



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
FOR THE YEARS 2020 – 21, 2021 – 22 AND 2022 – 23
IN
CASE NO: TP – 94 / 20 - 21

IN REGARD TO THE TARIFF APPLICATION OF
INDIA POWER CORPORATION LIMITED FOR THE YEARS
2020 – 21, 2021 – 22 AND 2022 – 23 COVERING SEVENTH
CONTROL PERIOD UNDER SECTION 64(3)(a)
READ WITH SECTION 62(1) AND SECTION 62(3)
OF THE ELECTRICITY ACT, 2003**

DATE: 13.03.2024



CHAPTER – 1 INTRODUCTION

- 1.1 The West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”), has been authorized in terms of section 86 and section 62(1) of the Act to determine the tariff for (a) supply of electricity by a generating company to a distribution licensee, (b) transmission of electricity, (c) wheeling of electricity and (d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2 In terms of definition contained in regulation 1.2.1 (xxx) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the ‘Tariff Regulations’), each control period after third control period shall be normally for a period of five ensuing years or such other period of number of ensuing years as may be decided by the Commission from time to time. The Commission vide its order dated 28.05.2019 in case no. SM-19/19-20 decided that the seventh control period shall be for three years consisting of 2020 – 21, 2021 – 22 and 2022 – 23. The Commission extended the last date of filing tariff petition for 7th control period up to 31.08.2020 considering repeated prayers of the utilities of the State in view of issuance of 3rd amendment of the Tariff Regulations on 22.01.2020 and the continuing lockdown conditions as per direction of the Government to contain spread of COVID -19.
- 1.3 IPCL submitted the petition for determination of tariff for the seventh control period, on 02.09.2020. The said tariff application was scrutinized with reference to requirements of tariff regulations and the deficiencies observed in the application were communicated to IPCL, which were fulfilled by them through subsequent supplementary application dated 05.11.2020. The tariff petition along with the information / data, documents submitted through supplementary application as per Tariff Regulations (collectively termed as “tariff application”) were admitted by the Commission on 12.11.2020 and was numbered as TP-94/2020-21.
- 1.4 IPCL was, thereafter directed to publish, as required under section 64(2) of the Act, the gist of the tariff application, as approved by the Commission, in their website and newspapers, as specified in the Tariff Regulations. Accordingly, the gist was published on 20.11.2020 in the ‘Ananda Bazar Patrika’, ‘The Telegraph’, the ‘Aajkal’ and the ‘Sanmarg’ simultaneously. The publications invited attention of all interested parties,



stakeholders and members of the public to the application for determination of tariff of IPCL for the seventh control period and requested for submission of suggestions, objections and comments etc., if any, on the tariff application, to the Commission by 16.12.2020. Opportunities were also extended to all to inspect the tariff application and take copies thereof.

1.5 Objections to / comments on the aforementioned tariff application of IPCL for the seventh control period were received by the Commission from the following objectors within the stipulated time i.e., 16.12.2020 and the same have been recorded in a summarized form in Chapter 3 of the instant order.

- (I) Sreeram Smelters Private Limited;
- (II) Baba Ispat (P) Ltd.;
- (III) Mechfast Engineering Private Limited;
- (IV) Bright Glass & Silicate (P) Ltd.



CHAPTER – 2 THE SUBMISSION OF IPCL

- 2.1 IPCL has submitted the application for determination of Annual Revenue Requirement (ARR) and tariff for the seventh control period, covering the years 2020 – 21, 2021 – 22 and 2022 – 23, in terms of Tariff Regulations. IPCL has projected the ARR quantum and tariff for 2020 – 21, 2021 – 22 and 2022 – 23 and has prayed for allowing the same. IPCL has also prayed for other dispensations which are mentioned in subsequent paragraphs.
- 2.2 IPCL (formerly known as DPSC), is a deemed licensee for distribution of electricity in the State of West Bengal. The licensed area of the licensee stretches over 618 sq. km in the Asansol - Raniganj belt.
- 2.3 IPCL's distribution network, as stated, has seen catering to all types of consumers – domestic, commercial, railways, public institutions, hospitals, industrial consumers and BPL consumer clusters, etc.
- 2.4 IPCL has estimated energy consumption of existing consumers based on CAGR trends during past years along with modifications considering prospective consumers. IPCL claimed that, estimation of energy consumption of prospective consumers has been worked out on the basis of filed study and interest shown by the intending consumer. Further, IPCL has submitted that there is no growth rate applicable for 132 kV consumer category as IPCL has added only 1 customer at 132 kV voltage level in the base year i.e., 2019 – 20. IPCL has connected its traction consumer at Pandabeswar TSS for which supply has started in the year 2020 – 21. IPCL has submitted that the sales projected for these consumers are based on market assessment/ field survey/ consumer interaction. IPCL has projected total sale to L&MV and HV&EHV consumers as 960.22 MU, 1390.33 MU and 1774.93 MU for the years 2020 – 21, 2021 - 22 and 2022 - 23 respectively.
- 2.5 IPCL has commissioned their new Dishergarh Power Station (DPS) 1 x 12 MW plant in 2012 – 13 which is expected to maintain a Plant Availability Factor (PAF) of 85% as specified in the Tariff Regulations during the control period.
- 2.5.1 IPCL has secured coal linkage of 53400 Tons/ annum under SHAKTI Scheme B(ii) Round 2 from Coal India Limited subsidiary Central Coalfields Limited (CCL) for the 12 MW new DPS Plant. The levelized discount in tariff of power supplied by IPCL using the coal procured under SHAKTI scheme is 7 paise/ kWh. IPCL has signed the Fuel Supply



Agreement on 12.03.2019. However, the coal supply is expected to start in FY 2020 – 21.

- 2.5.2 IPCL has submitted that the normative generation from new DPS 12 MW plant has been envisaged for the control period assuming coal availability through linkage at 75% of Annual Contracted Capacity (ACQ) and balance requirement of coal can be met from open market unless ACQ is increased. Further, IPCL has submitted that due to the ongoing uncertainty of future e-auction process and availability of desired quality of coal, they have proposed to consider washery by-products from Tata Steel mines in view of anticipated shortage of linkage coal from CCL for the purpose of fuel cost projection.
- 2.5.3 Considering the proposed coal mix and normative parameters specified in the Tariff Regulations, IPCL has projected the Total Fuel Cost for 2020 – 21, 2021 – 22 and 2022 – 23 as Rs. 3376.60 Lakhs, Rs. 3725.10 Lakhs and Rs. 4041.80 Lakhs respectively. IPCL has also considered allowable discount as per SHAKTI scheme as Rs. 29.37 lakhs for each year.
- 2.6 Apart from 12 MW new DPS plant, IPCL has planned their energy sourcing from Damodar Valley Corporation (DVC) under schedule mode from Bokaro – A thermal power Station, West Bengal State Electricity Distribution Company Limited (WBSEDCL), West Bengal Green Energy Development Corporation Limited (WBGEDCL), Solar Energy Corporation Limited (SECI) for renewable purchase and other sources including Power Exchange, Traders, Power Bankings, etc. to meet its demand. IPCL also receives power from DVC and WBSEDCL at its receiving stations. IPCL has submitted that the existing import points of Dishergarh, Seebpore, Luchipur and Satgram would be required to be maintained for both radial mode of purchase and schedule mode of purchase from DVC due to the existing network connectivity of the petitioner in the licensee area.
- 2.6.1 IPCL has projected total power purchase cost of Rs. 39178.75 Lakh, Rs. 63101.06 Lakh and Rs. 84760.01 Lakh for the years 2020 – 21, 2021 - 22 and 2022 - 23 respectively based on the assumption and the load projected to cater. It is further stated that, the power purchase cost as projected is subject to change, depending on the generation actually achieved at the own generating station on the basis of coal received through SHAKTI scheme and other coal sources and actual availability of renewable power. IPCL also prayed to allow distribution loss of 7%, 10% and 10% for the years