-) 6928.40
3	Sub Total (1+2)	37110.25	513964.84	551075.09
4	Capacity Charges ( 4 = 3 - Fuel Cost )	37014.35	N.A.	N.A.
5	Power Purchase Cost	N.A.	451971.84	451971.84
6	Fixed charges for Distribution ( 6 = 3 – 5 )	N.A.	61993.00	N.A.
N.A.- Not Applicable				

7.3 The Commission has also worked out the average tariff for the consumers of WBSEDCL for 2008-09 and the same is shown in the table below.

AVERAGE TARRIFF FOR CONSUMERS OF WBSEDCL IN 2008-09			
Sl. No.	Particulars	Unit	Total
1	Total revenue to be recovered through tariff	Rs. Lakh	551075.09
2	Revenue from sale of power to CESC Ltd., DPSC and DPL	Rs. Lakh	48511.62
3	Revenue Recoverable for supply of power to the consumers (1-2)	Rs. Lakh	502563.47
4	Energy sale to the consumers	MU	14980.00
5	Average tariff for the consumers (Sl.3 x 10 ÷ Sl. 4)	Paisa/ Kwhr	335.49



Annexure – 7A

Rupees in Lakh

AGGREGATE REVENUE REQUIREMENT FOR GENERATION OF WBSEDCL FOR SECOND CONTROL PERIOD							
SI No	ITEM	2008-09		2009-10		2010-11	
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Generation charge(fuel)	95.90	95.90	108.00	108.00	122.84	122.84
2	Employees cost	1245.21	1306.39	1495.98	1404.37	1630.64	1474.59
3	Terminal benefit	275.55		304.95		294.36	
4	Rent rates & taxes	3.14	3862.74	3.28	4017.25	3.41	4181.78
5	Legal charges	3.34		3.63		3.93	
6	Consultancy fees	4.50		5.40		6.48	
7	Audit fees	9.30		10.05		12.66	
8	Repair & maintenance	924.88		1060.77		1159.45	
9	Administration & general expenses	358.19		393.14		412.33	
10	Insurance	5.28		7.50		8.97	
11	Depreciation	10975.98	10427.18	11350.98	10783.43	11469.34	10895.87
12	Interest on bond for pension fund	390.15	390.15	390.15	390.15	390.15	390.15
13	Other finance charges	153.04	153.00	182.64	182.00	197.58	198.00
14	Interest on loan	14708.56	14708.56	15762.77	15762.77	16614.54	16614.54
15	Income tax	46.50	46.50	47.83	47.83	48.92	48.92
16	Reserve for unforeseen exigencies	954.40	917.69	995.49	953.42	1015.34	972.66
17	Return on equity	12665.44	12020.35	12918.36	12248.35	12216.64	11557.70
18	<b>Gross Aggregate revenue requirement</b>	<b>42819.36</b>	<b>43928.46</b>	<b>45040.92</b>	<b>45897.57</b>	<b>45607.58</b>	<b>46457.05</b>
19	Less income from investment	353.31	353.00	324.52	324.00	286.50	285.00
20	Less Withheld amount for non compliance of Safety Audit	0.00	20.00	0.00	20.00	0.00	20.00
21	Less interest credit	0.00	907.36	0.00	967.78	0.00	966.72
22	Less withhold of 10% ARR for non submission of pg test report of PPSP	0.00	4392.85	0.00	4589.76	0.00	4645.71
23	<b>Net aggregate revenue requirement</b>	<b>42466.05</b>	<b>38255.25</b>	<b>44716.40</b>	<b>39996.03</b>	<b>45321.08</b>	<b>40539.62</b>



Annexure – 7B

Rupees in Lakh

AGGREGATE REVENUE REQUIREMENT FOR DISTRIBUTION SYSTEM OF WBSEDCL FOR SECOND CONTROL PERIOD							
SI No	ITEM	2008-09		2009-10		2010-11	
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Power purchase	509846.65	451971.84	582964.15	499547.47	614204.72	556921.38
2	Charges to STU	61163.00	64674.81	62451.00	64246.61	65827.00	62052.75
3	Fee charges to SLDC	1300.00	1300.00	1300.00	1300.00	1300.00	1300.00
4	Employees cost	42910.10	44514.94	47562.51	49257.93	52753.22	51720.83
5	Terminal benefit	8909.45		9860.05		9517.64	
6	Cost of out sourcing	3926.00	392.60	4515.00	451.50	5237.00	523.70
7	Rent rates & taxes	101.56	101.56	105.92	105.92	110.16	110.16
8	Legal charges	107.86	98.15	117.37	105.51	127.07	110.79
9	Consultancy fees	145.61	83.04	174.73	89.27	209.67	93.73
10	Audit fees	300.70	300.70	324.95	323.25	409.34	339.41
11	Repair & maintenance	11538.12	11538.12	12202.63	12403.48	13052.05	13023.65
12	Administration & general expenses	8334.80	5454.00	10638.54	5863.05	12574.94	6156.20
13	Insurance	170.72	194.00	242.50	208.55	290.03	218.98
14	Depreciation	20101.14	20101.14	23683.70	23683.70	30090.87	30090.87
15	Bad Debt	3578.31	3578.31	2732.51	2732.51	3030.88	3030.88
16	Interest on bond for pension fund	12614.85	12614.85	12614.85	12614.85	12614.85	12614.85
17	Other finance charges	1600.65	1561.00	1566.14	1527.00	982.81	942.00
18	Interest on consumer security deposit	4334.00	4334.00	4931.00	4931.00	5594.00	5594.00
19	Interest on loan	13043.44	13043.44	13978.31	13978.31	14733.65	14733.65
20	Interest on working capital	16103.00	0.00	18173.00	0.00	18985.00	0.00
21	Income tax	1503.50	1503.50	1540.17	1540.17	1582.08	1582.08
22	Reserve for unforeseen exigencies	1474.49	1417.78	1658.78	1588.68	2099.15	2010.91
23	Expenditure for SHRELCOP	718.43	350.00	678.71	350.00	686.75	350.00
24	Return on equity	20350.56	20363.00	24142.64	24168.00	29345.36	29396.00
25	Special allocation	8140.00	4955.00	13095.00	4955.00	3185.00	4955.00
26	<b>Gross aggregate revenue requirement</b>	<b>752316.94</b>	<b>664445.78</b>	<b>851254.16</b>	<b>725971.76</b>	<b>898543.24</b>	<b>797871.82</b>
27	Less income from investment	567.69	568.00	606.48	607.00	688.29	690.00
28	Less non-tariff income	16281.55	16281.55	17431.00	17431.00	18523.00	18522.79
29	Less withhold amount for non compliance of safety audit	0.00	80.00	0.00	80.00	0.00	80.00
30	Less expenses for sale to persons other consumer & licensees	92611.40	43398.37	120680.03	68827.75	108708.52	109611.53
31	Less UI charge received	26184.83	0.00	31339.00	0.00	0.00	0.00
32	Less benefit for sale to person other than consumer & licensee	111830.88	0.00	101755.48	0.00	91581.89	0.00
33	Less interest credit	1757.71	804.64	1874.83	858.22	1872.39	857.28
34	Less Regulatory assets	0.00	83564.98	0.00	32765.70	0.00	15806.74
35	<b>Net aggregate revenue requirement</b>	<b>503082.88</b>	<b>519748.24</b>	<b>577567.34</b>	<b>605402.09</b>	<b>677169.15</b>	<b>652303.48</b>



Annexure – 7C

Rupees in Lakh							
AGGREGATE REVENUE REQUIREMENT OF WBSEDCL FOR SECOND CONTROL PERIOD							
SI No	ITEM	2008-09		2009-10		2010-11	
		PROPOSED	ADMITTED	PROPOSED	ADMITTED	PROPOSED	ADMITTED
1	Generation charge(fuel)	95.90	95.90	108.00	108.00	122.84	122.84
2	Power purchase	509846.65	451971.84	582964.15	499547.47	614204.72	556921.38
3	Charges to STU	61163.00	64674.81	62451.00	64246.61	65827.00	62052.75
4	Fee charges to SLDC	1300.00	1300.00	1300.00	1300.00	1300.00	1300.00
5	Employees cost	44155.31	45821.33	49058.49	50662.30	54383.86	53195.42
6	Terminal benefit	9185.00		10165.00		9812.00	
7	Cost of out sourcing	3926.00	392.60	4515.00	451.50	5237.00	523.70
8	Rent rates & taxes	104.70	21632.31	109.20	23116.28	113.57	24234.70
9	Legal charges	111.20		121.00		131.00	
10	Consultancy fees	150.11		180.13		216.15	
11	Audit fees	310.00		335.00		422.00	
12	Repair & maintenance	12463.00		13263.40		14211.50	
13	Administration & general expenses	8692.99		11031.68		12987.27	
14	Insurance	176.00		250.00		299.00	
15	Depreciation	31077.12	30528.32	35034.68	34467.13	41560.21	40986.74
16	Bad Debt	3578.31	3578.31	2732.51	2732.51	3030.88	3030.88
17	Interest on bond for pension fund	13005.00	13005.00	13005.00	13005.00	13005.00	13005.00
18	Other finance charges	1753.69	1714.00	1748.78	1709.00	1180.39	1140.00
19	Interest on consumer security deposit	4334.00	4334.00	4931.00	4931.00	5594.00	5594.00
20	Interest on loan	27752.00	27752.00	29741.08	29741.08	31348.19	31348.19
21	Interest on working capital	16103.00	0.00	18173.00	0.00	18985.00	0.00
22	Income tax	1550.00	1550.00	1588.00	1588.00	1631.00	1631.00
23	Reserve for unforeseen exigencies	2428.89	2335.47	2654.27	2542.10	3114.49	2983.57
24	Expenditure for SHRELCOP	718.43	350.00	678.71	350.00	686.75	350.00
25	Return on equity	33016.00	32383.35	37061.00	36416.35	41562.00	40953.70
26	Special allocation	8140.00	4955.00	13095.00	4955.00	3185.00	4955.00
27	<b>Gross aggregate revenue requirement</b>	<b>795136.30</b>	<b>708374.24</b>	<b>896295.08</b>	<b>771869.33</b>	<b>944150.82</b>	<b>844328.87</b>
28	Less income from investment	921.00	921.00	931.00	931.00	974.79	975.00
29	Less non-tariff income	16281.55	16281.55	17431.00	17431.00	18523.00	18522.79
30	Less withhold amount for non compliance of safety audit	0.00	100.00	0.00	100.00	0.00	100.00
31	Less expenses for sale to persons other consumer & licensees	92611.40	43398.37	120680.03	68827.75	108708.52	109611.53
32	Less UI charge received	26184.83	0.00	31339.00	0.00	0.00	0.00
33	Less benefit for sale to person other than consumer & licensee	111830.88	0.00	101755.48	0.00	91581.89	0.00
34	Less interest credit	1757.71	1712.00	1874.83	1826.00	1872.39	1824.00
35	Regulatory assets	0.00	83564.98	0.00	32765.70	0.00	15806.74
36	Less withhold of 10% ARR for non submission of pg test report of PPSP	0.00	4392.85	0.00	4589.76	0.00	4645.71
37	<b>Net aggregate revenue requirement</b>	<b>545548.93</b>	<b>558003.49</b>	<b>622283.74</b>	<b>645398.12</b>	<b>722490.23</b>	<b>692843.10</b>



## CHAPTER - 8 TARIFF ORDER

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- 8.1 As mentioned in the previous chapter, the Commission, in accordance with the Tariff Regulations, has determined for WBSEDCL the Aggregate Revenue Requirement (ARR) for each ensuing year of the control period covering the years 2008-09 to 2010-11 and the revenue recoverable through tariff during 2008-09 after adjusting the amount refundable to the consumers as determined in the Annual Performance Review for 2006-07 with the ARR determined for 2008-09. The Commission has also determined the average tariff for the consumers of WBSEDCL for 2008-09 and the tariff schedule applicable to the consumers of WBSEDCL in 2008-09.
- 8.2 The tariff schedule as applicable to the consumers of WBSEDCL in the year 2008-09 is given at Annexure 8A1 for LV and MV consumers under quarterly billing cycle, at Annexure 8A2 for LV and MV consumers under monthly billing cycle and at Annexure 8A3 for HV and EHV consumers. The Commission has reviewed the directives given to WBSEDCL in the tariff order for 2007-08 and compliance thereof by WBSEDCL and also decided to give certain directives to WBSEDCL on various matters. These are to be found at Annexure B.
- 8.3 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 of the Tariff Regulations. Other associated conditions of the tariff for 2008-09 shall be as follow.
- 8.3.1 (a) In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor of WBSEDCL, the HV industrial consumers shall receive a voltage wise graded load factor rebate as per following table:



**LOAD FACTOR REBATE (Paise / KWH)**

Range of Load Factor (LF)		Supply Voltage		
		11 kV	33 kV	66/132/220/400 kV
Above 50%	Up to 55%	3	4	5
Above 55%	Up to 60%	8	9	10
Above 60%	Up to 65%	8	9	10
Above 65%	Up to 70%	15	20	22
Above 70%	Up to 75%	15	20	22
Above 75%	Up to 80%	25	30	40
Above 80%	Up to 85%	25	30	40
Above 85%	Up to 90%	30	43	45
Above 90%	Up to 92%	32	43	48
Above 92%	Up to 95%	34	45	49
Above 95%		35	46	50

The above load factor rebate shall be applicable on quantum of energy consumed in the billing period. (For example a 33 kV industrial consumer at 85% load factor shall be eligible for a rebate @ 30 paise / kWh on the total quantum of energy consumed in the billing period).

- (b) Load factor surcharge shall be continued at the prevailing rate.
- (c) From the consumption month of October, 2008, load factor shall be computed in terms of regulation 3.9.2 of the Tariff Regulations and load factor rebate and load factor surcharge shall be computed as per revised rates as mentioned in sub-paragraphs (a) and (b) of paragraph 8.3.1. Prior to consumption month of October 2008, load factor rebate/ surcharge computation and load factor computation methodology shall be in accordance with the tariff order for 2007-08 for WBSEDCL.
- (d) From consumption month of November 2008 onwards, the computation of load factor rebate and surcharge shall exclude that part of the concerned billing period when load of a consumer is totally shed / interrupted because of any fault of WBSEDCL in its system or for non-availability of power with WBSEDCL due to lower supply of electricity from its own generating source or its other suppliers of power or due to imposition of restriction by WBSEDCL on drawal of power by the consumer



- 8.3.2 (a) The fixed charge shall be applicable to all consumers as specified in the regulation 3A.2.1 of the Tariff Regulations at the rate as shown in Annexure 8A1 of this order subject to the conditions as specified in the Tariff Regulations including regulation 3A.2.4 *ibid*.
- (b) The Demand Charge shall be applicable to all consumers as specified in regulation 3A.3.1 of the Tariff Regulations as per rate as shown in Annexure – 8A1, Annexure – 8A2 and Annexure – 8A3 of this order on the basis of recorded demand as specified in regulation 3A.3.3 *ibid* subject to conditions as specified in the Tariff Regulations including regulations 3A.3.5, 3A.3.6, 3A.3.7, 3A.7, 3A.8, 3A.9, 3A.10, 3A.11 and 3A.15 *ibid*. Demand charge shall be levied as per regulation 3A.3.5 of the Tariff Regulations from the billing month of October 2008 and prior to that demand charge shall be levied as per tariff order of WBSEDCL for 2007-08.
- (c) From October, 2008 onwards the demand charge shall not be payable by any consumer for the period when load of the consumer is totally shed / interrupted because of non-availability of power with WBSEDCL due to lower availability of electricity from its own generating stations and/or its other suppliers of power or imposition of any restriction by WBSEDCL on drawal of power by consumers.
- 8.3.2.1 Subject to conditions as specified in regulation 3A.13 of the Tariff Regulations for all consumers minimum charge shall continue at the existing level except for the following rate of minimum charges applicable to different categories of consumers as shown in the table below.

Sl. No.	Category of Consumers	Minimum charge
i	Domestic HV	Rs. 400/- per month per KW of sanctioned load
ii	Bulk supply at single point to co-operative group housing society for providing power to its members or person for providing power to its employee in a single premises	Rs. 400/- per month per KW of sanctioned load
iii	LV Commercial (Rural)	Rs. 40/- per month
iv	LV Commercial (Urban)	Rs. 40/- per month



- 8.3.2.2 The rate of energy charge applicable for temporary supply related to events, festivals, marriage ceremony shall be at the highest rate of supply under non-TOD tariff scheme applicable to that particular category of consumers to which the applicant seeking such supply belongs. For such temporary supply, the fixed / demand charge shall be the fixed / demand charge under non-TOD tariff applicable to that particular category of consumers to which the applicant seeking such supply belongs. Such temporary supply shall not have any load factor rebate and power factor rebate and shall not be entitled to TOD tariff. However, other charges for such temporary supply shall be the same as are applicable to that particular category of consumers to which the applicant seeking such temporary supply belongs. If there is no appropriate rate given in the tariff schedule for such temporary supply, the rate for such temporary supply shall be @ Rs.5.00/kWh. For such temporary supply, the applicant shall apply to the licensee at least 10 days in advance.
- 8.3.2.3 Rebate for Cold Storage or dairy with chilling plant shall be 6% of the energy charge provided the payment is made within due date.
- 8.3.2.4 For street lighting and public water works, a rebate of 15 paise/Kwh on energy charge of each unit will be given if payment is made within due date in case of normal or normal-TOD meter only. It will not apply to such supply having pre-paid meter.
- 8.3.2.5 Rebate for timely payment to all consumers excluding those covered by paragraphs 8.3.2.3 and 8.3.2.4 above or pre-paid meter shall be 2% of the amount of the bills excluding meter rent, taxes, duties, levies and arrears.
- 8.3.2.6 For industrial supply, rebates for 33 KV and 66 KV supply shall be at 3% of the energy charge and the rebate for 132 KV supply shall be at 7% of the energy charge. This rebate will be given before giving effect to rebate mentioned in paragraph 8.3.2.5.





- 8.3.2.7 Additional rebate of 5 paise per kWh on energy charge shall be allowed to an EHV industrial consumer whose contract demand is 25 MVA or above and whose load factor is not less than 75% in the billing period and whose recorded maximum demand during the billing period is not less than 80% of the contract demand subject to the condition that the payment is made within the due date. This rebate is in addition to the rebates under paragraphs 8.3.1, 8.3.2.5 and 8.3.2.6. This rebate will be given after giving effect to rebates mentioned in paragraphs 8.3.2.5 and 8.3.2.6.
- 8.3.2.8 Additional rebate of 5 paise per unit on energy charge shall be given to domestic and commercial consumers under LV and MV categories covered by quarterly billing system under normal or normal-TOD tariff scheme if payment is made for the quarter at a time within due date stipulated for first month of the quarter. This rebate shall be in addition to rebate under paragraph 8.3.2.5 for normal meter or normal TOD meter and will be given after giving the effect of rebate under paragraph 8.3.2.5.
- 8.3.2.9 Un-metered agricultural / irrigation consumers may make monthly payment for which they shall be entitled to 2% rebate for timely payment within due date in line with the consumers of other categories as mentioned in paragraph 8.3.2.5. In case, however, such agricultural/ irrigation consumers opt for advance payment of the full annual amount, the consumers shall be allowed a rebate of 5% in addition to 2% rebate mentioned in paragraph 8.3.2.5 and this additional rebate of 5% shall be given effect to after giving effect to rebate under paragraph 8.3.2.5.
- 8.3.2.10 The power factor rebate and surcharge shall continue for those categories of consumers to whom these are applicable at present. The methods of calculation of such rebate and surcharge are given below:
- i) The percentage of rebate and surcharge on energy charge shall be as per the following chart:



Power Factor (PF) Range in %	Power Factor Rebate & Surcharge on Energy Charge in Percentage							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)			
	Rebate in %	Surchar ge in %	Rebate in %	Surchar ge in %	Rebate in %	Surchar ge in %	Rebate in %	Surchar ge in %
PF > 95%	4.00	0.00	6.00	0.00	3.00	0.00	3.00	0.00
PF > 94% & PF ≤ 95%	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 93% & PF ≤ 94%	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF > 92% & PF ≤ 93%	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF > 91% & PF ≤ 92%	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 86% & PF ≤ 91%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 85% & PF < 86%	0.00	0.75	0.00	1.00	0.00	0.50	0.00	0.50
PF ≥ 84% & PF < 85%	0.00	1.50	0.00	2.00	0.00	1.00	0.00	1.00
PF ≥ 83% & PF < 84%	0.00	2.25	0.00	3.00	0.00	1.50	0.00	1.50
PF ≥ 82% & PF < 83%	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF < 82%	0.00	4.00	0.00	6.00	0.00	3.00	0.00	3.00

- ii) The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.
- iii) The power factor computation for different periods of the day shall be done in pursuance of regulation 3.12.5 of the Tariff Regulations.
- iv) The above power factor rebate and surcharge for different time periods under TOD or non-TOD tariff shall be applicable from the consumption month of October 2008. Prior to consumption month of October 2008 the rate and method of calculation of power factor rebate and surcharge shall continue for the consumers under TOD or non-TOD tariff, as the case may be, in accordance with the tariff order for WBSEDCL for 2007-08.

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



- 8.3.2.12 For pre-paid tariff scheme with pre-paid meter a discount of 4.00% on energy charge will be allowed except for public water works. For public water-works, a special discount of 16 paisa/Kwh on energy charge will be given in case the supply is under pre-paid tariff scheme through prepaid meter.
- 8.3.2.13 Delayed payment surcharge shall be applicable as per regulation 3A.14 of the Tariff Regulations.
- 8.3.2.14 For irrigation tariff under Rate-C(b), North Bengal stands for the districts of Coochbehar, Jalpaiguri, Darjeeling, North Dinajpur, South Dinajpur and Malda.
- 8.3.3 All existing charges relating to meter rent, meter testing, meter replacement, disconnection and reconnection etc. shall continue except for the following for which the charges are given below:
- i) Meter Rent
    - a) LT Single Phase Domestic Meter
      - including single phase prepaid meter - Rs. 10/- per month
    - b) LT Three Phase Prepaid meter - Rs. 30/- per month
    - c) LT Three Phase Electronic meter - Rs. 75/- per month  
(other than domestic and irrigation consumer)
    - d) LT Single Phase Electronic meter - Rs. 50/- per month  
(other than domestic and irrigation consumer)
    - e) LT Electronic meter for irrigation - Rs. 25/- per month
  - ii) No meter rent and no security deposit for meter shall be applicable for a consumer if the meter is supplied by the consumer.
  - iii) A consumer opting for pre-paid meter shall not be required to make any security deposit on the energy charge.



- 8.3.4 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.
- 8.3.5 This tariff shall be applicable from the billing month of/pertaining to April, 2008 and onwards. Adjustments, if any, for over recovery/ under recovery from the consumers of WBSEDCL from the billing month of/ pertaining to April 2008 to billing month of/pertaining to September 2008 shall be made in six equal monthly installments starting from the billing month of/ pertaining to October, 2008.
- 8.3.6 In addition to the tariff determined under this tariff order, WBSEDCL would be further entitled to additional sums towards enhanced cost of fuel and power purchase, if any, after the date from which this tariff order takes effect. The fuel and power purchase cost shall be subject to adjustment in accordance with the Tariff Regulations.
- 8.3.7
- a) Optional TOD tariff scheme for LT Commercial, LT Industrial and LT Public Water Works categories of consumers having minimum contract demand of 30 KVA, which was directed to be introduced in the tariff order for 2007-08, shall continue and energy charge under such scheme shall be computed according to regulation 3A.12 of the Tariff Regulations, wherever applicable.
  - b) For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to consumers under respective category of non-TOD tariff.
- 8.3.8 An applicant for short term supplies through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payment in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:-
- a) provision of requisite meter security deposit, to be kept with the licensee;
  - b) provision of space for installing weather-proof, safe and secure terminal services apparatus to protect sophisticated meter; and



- c) availability of prepaid-meter of appropriate capacity.
- 8.3.9 All billing parameters of a bill shall be construed for a billing period only, which has been specified by the Commission, irrespective of the date on which the meter reading is taken in accordance with any regulation made by the Commission.
- 8.3.10 The tariffs determined under this order for different categories of consumers are the maximum ceilings for supply of electricity at any agreed price to the consumers only for those areas of supply of WBSEDCL where multiple licensees exist. However, if supply is effected to a consumer at a price lesser than the upper ceiling, and as a result the licensee incurs loss, such loss shall not be allowed to be passed on to any other consumers or any other distribution licensees of the Commission.
- 8.3.11 The purchase price of electricity by WBSEDCL from the licensees of the Commission shall be as per Annexure-8A4.
- 8.3.12 In case the contract demand in KW is not available, it can be converted from KVA considering 0.85 as power factor whenever it is necessary for determination of any issue in relation to tariff or consumership.
- 8.3.13 Where the billing cycle is quarterly, for determination of Life Line Domestic Consumer the energy consumption of three months shall not exceed the three times of the ceiling of monthly consumption as specified for a Life Line Domestic Consumer in the Tariff Regulations.
- 8.3.14 An un-metered Lokdeep/Kutirjyoti consumer shall be treated as a Life Line Domestic Consumer as soon as he is provided with metered supply if his monthly consumption and contract demand are such as specified in the Tariff Regulations for a Life Line Domestic Consumer. A metered Lokdeep/Kutirjyoti consumer, who does not have the specified requirements to be considered as a Life Line Domestic Consumer, shall be treated as a Domestic Consumer (Urban) or Domestic Consumer (Rural), as the case may be. WBSEDCL shall bring all un-metered Lokdeep/Kutirjyoti consumers under metered supply



through installation of meters within the date as notified by the Commission under section 55(1) of the Act and thereafter treat those metered Lokdeep/Kutirjyoti consumers as Life Line Domestic Consumers or Domestic Consumers under any other category depending upon their consumptions and contract demands. However, such change of Lokdeep/Kutirjyoti consumers to any category of the domestic consumers mentioned above shall be effective prospectively from the first day of the next billing cycle applicable to those consumers after such change.

- 8.3.15 Henceforth all new consumers taking supply for purpose of irrigation shall be treated under tariff rate of C(t) i.e. under class of consumers of "Irrigation pumping for Agriculture (Metered)." The Commission also directs that the existing consumers under the category C(a) namely "Irrigation pumping for Agriculture (Metered supply from mixed HV feeder)" shall be shifted to category C(t) in phases within 31.03.2010. WBSEDCL shall keep the Commission informed through by monthly progress report regarding such shifting and the first report in this regard shall be submitted in November 2008. However, the category C(b) shall continue if any consumer opts for such category
- 8.4 Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.10.8 and 2.10.9 of the Tariff Regulations.
- 8.5 It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for WBSEDCL. If at all any such subsidy under the provisions of the Act is intimated to WBSEDCL and to the Commission by the Government of West Bengal with clear indication of the consumer or class of consumers to be subsidized and the amount of the subsidy proposed to be given is paid in advance, the tariff of such consumer and / or the class of consumers shall be deemed to have been reduced accordingly as has been indicated by the State Government. However, such direction of the State Government shall not be operative till the payment is made by the State Government in accordance



with the provisions of the Act and the Regulations made thereunder, and the tariff as fixed by the Commission shall remain applicable. In accordance with Tariff Regulations, the State Government is required to communicate within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.

- 8.6 WBSEDCL shall present to the Commission a gist of this order along with the names of at least four leading dailies (at least one of which shall be in English and one in Bengali) within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in those newspapers within four days from the date of receipt of the approval of the Commission.

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme												
		Consumer category	Name of the Tariff Scheme	Quarterly consumption in KWH	Energy Charge P/kWh	Fixed Charge / Demand Charge * in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Quarterly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Quarterly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/KVA/mon			
1.	Life Line (Domestic )	Rate A(Dm-LL)	Normal	0 to 75	200	2.5	NOT APPLICABLE							NOT APPLICABLE					
2.	Domestic (Rural)	Rate A(Dm-R)	Normal	First	75	215	5	Rate A(Dm-R)pp	Prepaid	First	75	213	5	NOT APPLICABLE					
				Next	105	239				Next	105	237							
				Next	120	292				Next	120	289							
				Next	300	340				Next	300	337							
				Next	300	350				Next	300	347							
				Above	900	581				Above	900	575							
3.	Domestic (Urban)	Rate A(Dm-U)	Normal	First	75	220	5	Rate A(Dm-U)pp	Prepaid	First	75	218	5	NOT APPLICABLE					
				Next	75	249				Next	75	247							
				Next	150	297				Next	150	294							
				Next	150	347				Next	150	344							
				Next	450	367				Next	450	363							
				Above	900	581				Above	900	575							
4.	Commercial (Rural)	Rate A(Cm-R)	Normal	First	180	289	10	Rate A(Cm-R)t	Normal - TOD	06.00 hrs to 17.00 hrs	All units	390	10	Rate A(Cm-R)tp	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	386	10
				Next	120	407				17.00 hrs to 23.00 hrs.	All units	429				17.00 hrs to 23.00 hrs.	All units	425	
				Next	150	440				23.00 hrs to 06.00 hrs.	All units	363				23.00 hrs to 06.00 hrs.	All units	359	
				Next	450	474													
				Above	900	570													
5.	Commercial (Urban)	Rate A(Cm-U)	Normal	First	180	294	10	Rate A(Cm-U)t	Normal - TOD	06.00 hrs to 17.00 hrs	All units	390	10	Rate A(Cm-U)tp	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	386	10
				Next	120	412				17.00 hrs to 23.00 hrs.	All units	429				17.00 hrs to 23.00 hrs.	All units	425	
				Next	150	440				23.00 hrs to 06.00 hrs.	All units	363				23.00 hrs to 06.00 hrs.	All units	363	
				Next	450	474													
				Above	900	570													



**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Quarterly 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	Quarterly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Quarterly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge * in Rs/KVA/mon	
6.	Public utility/ Specified Institution Public Bodies	Rate A(Cm-PU) (Mun)	Normal	On all Units	294	10	Rate A(Cm-PU) (Mun) pp	Prepaid	On all Units	291	10	Rate A(Cm-PU) (Mun) ppt	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	On all units	286	10
	17.00 hrs to 20.00 hrs.													On all units	314		
	23.00 hrs to 06.00 hrs													On all units	266		
7.	Public utility/ Specified Institution Public Bodies	Rate A(Cm-PU) (Non-Mun)	Normal	On all Units	284	10	Rate A(Cm-PU) (Non-Mun) pp	Prepaid	On all Units	281	10	Rate A(Cm-PU) (Non-Mun) ppt	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	On all units	276	10
	17.00 hrs to 20.00 hrs.													On all units	303		
	23.00 hrs to 06.00 hrs													On all units	256		
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment in Non Municipal area &not run by electricity as motive power	Rate A(Cm-II)	Normal	First	300	247	Rate A(Cm-II) ppt	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	350	10	NOT APPLICABLE				
				Next	300	390			17.00 hrs to 23.00 hrs.	All units	385						
				above	600	424			23.00 hrs to 06.00 hrs.	All units	326						
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal – Medicinal – Bio-diesel Plant Farming, Food Processing Unit	Rate A(Cm-III)	Normal	First	900	360	Rate A(Cm-III) ppt	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	355	10	NOT APPLICABLE				
				Above	900	465			17.00 hrs to 23.00 hrs.	All units	390						
				23.00 hrs to 06.00 hrs.	All units	330											

Note :- \* Fixed Charge will be applicable for the Consumer having Contract Demand below 30 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 30 KVA and above.

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II						
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon		
1.	Lokdeep / Kutirjyoti	Rate A(Dm-K)	Normal	0 to 25			Rs. 30 per consumer per month	NOT APPLICABLE					NOT APPLICABLE					
2.	Labour Line (Domestic )	Rate A(Dm-L)	Normal	All units		249	5	NOT APPLICABLE					NOT APPLICABLE					
3.	Irrigation pumping for Agriculture (Metered)	Rate C(t)	Normal TOD	06.00 hrs to 17.00 hrs	All units	130	10	Rate C(t)ppt	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	130	10	NOT APPLICABLE				
		17.00 hrs to 23.00 hrs.		All units	490	17.00 hrs to 23.00 hrs.				All units	490							
		23.00 hrs to 06.00 hrs		All units	74	23.00 hrs to 06.00 hrs				All units	74							
4.	Irrigation pumping for Agriculture (Metered supply from mixed HV feeder )	Rate C(a)	Normal	All units		150	10	NOT APPLICABLE					NOT APPLICABLE					
5.	Irrigation pumping for Agriculture (Un-Metered)	Rate C(b)	Normal	STW in NB			Rs 6750/ consumer/ annum	NOT APPLICABLE					NOT APPLICABLE					
				STW in Other District			Rs 8800/ consumer/ annum											
				Submersible in NB			Rs 8000/ consumer/ annum											
				Submersible in Other District			Rs 10800/ consumer/ annum											

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II				
								Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon
6.	Commercial Plantation	Rate A(Cm) - CP	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	385	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	485											
				23.00 hrs to 06.00 hrs	All units	359											
7.	Short Term Irrigation Supply	Rate C(t) - STIS	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	170	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	500											
				23.00 hrs to 06.00 hrs	All units	100											
8.	Short Term supply for Commercial Plantation	Rate A(Cm)-STCP	Prepaid- TOD	06.00 hrs to 17.00 hrs	All units	390	10	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	525											
				23.00 hrs to 06.00 hrs	All units	363											
9.	Short-term Supply	Rate A(ST)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All units	400	20	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 23.00 hrs.	All units	440											
				23.00 hrs to 06.00 hrs	All units	372											

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Optional Tariff Scheme – I					Optional Tariff Scheme - II						
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon		
10.	Public Water Works & Sewerage System	Rate B (II)	Normal	On all Units	282	15	Rate B(II) tpp	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs - 23.00 hrs.	All Units	279	15	NOT APPLICABLE					
									17.00 hrs to 20.00 hrs.	All Units	419							
									23.00 hrs to 06.00 hrs	All Units	193							
11.	Industry (Rural)	Rate B(I-R)	Normal	First	500	288	15	Rate B(I-R) t	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	375	15	NOT APPLICABLE				
				Next	1500	400				17.00 hrs to 23.00 hrs	All Units	525						
				Above	2000	421				23.00 hrs to 06.00 hrs	All Units	248						
12.	Industry (Urban)	Rate B(I-U)	Normal	First	500	303	15	Rate B(I-U) t	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	390	15	NOT APPLICABLE				
				Next	1500	415				17.00 hrs to 23.00 hrs	All Units	546						
				Above	2000	441				23.00 hrs to 06.00 hrs	All Units	257						
13.	Street Lighting	Rate D(1)	Normal	On all Units	242	15	NOT APPLICABLE					NOT APPLICABLE						

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme									
							Optional Tariff Scheme – I					Optional Tariff Scheme - II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon
14.	Private Educational Institutions and Hospitals	Rate D(4)	Normal	On all Units		386	15	Rate D(4) t	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	381	15	NOT APPLICABLE		
										17.00 hrs to 20.00 hrs	On all Units	419				
										23.00 hrs to 06.00 hrs	On all Units	354				
15.	Emergency	Rate D(5)	Prepaid- TOD	06.00 hrs to 17.00 hrs	On all Units	460	20	NOT APPLICABLE					NOT APPLICABLE			
				17.00 hrs to 23.00 hrs	On all Units	685										
				23.00 hrs to 06.00 hrs	On all Units	321										
16.	Construction Power Supply	Rate D(6)	Prepaid-TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	390	15	NOT APPLICABLE					NOT APPLICABLE			
				17.00 hrs to 20.00 hrs.	On all Units	575										
				23.00 hrs to 06.00 hrs	On all Units	257										

**LOW AND MEDIUM VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional tariff Scheme										
							Optional Tariff Scheme – I					Optional Tariff Scheme - II					
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/mon
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate D(7)	Normal	All units	300	15	Rate D(7)t	Normal - TOD	06.00 hrs to 17.00 hrs	On all Units	295	15	NOT APPLICABLE				
								17.00 hrs to 23.00 hrs	On all Units	325							
								23.00 hrs to 06.00 hrs	On all Units	274							
18.	Common Services of Industrial Estate	Rate D(8)	Prepaid - TOD	06.00 hrs. – 17.00 hrs. & 20.00 hrs to 23.00 hrs	On all Units	360	15	NOT APPLICABLE					NOT APPLICABLE				
				17.00 hrs to 20.00 hrs.	On all Units	505											
				23.00 hrs to 06.00 hrs	On all Units	238											

Note :- \* Fixed Charge will be applicable for the Consumer having Contract Demand below 30 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 30 KVA and above.

**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	
					P/kWh							P/kWh				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
1	Public Utility (11 KV)	Rate E(a)	Normal	All Units	275	273	271	200	Rate E(at)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	272	270	268	200
											17.00 hrs-20.00 hrs					
											23.00 hrs-06.00 hrs	All Units	188	186	185	
2	Public Utility (33 KV)	Rate F(a)	Normal	All Units	270	268	266	200	Rate F(at)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	265	263	261	200
											17.00 hrs-20.00 hrs					
											23.00 hrs-06.00 hrs	All Units	183	181	180	
3	Industries (11 KV)	Rate E(b)	Normal	All Units	374	372	370	200	Rate E(bt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	370	368	366	200
											17.00 hrs-23.00 hrs					
											23.00 hrs-06.00 hrs	All Units	237	236	234	
4	Industries (33 KV)	Rate F(b)	Normal	All Units	350	348	346	200	Rate F(bt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	345	343	341	200
											17.00 hrs-23.00 hrs					
											23.00 hrs-06.00 hrs	All Units	221	220	218	

**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
5	Industries (132 KV)	Rate H(b)	Normal	All Units		341	339	337	200	Rate H(bt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	335	333	331	200
											17.00 hrs-23.00 hrs	All Units	469	466	463		
											23.00 hrs-06.00 hrs	All Units	214	213	212		
6	Industries (220KV)	Rate I(b)	Normal	06.00 hrs-17.00 hrs	All Units	300	298	296	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	420	417	414									
				23.00 hrs-06.00 hrs	All Units	198	197	195									
7	Industries (400 KV)	Rate J(b)	Normal	06.00 hrs-17.00 hrs	All Units	295	293	291	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	413	410	407									
				23.00 hrs-06.00 hrs	All Units	194	193	191									
8	Community Irrigation/ Irrigation	Rate S(gt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	290	289	288	20	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	435	434	432									
				23.00 hrs-06.00 hrs	All Units	145	145	144									
9	Commercial Plantation	Rate S(cpt)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	380	378	376	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	532	529	526									
				23.00 hrs-06.00 hrs	All Units	251	249	248									



**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme								Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge  (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge  (Rs./ KVA/ month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
10	Short Term Irrigation Supply	Rate S(gt-st)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	345	343	341	20	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	483	480	477									
				23.00 hrs-06.00 hrs	All Units	228	226	225									
11	Short Term Supply for Commercial Plantation	Rate S(cpt-st)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	390	388	386	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	546	543	540									
				23.00 hrs-06.00 hrs	All Units	257	256	255									
12	Commercial (11 KV)	Rate E( c )	Normal	All Units		397	395	393	200	Rate E( ct )	Normal - TOD	06.00 hrs-17.00 hrs	All Units	393	391	389	200
												17.00 hrs-23.00 hrs	All Units	590	587	584	
												23.00 hrs-06.00 hrs	All Units	271	270	268	
13	Commercial (33 KV)	Rate F( c )	Normal	All Units		376	375	374	200	Rate F(ct)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	371	370	369	200
												17.00 hrs-23.00 hrs	All Units	557	555	554	
												23.00 hrs-06.00 hrs	All Units	256	255	255	

**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	
					P/kWh							P/kWh				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
14	Commercial (132 KV)	Rate H(c)	Normal	All Units	359	357	355	200	Rate H(ct)	Normal - TOD	06.00 hrs- 17.00 hrs	All Units	355	353	351	200
											17.00 hrs- 23.00 hrs	All Units	497	494	491	
											23.00 hrs- 06.00 hrs	All Units	234	233	232	
15	Domestic	Rate S(d)	Normal	All Units	370	368	366	20	Rate S(dt)	Normal - TOD	06.00 hrs- 17.00 hrs	All Units	360	358	356	20
											17.00 hrs- 23.00 hrs	All Units	396	394	392	
											23.00 hrs- 06.00 hrs	All Units	335	333	331	
16	Public Water Works & Sewerage (11 KV)	Rate E (pw)	Normal	All Units	275	273	271	200	Rate E(pwt)	Normal - TOD	06.00 hrs- 17.00 hrs & 20.00 hrs- 23.00 hrs	All Units	270	268	266	200
											17.00 hrs- 20.00 hrs	All Units	410	407	404	
											23.00 hrs- 06.00 hrs	All Units	186	185	184	
17	Public Water Works & Sewerage (33 KV)	Rate F(pw)	Normal	All Units	270	268	266	200	Rate F(pwt)	Normal - TOD	06.00 hrs- 17.00 hrs & & 20.00 hrs- 23.00 hrs	All Units	265	263	261	200
											17.00 hrs- 20.00 hrs	All Units	402	399	396	
											23.00 hrs- 06.00 hrs	All Units	183	181	180	

**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./ KVA/ month)		
					P/kWh							P/kWh					
					Summer	Monsoon	Winter					Summer	Monsoon	Winter			
18	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate S(c )	Normal	All Units	369	368	366	20	NOT APPLICABLE								
19	Cold storage or Dairies with Chilling Plant (11 KV)	Rate S(f)	Normal	All Units	267	265	263	200	Rate S(ft)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	260	258	256	200	
										17.00 hrs-23.00 hrs	All Units	364	361	358			
										23.00 hrs-06.00 hrs	All Units	172	170	169			
20	Emergency Supply	Rate S(es)	Normal-TOD	06.00 hrs-17.00 hrs	All Units	375	373	371	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	525	522	519									
				23.00 hrs-06.00 hrs	All Units	248	246	245									
21	Construction Power Supply	Rate S(con)	Normal-TOD	06.00 hrs-17.00 hrs & 20.00 hrs.-23.00 hrs	All Units	390	388	386	200	NOT APPLICABLE							
				17.00 hrs-20.00 hrs	All Units	546	543	540									
				23.00 hrs-06.00 hrs	All Units	258	256	255									

**HIGH & EXTRA HIGH VOLTAGE CONSUMERS**

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA/ month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./ KVA month)
						P/kWh								P/kWh			
					Summer	Monsoon	Winter						Summer	Monsoon	Winter		
22	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate S(co)	Normal	All Units	350	348	346	20	Rate S(cot)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	345	343	341	20	
											17.00 hrs-23.00 hrs	All Units	380	377	375		
											23.00 hrs-06.00 hrs	All Units	321	319	317		
23	Common Services of Industrial Estate	Rate E (ct-cs)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs.-23.00 hrs	All Units	365	363	361	200	NOT APPLICABLE							
				17.00 hrs-20.00 hrs	All Units	511	508	505									
				23.00 hrs-06.00 hrs	All Units	241	240	238									
24	Traction KV) (25	Rate T (a)	Normal	All Units		351	349	346	200	NOT APPLICABLE							
26	Traction KV) (132	Rate T (b)	Normal	All Units		321	319	316	200	NOT APPLICABLE							
27	Short-term Supply	Rate S(st)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	360	358	356	200	NOT APPLICABLE							
				17.00 hrs-23.00 hrs	All Units	396	394	392									
				23.00 hrs-06.00 hrs	All Units	335	333	331									
28	Private Educational Institutions	Rate E (c-ei)	Normal	All Units		382	380	378	200	Rate E (ct-ei)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	380	378	376	200
											17.00 hrs-23.00 hrs	All Units	418	416	414		
											23.00 hrs-06.00 hrs	All Units	353	352	350		



**ANNEXURE-8A4**

ENERGY PURCHASE RATE OF WBSEDCL FROM DPL IN 132 KV IN PAISA/KWHR FOR 2008-09			
PERIOD	Summer	Monsoon	Winter
PEAK	219.37	214.37	206.37
NORMAL	204.37	199.37	193.37
OFF PEAK	194.37	189.37	182.37

ENERGY PURCHASE RATE OF WBSEDCL FROM LICENSEES OF WBERC IN RADIAL MODE IN PAISA/KWHR FOR 2008-09			
LICENSEE	Summer	Monsoon	Winter
DPL - 11& 33 KV	267.93	263.13	257.73
DPSC	372.48	367.48	361.36
CESC	383.59	378.59	373.59
Note : In radial mode no separate tariff is provided for peak, normal and off-peak period.			

**ANNEXURE – 8B**

**REVIEW OF THE DIRECTIVES GIVEN IN THE TARIFF ORDER**

**FOR 2007– 08 AND FURTHER DIRECTIVES**

- 1.0 The Commission gave certain directives to WBSEDCL vide Annexure-B to Chapter 8 in the Tariff Order for the financial year 2007-08. The Commission's observations in respect of the compliances of those directives as well as Commission's further directives to WBSEDCL are noted in subsequent paragraphs.
- 2.0 The Commission directed WBSEDCL to indicate the number of consumers under different categories who were being supplied with un-metered electricity as on 31.03.2007. It was directed that the aforesaid information along with the programme of completion of conversion of remaining un-metered supply to metered supply for these categories of consumers should be submitted by WBSEDCL to the Commission within three months from the date of issue of the tariff order for 2007-08.
- 2.1 In response, WBSEDCL in its letter no. C/SERC/2591A dated 26.11.2007 and in its tariff application for the period 2008-09 to 2010-11 has furnished the report as below:

Category of Consumer	Number of Un-Metered Consumers	
	As per letter no. C/SERC/2591A dated 26.11.2007	As per Tariff Application for 2008-09, 2009-10 and 2010-11 as on 31.03.2008
a) Irrigation-STW	75129 STW Consumers	52822 STW Consumers
b) Lokdeep/ Kutirjyoti	27602 out of total 70551 Lokdeep/Kutirjyoti consumers	20089 out of 70551
c) Street Light	19708 switching points out of total 24596 switching points falling under 945 street light consumer	19696 switching points out of total 24596
Note: All other categories of consumers are metered.		

WBSEDCL has informed further that in irrigation system, out of completed metering of 84439 consumers, billing has been introduced for 53179 consumers. The work of metering of balance 20089 Lokdeep / Kutirjyoti consumers is under progress, as per WBSEDCL. WBSEDCL has also informed that they are taking

sincere attempts to effect street light metering for all the un-metered switching points numbering 19696. The licensee has further intimated that the above figure excludes the consumers of PS Singur and Haripal under the jurisdiction of erstwhile Singur Haripal REC. It has further been stated that all other consumers except above are supplied with meters and that the licensee expects to provide meters to all un-metered consumers by March, 2008.

- 2.2 WBSEDCL is directed to intimate the Commission through quarterly reports about the progress of metering and billing on the basis of readings of such meters for the consumers under irrigation, Lokdeep / Kutirjyoti and street lighting categories.
- 3.0 The Commission directed WBSEDCL to expand the scope of pre-paid meter to enable more consumers to adopt it. It was further directed that the option of purchase of such meter of specified standards and supply of the same by the consumers for installation might be allowed. The Commission also directed the licensee to furnish the quarterly reports on the status of pre-paid meter installation programme already undertaken showing the number of consumers with categories applied for pre-paid meter, number of consumers in each category provided with pre-paid meters etc. along with specific remedial measures undertaken to remove the bottlenecks, if any, arisen during implementation of such programme and to make the report a part of the next tariff revision application.
- 3.1 In response, WBSEDCL under its letter no. C/SERC/2591A dated 26.11.2007 and also in the tariff application for 2008-09, 2009-10 and 2010-11 has furnished the following information.

Name of the Area	Category of consumer	Number of consumers applied		Number of consumers given connection	
		As on 26.10.07	As on 31.03.08	As on 26.10.07	As on 31.03.08
New Town	Domestic	496	689	445	687
Salt Lake	Domestic	434	777	432	624
Total		930	1466	877	1311

The licensee has also stated that it has neither received any complaint nor faced any bottleneck in respect of already installed pre-paid meters.



- 3.2 The progress of pre-paid metering is not very satisfactory. WBSEDCL shall take up the issue in other urban agglomerations on priority basis and shall prepare a time bound programme. A report along with such programme and activity wise breakup shall be submitted by WBSEDCL to the Commission within three months from the date of this order. WBSEDCL shall also submit to the Commission quarterly reports on the progress of pre-paid meter installation programme.
- 4.0 The Commission directed WBSEDCL to make its ALDC operational expeditiously so that the implementation of ABT could be achieved as per the programme.
- 4.1 WBSEDCL has intimated that the ALDC is already in operation since 01.01.2008.
- 4.2 Commission directs WBSEDCL to take early action so that its ALDC at M III sub-station in Bidhannagar (Salt Lake) is made ready within 31.12.2008 with all its on-line monitoring facility for both demand side and supply side.
- 5.0 The Commission directed WBSEDCL to avail of all the provisions of the tariff order for demand side management and conservation of energy. The Commission further directed the licensee to encourage the consumers to use energy efficient gadgets and advise them to avoid leakage in their installations. The Commission also directed WBSEDCL to submit a detailed plan of programme on energy saving and conservation scheme, other than power factor rebate and load factor rebate, for next five years as well as the implementation programme along with the next tariff application.
- 5.1 WBSEDCL, in reply, has mentioned that it has introduced a book on energy conservation. WBSEDCL has also reported that energy conservation aspect has been given due care through the following activities:
- A.
- i) Formation of TOD consumer base at LV and MV category.
  - ii) Provision of penalty for drawing power above contract demand and other tariff signal for maintaining flatten drawal characteristic
  - iii) Large TOD base among HV & EHV consumer





- iv) Time graded power factor rebate & surcharge
  - v) Adoption of High voltage distribution system for irrigation and agricultural consumers
  - vi) TOD metering of all irrigation consumers
  - vii) Under the modernization programme of office building of supply stations, maintenance sub-divisions and divisions, the energy conservation aspects have been given due care.
  - viii) All the new sub-stations are equipped with energy efficient lamps and equipments.
- B.
- i) WBSEDCL has prepared a scheme amounting to Rs. 28.00 Crore for the work of installation of capacitor bank of 490000 KVAR of total compensating capacity at the premises of 65775 L&MV industrial consumers having aggregated connected load around 628.23 MW for the purpose of improving power factor & reducing reactive loss, thereby saving energy. It is expected that the power factor will improve from 0.8 to 0.95 and technical loss will reduce by 2% for same KW loading. The expected payback period is approximately 36 months.
  - ii) WBSEDCL has prepared a scheme amounting to Rs. 33.62 Crore for the work of installation of HT shunt capacitor bank of total compensating capacity 105050 KVAR against 11KV bus/ feeders in 83 identified 33 Kv sub-stations at first phase for the purpose of improving power factor and reducing reactive loss, thereby saving energy. It is expected that the power factor will improve from 0.847 to 0.902 and technical loss will reduce by 12% for same KW loading. The expected payback period is approximately 12 months.
  - iii) The above work for second phase is also under preparation involving left out 33 KV sub-station of WBSEDCL. WBSEDCL has prepared a scheme amounting to Rs. 117.80 Crore for the segregation of 11/6 KV feeders, for the purpose of reducing technical loss, increasing stability of power supply by reducing length of feeder and reducing load of existing feeders, thereby saving energy. The feeders having more than 2 MVA load and

simultaneously more than 10 KM length are identified and taken under the scheme. It is expected that the voltage regulation will improve and technical loss will reduce by 4.8% for same KW loading. The HT / LT ratio will also improve with the implementation of the project. The expected payback period is approximately 24 months.

- iv) The works under all the above schemes are proposed to be taken up from the year 2008-09.

- 5.2 In spite of reporting such large number of activities, WBSEDCL could not submit any time schedule based activity wise programme schedule for next five years. WBSEDCL is directed to submit, within three months from the date of this order, activity wise milestone based above programme for execution in next five years.
- 6.0 The Commission directed WBSEDCL to continue with energy audit periodically in all its establishments and accordingly take corrective action for conservation of energy. The Commission further directed WBSEDCL that it should conduct energy audit in all its hydro generating stations and 400 KV sub-stations and submit report along with the tariff revision application for 2008-09. The Commission also directed WBSEDCL to conduct energy audit for Purulia Pumped Storage Project (PPSP) within six months after all its units are put into commercial operation and submit a copy of the report to the Commission within six months from the date of commercial operation. It was directed that the report should contain the measurement of actual efficiency of different systems and auxiliary consumption of different equipments of PPSP and that along with this report, WBSEDCL should submit the report of the performance guarantee test.
- 6.1 In response, WBSEDCL has informed that all the distribution divisions are under energy audit and that WBSEDCL also undertakes energy audit of bulk-consumer feeders of voltage level equal to 33 KV or above. On the front of distribution transformer (DT) metering, WBSEDCL has informed that already 13396 meters have been installed in first phase and in second phase such metering status stands to 11120 till 29.02.08, that on the basis of such DT meter, load balancing of distribution transformer and shifting of load to other transformer is taking place and that it is also being used for taking decision on preventive maintenance. WBSEDCL has also reported that energy audit is now under progress.



- 6.2 The Commission now directs WBSEDCL to submit;
- (i) a report on its future programme of distribution transformer metering target within two months from the date of this order;
  - (ii) quarterly progress reports on such distribution transformer metering programme;
  - (iii) the audit report for 2007-08 of all the feeders in hard copy and soft copy;
  - (iv) the report of at least 10 distribution transformer metering based auditing;
  - (v) monthly progress reports on the energy auditing of hydro generating stations and Purulia Pumped Storage Project;
  - (vi) the copy of the order, if placed, for auditing of hydro generating stations and performance guarantee test report of such energy auditing along with the first report.
- 7.0 The Commission directed WBSEDCL to make a survey for determination of energy consumption pattern and load pattern of all new categories of consumers for all three seasons for peak, normal and off-peak periods and to submit the report of such survey to the Commission with the application for APR for the first year of the second control period.
- 7.1 WBSEDCL shall henceforth submit monthly reports showing status of progress of such survey.
- 8.0 WBSEDCL was directed to conduct safety audit and submit the report with the next tariff application to the Commission.
- 8.1 WBSEDCL has not submitted any report on safety audit with the tariff application. WBSEDCL, however, has reported that it has in-house committee on safety issue and that Committee is conducting safety audit. No report on safety audit by such Committee, however, has been submitted to the Commission.
- 8.2 The Commission now directs WBSEDCL to conduct safety audit of all its power stations and its electrical distribution network through reputed organization and



submit the safety audit report within 31<sup>st</sup> March, 2010. WBSEDCL is also directed to submit monthly progress reports depicting status of such audit

9.0 WBSEDCL is directed to submit a report indicating the penalty imposed on it since 1<sup>st</sup> April, 2003 for payment of compensation, fine, cess etc., if any, by any order of any statutory authority under the Electricity Act, 2003 or Environment Protection Act, 1986 or Income Tax Act, 1961 or any other law for the time being in force or Rules or Regulations made thereunder. The amount of compensation, fine, cess etc. paid by WBSEDCL in pursuance of such order of the statutory authority referred to above, the head of account under which such compensation, fine, cess etc. paid has been booked in the Annual Accounts of WBSEDCL and the reasons for payment of such compensation, fines, cess, etc. shall be mentioned in the report. WBSEDCL shall also mention in the report subsequent remedial measures it has undertaken to avoid the recurrence of payment of such compensation, fine, cess etc. WBSEDCL shall submit the report for each power station and distribution system separately within two months from the date of this order. Such reports shall form a part of the tariff applications and applications for APR of WBSEDCL, henceforward.

10.0 WBSEDCL is directed to take measures to install power factor controllers for all LT consumers with contract demand of 5 KVA and above except LT industrial and public water works consumers and LT commercial consumers having contract demand 10 KVA and above in a phased manner as per the following schedule.

LT consumers (excluding LT industrial and LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above) having contract demand	Target date of completion of installation of power factor controller
10 KVA and above	31 <sup>st</sup> March, 2011
8 KVA and above	31 <sup>st</sup> March, 2012
5 KVA and above	31 <sup>st</sup> March, 2013

10.1 WBSEDCL is directed to ensure completion of arrangements for recording power factor and maximum demand for all LT consumers during a billing period as per the following schedule.



***Tariff Order of WBSEDCL for the year 2008 - 2009***

Category of LT Consumers	Target date of completion of arrangements for recording in a billing period for	
	Maximum Demand	Power Factor
LT Industry	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March 2010
LT Commercial having Contract Demand 10 KVA and above	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March 2011
LT Public Water Works	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March 2011

- 10.2 WBSEDCL is also directed that no new connection shall be given to an intending HT consumer unless the consumer installs the capacitor bank at his own cost.
- 10.3 All existing EHT, HT, LT industrial, LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above of WBSEDCL shall install capacitor banks mandatorily at their own cost, if not yet installed, within 31<sup>st</sup> March, 2010 as per rating as will be provided by WBSEDCL to its HT and LT industrial consumers within 31<sup>st</sup> March, 2010 and LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above within 31<sup>st</sup> March, 2011. This order shall be brought to the notice of all HT, LT industrial, LT public water works consumers and LT commercial consumers having contract demand 10 KVA and above by WBSEDCL through written communications.
- 10.4 WBSEDCL is also directed to submit quarterly reports about progress of installation of power factor controller for all LT consumers except LT industrial, LT public water works and LT commercial consumers having contract demand 10 KVA and above along with arrangements made for recording maximum demand and power factor of such consumers during a billing period. Such report shall also show the status of installation of capacitor banks by HT, LT industrial, LT public water works and LT commercial consumers having contract demand 10 KVA and above.
- 11.0 WBSEDCL is directed to reassess the connected load of all LT consumers and accordingly revise the contract demand after due intimation to the consumer. The target date of completion of such assessment shall be within 31<sup>st</sup> March, 2010.
- 12.0 WBSEDCL shall henceforth show in the tariff applications as well as in the applications for APR, the number of its own employees and the number of



employees on contract in its regular establishment as well as the employees' cost for its own employees and the same for the employees on contract in regular establishment separately on each head as shown in the following table.

Category	Sl. No.	Particulars	Own Employees	Employees on Contract in Regular Establishment
A	<b>Expenditure in Rupees in Lakh</b>			
	1	Salary and Wages		
	a	Basic Pay		
	b	Dearness Allowances		
	c	Other Allowances		
	2	Statutory/ Contractual Retirement Benefit		
	a	Gratuity		
	b	Company's contribution to PF		
	c	Company's contribution to Pension Scheme		
	3	Statutory Bonus and Ex-Gratia		
	4	Leave Salary		
	5	LTC and Leave Encashment		
	6	Workmen and staff welfare expenditure		
	7	Others, if any		
B	<b>Number of Personnel</b>			

Note: In serial no. 7 of Category A under the head "Others", specific head to be mentioned

12.1 WBSEDCL shall, within one month from the date of this order, submit a report indicating the head under which the employees' cost for the employees on contract in regular establishment was being booked in its Books of Accounts till date.

**Sd/-**  
**R. P. SAMADDAR**  
**MEMBER**

**Sd/-**  
**PRITITOSH RAY**  
**MEMBER**

**DATE: 30.09.2008**