



**ORDER
OF THE**

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. TP-102/22-23

**IN REGARD TO THE TARIFF APPLICATION OF CESC LIMITED
FOR THE YEAR 2025-2026 UNDER SECTION 64(3)(a) READ
WITH SECTION 62(1) AND SECTION 62(3) OF THE ELECTRICITY
ACT, 2003**

DATE: 25.03.2025



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CHAPTER -1

INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission"), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the "Act"), has been authorized in terms of the section 86 and section 62(1) of the Act to determine the tariff for (a) supply of electricity by a generating company to a distribution licensee, (b) transmission of electricity, (c) wheeling of electricity and (d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 The CESC Limited (CESC), a Company under the Companies Act, 1956, is a distribution licensee in the State of West Bengal for supply of electricity in Kolkata and some areas in the districts of Howrah, Hooghly, North 24 Parganas and South 24 Parganas of the State. It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the Act.
- 1.3 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the 'Tariff Regulations'), each control period after third control period shall be normally for a period of three ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time.
- 1.4 CESC, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the years 2023-2024, 2024-2025 and 2025-2026 under the eighth control period and submitted the same to the Commission. This tariff application was admitted by the Commission under Case No. TP-102/22-23.
- 1.5 The Commission vide its letter no. WBERC/TP-102/22-23/4050 dated 4th July, 2023 directed CESC to publish, as required under section 64(2) of the Act, the gist of the tariff application as approved by the Commission in their website and newspapers as specified in the Tariff Regulations. The gist was, accordingly, published simultaneously on 10th July, 2023 in 'Bartaman' (Bengali), 'Aajkaal' (Bengali), 'Bartaman Patrika' (Hindi) and 'The Telegraph' (English). The gist along with the tariff petition was also



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posted in the website of CESC. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of CESC for the eighth control period and requested for submission of suggestions, objections and comments, if any, to the Commission within 21 days from the date of publication of the gist. Accordingly, the last date of submission of suggestion, objections and comments was 30.07.2023. Opportunities were also afforded to all to inspect the tariff application following the procedure laid down in West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended.

- 1.6 The suggestions, objections and comments on the aforementioned application of CESC for determination of tariff for the eighth control period was received from Reliance Jio Infocomm Ltd., Bharti Airtel Ltd. and Summit Digital Infrastructure Ltd. within the specified time limit.
- 1.7 The Commission, thereafter, in accordance with the provisions of the Act and Tariff Regulations, passed the tariff order dated 03.09.2024 in respect of CESC in Case no. TP-102/22-23 determining the Aggregate Revenue Requirement (in short 'ARR') of CESC for each year of the eighth control period, along with the tariffs of CESC for the years 2023-24 and 2024-25. The objections and suggestions on the tariff petition of CESC for the eighth control period along with the analysis and findings of the Commission has been recorded in the tariff order dated 03.09.2024. CESC on receipt of the aforesaid tariff order of 2023-24 and 2024-25 submitted its gist for approval and the same was approved by the Commission. The approved gist of the tariff order dated 03.09.2024 for 2023-24 and 2024-25 was published in newspapers and on the website of CESC on 19.09.2024.
- 1.8 The Commission now proceeds to determine the revenue recoverable through tariff by CESC during the year 2025-26 as also the tariff of CESC for 2025-26 on the basis of ARR determined for 2025-26 in the tariff order dated 03.09.2024 in Case no TP-102/22-23 after necessary adjustments in accordance with the Tariff Regulations as detailed in the subsequent chapters.



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CHAPTER - 2

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2025-2026

2.1 As stated in the preceding chapter, the Commission determined the ARR of CESC separately for each of the three years of the eighth control period consisting the years 2023-24, 2024-25 and 2025-26 in the tariff order dated 03.09.2024 in Case no TP-102/22-23 (hereinafter referred as 'the 8th MYT order') based on the analysis and findings recorded in that order. The Commission in the MYT order has determined the ARR amounting to **Rs.790130.00 lakh** for the year 2025-26. Summarized statement of ARR for 2025-26 was given in Annexure - 6E to the 8th MYT order dated 03.09.2024.

2.2 Revenue from sale of power to other licensees:

CESC in its 8th MYT petition proposed to sale power to other licensee WBSEDCL in the State, in addition to sale of power to its own consumers. CESC in its petition proposed Rs.850.20 lakh as revenue recovered from 13MU sale to WBSEDCL @Rs 6.54/kwh during the year 2025-26. The Commission considers the income from sale to other licensee WBSEDCL in the petition of CESC for ARR determination but does not admit any tariff between the licensees by virtue of this order. The Commission further clarifies that the rate / price of power purchase or sale between two licensees are to be decided under the Power Purchase Agreement following the relevant provisions under the Electricity Act 2003 and not under Tariff determination process in terms of section 62 of the Act. However, to arrive at the revenue to be recovered from own consumers of CESC, the Commission considers to adjust the proposed amount of **Rs.850.20 lakh** as income of CESC from sale of power to WBSEDCL.

2.3 Adjustment of Regulatory Assets and other payables:

2.3.1 The Commission in the FPPCA & APR order of CESC for the year 2018-19 in Case No. FPPCA-95/19-20 and APR-80/19-20 dated 22.09.2023 read with the review order dated 02.07.2024 in Case No. APR(R)-26/23-24, has admitted recoverable amount of Rs.67376.61 lakh and ordered in terms of regulation 2.6.6 of the Tariff Regulations that the entire recoverable amount of Rs.67376.61 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2022-23 or that for any other ensuing year or through a separate order as may be decided by the Commission. The Commission has already adjusted Rs. 12722.00 lakh, Rs. 13062.09 lakh and Rs. 28084.00 lakh



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with the ARR of 2022-23, 2023-24 and 2024-25 respectively. The Commission now decides to adjust the balance amount of Rs. 13508.52 lakh with the ARR of 2025-26, in terms of regulation 2.5.3(i) of the Tariff Regulations.

2.3.2 The Commission in the FPPCA & APR order of CESC Limited for the year 2019-20 in Case No. FPPCA-99/20-21 and APR-83/20-21 dated 05.10.2024 has admitted recoverable amount of Rs.13546.47 lakh and ordered in terms of regulation 2.6.6 of the Tariff Regulations that the entire recoverable amount of Rs.13546.47 lakh shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2025-26. Subsequently, a review petition was made by CESC on the APR order of 2019-20. The Commission in the review order dated 03.03.2025 in Case No. APR(R)-43 /23-24 has admitted further recoverable amount of Rs. 4852.30 lakh. The Commission now decides to adjust the total recoverable amount of Rs. 18398.77 lakh (Rs.13546.47 lakh + Rs. 4852.30 lakh) with ARR of 2025-26 in terms of regulation 2.5.3(i) of the Tariff Regulations.

2.3.3 Carrying Cost: In terms of clause (iv) of regulation 2.6.6 of the Fourth Amendment of the Tariff Regulations, carrying cost is allowable from 01.04.2023, i.e., the date of effect of the amendment. Accordingly, carrying cost is allowed for the part adjustments of APR 2018-19 and full admitted amount of APR 2019-20 as mentioned in paragraph above. In terms of clause (iv) of regulation 2.6.6 of the Tariff Regulations, as amended, carrying cost is calculated with simple interest rate of SBI MCLR rate as on 01st April of the respective year + 250 basis point. The computation of carrying cost is shown below:

Table 2-1: Carrying Cost admitted for Regulatory Asset (Rs lakh)

Sl. No.	Carrying cost	2023-24	2024-25	2025-26
1.	Part APR adjustment for 2018-19 as in para 2.3.1 above	13508.52	13508.52	13508.52
2.	APR adjustment for 2019-20 as in para 2.3.2	18398.77	18398.77	18398.77
3	Total adjustment (1+2)	31907.29	31907.29	31907.29
2	Number of Year	1	1	0.5
3	SBI MCLR (%) as on 1 st April	8.5%	8.65%	9%*
4	SBI MCLR +250 Basis Point (%)	11.00%	11.15%	11.50%
6	Carrying Cost	3509.80	3557.66	1834.67
Total				8902.13

* Based on SBI MCLR (%) as on 01.01.2025 subject to any variation to be adjusted while truing up for APR 2025-26