



TARIFF ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
FOR THE YEAR 2020 – 21 AND 2021 – 22
IN
CASE NO: TP – 90 / 20 - 21

IN REGARD TO THE MUTLI YEAR TARIFF APPLICATION UNDER SEVENTH CONTRL PERIOD OF THE WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEARS 2020 – 21, 2021 – 22 AND 2022 – 23 UNDER SECTION 64 (3) (a) READ WITH SECTION 62 (1) OF THE ELECTRICITY ACT, 2003.

DATE: 25.06.2021

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

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 West Bengal State Electricity Transmission Company Limited (in short 'WBSETCL') is deemed to be a licensee under the jurisdiction of the Commission in terms of fifth proviso to Section 14 of the Act. The area of operation for WBSETCL covers the whole of the State of West Bengal. In exercise of powers conferred under Sub-section 1 of Section 39 of the Act, the Govt. of West Bengal has notified and authorized West Bengal State Electricity Transmission Company Limited vide No.89-PO/O/III/3R-5/2007 dated 26.03.2007 to function as State Transmission Utility with effect from 01.04.2007. Subsequently, in terms of the Government of West Bengal Notification No. 328/PO/O/C-IV/1E-60/13 (Part-VA) dated 26.12.2018 and order of the Commission in Case No. A-6/14 dated 31.12.2018 the entire transmission business and activities under the Durgapur Projects Limited (DPL) along with all associated assets and liabilities were transferred WBSETCL with effect from 01.01.2019.
- 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 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

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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 prayer of the utilities of the State in view of issuance of 3rd amendment of the Tariff Regulations and continuing lockdown conditions as per direction of the Government to contain spread of COVID -19.

- 1.4 WBSETCL submitted the petition for determination of tariff for the seventh control period consisting of the years 2020 – 21, 2021 – 22 and 2022 – 23 on 28.08.2020. After receiving the tariff petition for seventh control period of WBSETCL, the Commission on scrutiny observed that some of the forms as prescribed in different annexures in terms of regulation 2.7.2 of the Tariff Regulations, were not submitted along with tariff application. Accordingly, WBSETCL was requested to submit all the required forms in the format specified in the Tariff Regulations. WBSETCL vide their letter no Dir(Opr)/WBSETCL/ACE/RAC/2(iv)/259 dated 14.10.2020 submitted the required forms and vide letter no. Dir(Opr)/WBSETCL/ACE/RAC/2(iv)/260 dated 04.11.2020 submitted a revised gist for consideration of the Commission.
- 1.5 The application for tariff determination for the years 2020 – 21, 2021 – 22 and 2022 – 23 submitted on 28.08.2020 and the additional information / data furnished on 14.10.2020 and 04.11.2020 (collectively termed as 'tariff application') were admitted by the Commission in Case No. TP-90/19-20 with the direction to publish the gist of their tariff application, as approved by the Commission, in the newspapers and also in the website of WBSETCL as per provisions of the Tariff Regulations. The gist was, accordingly, published simultaneously on 25.11.2020 in the newspapers - (i) 'Anandabazar Patrika'(Bengali), (ii) 'Bartaman' (Bengali), (iii) 'Ajkal' (Bengali), (iv) 'The Times of India' (English) and (v) 'The Telegraph' (English). The gist along with the tariff application were also posted in the website of WBSETCL. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff





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of WBSETCL for the seventh control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission latest by 16.12.2020.

- 1.6 No suggestion and objection on the tariff application of WBSETCL was received within the stipulated time i.e. 16.12.2020.

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CHAPTER - 2 THE CASE OF THE WBSETCL

- 2.1 In its tariff application for the seventh control period comprising the financial years 2020 – 21, 2021 – 22 and 2022 – 2023, WBSETCL has projected amounts of Aggregate Revenue Requirements (ARR) as under:

Year	Aggregate Revenue (Rs lakh)	Allocated Transmission Capacity (MW)	Transmission charges (Rs. per MW per month)
2020-21	159771.23	6618.45	201168.85
2021-22	165652.68	6763.95	204087.58
2022-23	170425.35	6909.45	205546.13

- 2.2 WBSETCL has undertaken the construction of new EHV sub-stations and lines, augmentation of capacity of existing EHV lines, sub-stations and other schemes besides operation and maintenance of the system.
- 2.3 Presently, West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Calcutta Electric Supply Corporation (CESC) are the only two long-term users of the transmission network of WBSETCL. CESC has fixed amount of allotted capacity amounting 150 MW. Allotted capacity of WBSEDCL is derived by subtracting the fixed allotted capacity of CESC from average yearly system demand.
- 2.4 In regard to the fixed charges claimed by WBSETCL under different heads of accounts during the years under the seventh control period, WBSETCL clarified as under:
- 2.4.1 **Operation and Maintenance (O&M) Expenses:**
- 2.4.1.1 As stated in their petition at para 3.1.2 WBSETCL has calculated an O&M projection rate based on O&M cost per MVA and O&M cost per CKM and projected for the ensuing years in the 7th control period on the basis of CAGR of 4 years' actual expenses ending 2018-19 and unaudited actual expenses for 2019-20 after accounting for a 3% additional margin in order to mitigate the risks

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of inflation in future years and to encourage the company to undertake required O&M works to ensure reliability of supply and health of assets. WBSETCL has considered annual sub-station maintenance expense after multiplying projected transmission capacity and O&M cost/MVA. Similarly, annual line maintenance expense has been considered by multiplying projected transmission network length by O&M cost/CKM. However, WBSETCL has not furnished break-up of sub-station Expenses and Transmission line expenses. WBSETCL submitted that, using the above method, the consolidated annual escalation rates for the ensuing years of 2020-21, 2021-22 and 2022-23 have been considered respectively at the rate of 6.31%, 5.90% and 5.55%. However, WBSETCL stated to have considered an escalation rate 3.51% in line with CERC's Tariff Regulations to compute the O&M expenditures for the ensuing years.

2.4.1.2 The sub-station and line capacity additions for the ensuing years are as follows:

Capacity Addition	Units	2020-21	2021-22	2022-23
Substation	MVA	2523.00	1889.00	2150.00
Transmission Line	CKM	1059.00	1057.00	753.00

2.4.1.3 Using the above method and on the basis of business growth projected for the ensuing years WBSETCL has projected the overall O&M expense including rent, repair & maintenance, general administrative expenses, auditors' fees, consultants' fees, legal charges, licensee / filing fees, entry tax / GST, etc. as Rs. 14176.90 lakh, Rs 14070.02 lakh and Rs. 14994.31 lakh respectively in 2020-21, 2021-22 and 2022-23.

2.4.2 Employee Cost:

2.4.2.1 Average employee cost per employee have been projected in the 7th control period on the basis of planned and budgeted expenditure of WBSETCL which is based on the additional project and incremental O&M efforts that is to be taken care of during the 7th control period. Impact of pay-revision made in 2019-20 has





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been considered. The projection of employee cost for 2020-21, 2021-22 and 2022-23 are stated to have been made by WBSETCL on the basis of the approved manning pattern for their various operational units and taking into account the business growth, existing vacancies, future retirements and ongoing recruitments along with deferred recruitments under the impact of covid-19 pandemic. WBSETCL has not furnished any details/documents of pay revision.

2.4.2.2 Accordingly, WBSETCL projected Rs 23268.75 lakh, Rs 25626.32 lakh and Rs. 29987.67 lakh as employee cost for the years 2020-21, 2021-22 and 2022-23 respectively net of the capitalized employee cost.

2.4.3 Depreciation:

2.4.3.1 The assets capitalization for the years 2020-21, 2021-22 and 2022-23 have been projected to be Rs 87747.02 lakh, Rs 100909.07 lakh and Rs 116045.43 lakh out of projected total capital expenditure of Rs. 163506.06 lakh, Rs 158593.85 lakh and Rs 136513.96 lakhs respectively. The amounts chargeable to depreciation are computed as Rs 30215.87 lakh, Rs 34885.72 lakh and Rs 38530.70 lakh for the years 2020-21, 2021-22 and 2022-23 respectively.

2.4.4 Advance against Depreciation/Interest Credit:

2.4.4.1 WBSETCL has not projected any amount in the 7th control period towards advance against depreciation. However, they have submitted claim towards Interest credit for Rs 296.65 lakh, 163.13 lakh and Rs 373.98 lakh respectively in 2020-21, 2021-22 and 2022-23.

2.4.5 Interest and Finance Charges:

2.4.5.1 Total interest payable on loans from the Government and other Financial Institutions in the years 2020-21, 2021-22 and 2022-23 including that on normative loan has been worked out to be Rs. 38412.46 lakh, Rs 37092.99 lakh and Rs 24435.83 lakh respectively after capitalizing a part of such amounts of interest charges. Interest on pension bonds have been claimed separately at Rs

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459.00 lakh for 2020-21 only. The above figures do not include interest on working capital of Rs. 1184.13 lakh, Rs 1137.84 lakh and Rs. 1080.74 lakh for the years 2020-21,2021-22 and 2022-23 respectively which have been claimed separately at a rate of 8.10%. WBSETCL has also projected an amount of Rs. 29.27 lakh each towards other finance charges in 2020-21,2021-22 and 2022-23.

2.4.6 Repayment of Pension Bond

WBSETCL has claimed a sum of Rs 5400 lakh in 2020-21 for repayment of Pension bonds.

2.4.7 Income Tax:

2.4.7.1 WBSETCL has projected Rs. 11850.86 lakh, Rs 11882.96 lakh and Rs. 13521.87 lakh as income tax payable on account of income/profit during the years 2020-21, 2021-22 and 2022-23 respectively. As stated at para 3.2.11 of their submission Income Tax for the 7th control period has been considered at lower of corporate tax rates and Minimum Alternative Tax rates.

2.4.8 Amount payable to WBPDC:

2.4.8.1 WBSETCL has projected Rs. 3323.12 lakh, Rs 3489.28 lakh and Rs 3663.74 lakh respectively in 2020-21,2021-22 and 2022-23 as payable to WBPDC on account of cost of the evacuation line from Bakreswar Thermal Power Station financed by WBPDC considering the directives of the Commission's order dated 01.12.2012.

2.4.9 SLDC charges:

2.4.9.1 WBSETCL has projected the expenditure of Rs. 2299.13 lakh each for SLDC in 2020-21,2021-22 and 2022-23 and included the same in Forms 1.13 and 1.17 under the appropriate heads. Subsequently for the purpose of arriving at the revenue required from Transmission charge an equivalent amount has been deducted as SLDC Handling Charges from the Gross Revenue Requirement.





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2.4.10 Reserve for unforeseen Exigencies:

2.4.10.1 WBSETCL has not claimed any amount as reserve for unforeseen exigencies.

2.4.11 Return on Equity:

2.4.11.1 The amounts of return claimed by WBSETCL are Rs. 48339.52 lakh, Rs 52725.78 lakh and Rs 57769.97 lakh respectively for the years 2020-21, 2021-22 and 2022-23. It is stated that the lower of actual or normative equity contribution on net addition to fixed assets has been considered for the purpose of arriving at the average equity base required for calculation of ROE for the ensuing years.

2.4.12 Incentive:

2.4.12.1 WBSETCL has submitted that they have achieved annual availability factor to the tune of 99.89% during the year 2019-20 and aiming to achieve 99.91% in each of the years in the 7th control period. Accordingly, in terms of paragraph 8 of Schedule-10 of the Tariff Regulations, WBSETCL has claimed Rs. 256.27 lakh, Rs 265.71 lakh and Rs 273.36 lakh for the years 2020-21, 2021-22 and 2022-23 respectively towards incentive for additional availability of 0.16% in each of the ensuing years.

2.4.13 Special Allocation:

2.4.13.1 WBSETCL has projected an amount of Rs. 775.11 lakh, Rs. 1703.63 lakh and Rs 4504.10 lakh respectively for the years 2020-21, 2021-22 and 2022-23, towards Special allocation arising out of recoverable amount as per APR Petitions of 2013-14 to 2017-18 proposing commencement of the same from 2020-21.

2.4.14 Income from Inter-State Transmission Charges:





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2.4.14.1 WBSETCL has submitted that they have not claimed any amount as income from inter-state transmission charges for the years 2020-21, 2021-22 and 2022-23 in absence of any order from CERC determining the transmission tariff for inter-state transmission lines for period from 2014 – 2015 and 2017 – 2018. However, upon receipt of the order of CERC, the same shall be claimed in APR for the respective years.

2.4.15 Other Income

2.4.15.1 WBSETCL has projected Rs. 4779.49 lakh, Rs 4336.86 lakh and Rs 5331.28 lakh as income from non-tariff sources and Rs. 11431.44 lakh each as income from short-term open access (STOA) charges for the years 2020 – 21, 2021 – 22 and 2022 – 23 respectively. WBSETCL computed their Annual Revenue Requirement after adjusting the projected income from non-tariff sources and STOA charges.

2.4.16 Aggregate Revenue Requirement:

2.4.16.1 Based on the above assumptions the summarized annual revenue requirements for the years 2020-21, 2021-22 and 2022-23 under the sixth control period has been provided in Form E(T) of Annexure – I as per the provisions of the Tariff Regulations.

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CHAPTER- 3

PERSPECTIVE PLAN OF WBSETCL

- 3.1 WBSETCL has submitted their Annual Plan for 2019 – 20 and the Rolling Plan of WBSETCL for the period of 2020 – 21 to 2024 – 25 as a Perspective Plan in terms of clause (xvii) of regulation 2.5.2.1 of the Tariff Regulation.
- 3.2 It is observed that, WBSETCL has proposed to continue with the same perspective plan that was submitted along with their petition during the 6th control period.
- 3.3 The Commission has already approved the perspective plan of WBSETCL for the period of 2020 – 21 to 2024 – 25 along with the Tariff Order of WBSETCL for the sixth control period in Case No. TP – 86 /19 – 20 dated 16.12.2020. In absence of any modification proposed by WBSETCL, the same approved perspective plan will continue.
- 3.4 The Commission directs WBSETCL to submit investment proposals for each of the project as given in the approved Perspective Plan along with Detailed Project Report along with a gist of the project in terms of regulation 2.8.2.3 of the Tariff Regulations for approval of the Commission.

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CHAPTER- 4 FIXED CHARGES

- 4.1 The projected amount of fixed charge is net of the capitalization of the part of expenses under different heads chargeable to ongoing capital construction works. Being exclusively engaged in the functions and business of transmission activities and load dispatch activities, WBSETCL does not have any variable cost and as such, the amounts of net fixed charge are also the Aggregate Revenue Requirement (ARR) of it.
- 4.2 The Commission has made prudent analysis of the charges claimed under different heads with reference to reasonableness and the same is discussed item wise below.
- 4.3 **Employee Cost**
- 4.3.1 The projection of employee cost for 2020-21, 2021-22 & 2022-23 are stated to have been made by WBSETCL on the basis of planned and budgeted expenditure which is further based on the additional project and incremental O&M efforts to be taken care of during future years. Pay revision impact of 2019-20 has been considered in 2020-21 onwards. Normal increment and increase in Dearness Allowance (D.A.) are also taken into account. The employee cost as claimed are net of capitalised employee cost as shown in Form 1.17.h.
- 4.3.2 The total amount of employee cost projected by WBSETCL in respect of own employees as well as employees on contract in regular establishment for the years 2020-21, 2021-22 & 2022-23 on the basis of Form 1.17(h) and E(T) vis a vis the manpower position and average transmission line length are shown at Table below. WBSETCL has projected DA @ 17%, 23%, and 28% respectively for 2020-21, 2021-22 & 2022-23 and other allowances @ 15%.

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Table-4.1

Particular	PROJECTED		
	2020-21	2021-22	2022-23
Net Employee cost (in Rs Lakhs)	23268.75	25626.32	29987.67
Average number of employees (in Nos)	2648	2998	3298
Average transmission line length during year (in Ckm)	15670.12	16728.12	17633.12

The average number of employees have been found to be within the norms specified in the Tariff Regulations.

As the proposed manpower by WBSETCL during the 7th control period is less than the admissible normative manpower, the same is thus admitted.

4.3.3 The Commission earlier approved a sum of Rs 26982.98 lakhs including arrear pay & allowances of 8030.44 lakhs as employee cost of WBSEDCL in the Tariff Order of 2019-20. Accordingly, average basic pay per manpower based on Tariff Order of 2019-20 has been worked out and the same has been derived after considering booster factor of pay revision along with annual increment applied on manpower projected by WBSETCL for 2020-21. Thereafter 3% annual increment has been considered on such basic pay for the next two ensuing years of 2021-22 and 2022-23. DA has been considered @ 10%, 15% and 20% for 2020-21, 2021-22 & 2022-23 respectively and other allowances have been considered as a factor of basic pay based on proportionate claims submitted by WBSETCL. Retirement benefits have been considered on basic pay and DA applying the same proportion of salaries & allowances vis-a-vis retirement benefits as approved in the Tariff Order of 2019-20. For the purpose of capitalization, the same percentage of capitalization to total employee cost as observed by WBSETCL in their projection for 2020-21 has been accepted by the Commission and the same ratio has been considered for 2021-22 & 2022-23.

4.3.4 The Commission thus computes the following admissible amounts towards employee cost including terminal benefits and arrear pay & allowances due to pay revision. Detailed computation is shown in Annexure 4A.





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Table 4.2

Particular	Rs Lakhs		
	2020-21	2021-22	2022-23
1. Employee cost including terminal benefits admissible	28965.17	33280.98	38282.33
2. Less Capitalised	4103.88	5148.36	6000.46
3. Total Employee Cost admissible (1-2)	24861.29	28132.62	32281.87
4. Net Claim of WBSETCL	23268.75	25626.32	29987.67
5. Admitted at minimum of SI 3 and SI 4	23268.75	25626.32	29987.67

4.3.5 It is, however, necessary to mention that the employee costs are uncontrollable and therefore, are subject to adjustments in Annual Performance Review for the years 2020-21, 2021-22 and 2022-23. WBSETCL is directed to intimate the total CKM of transmission lines vis-à-vis number of employees in their APR application in order to ascertain the allowable man power for determination of employee cost as per schedule 9A of the Tariff Regulations. Employee cost should be segregated in respect of own employees and employees on contract basis under regular establishment, if any.

4.3.6 WBSETCL shall ensure up to date payment of contribution towards retirement benefits payable based on actuarial valuation within the corresponding financial year before claiming such amounts in the respective APRs.

4.4 Operation and Maintenance (O&M) Expenses:

The Commission has made prudent analysis of the charges claimed by WBSETCL under the different sub-heads of O&M expenses which is discussed in the following paras.

4.4.1 While estimating O&M expenses WBSETCL as stated at para 3.1.2 of their submission text at Vol-II of their petition, has considered an O&M projection rate based on O&M cost/MVA (for substations) and O&M cost /CKM (for lines) which have been projected on the basis of CAGR of actual expenses for past 4 years





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period ending 2018-19 and unaudited expenses of 2019-20 after accounting for a 3% additional margin besides counting future capacity additions of substations and lines. It is also noted that WBSETCL took over the Transmission function of DPL (863.02 MVA, 47.8 CKM) w.e.f 1.1.2019.

- 4.4.2 However, as the O&M expenditure is controllable in nature, the Commission finds it prudent to follow a methodology that considers the sensitivity parameters of Business Volume growth as was determined in the previous tariff order 2019-20 and relevant inflation rate for 2019-20. While admitting such O&M expenses for distribution function in 2019-20, the Commission considered a hybrid inflation rate of 4.02 % giving 60:40 weightage to WPI: CPI as furnished in the table below. The same rate of inflation has also been considered for the years 2020-21, 2021-22 & 2022-23:

Table 4.3

TREND OF INFLATION RATE		2019-20
Average inflation rate as per WPI		1.67%
Average inflation rate as per CPI		7.54%
Average inflation rate as per WPI + CPI (60:40)		4.02%

- 4.4.3 The business volume parameters as considered by the Commission in the Tariff Order of 2019-20 and now in 7th Control period after considering additions proposed by WBSETCL are as follows.

Table-4.4

Sl No	Particulars	2020-21	2021-22	2022-23
1	Opening Transmission Line Length (TLL) at the beginning of the year in CKM	15140.62	16199.62	17256.62
2	Closing Transmission Line Length (TLL) at the end of the year in CKM	16199.62	17256.62	18009.62
3	Average Transmission Line Length (TLL) during the year in CKM = (1+2)/2	15670.12	16728.12	17633.12





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4.4.4 The expenditures as admissible for the 7th control period of 2020-21, 2021-22 & 2022-23 have been worked out considering item wise admitted cost/CKM as applicable for respective items in 2019-20 in the Tariff Order for 6th control period (2018-19 & 2019-20) and thereafter applying hybrid inflation rate of respective ensuing years of 2020-21, 2021-22 & 2022-23 followed by factoring such inflation adjusted cost with Average Transmission Line length in CKM (referred at table above) for respective ensuing years of 7th control period. The final admitted amount is restricted to the claim submitted by WBSETCL for respective years. The details of such working are placed at Annexure- 4B. The item wise summary claim and admission is furnished below.

Table 4.5

SI No	Particulars	Claimed			Admitted amount		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
A.	Repair & Maintenance	7960.31	7626.35	8124.86	7227.06	7626.35	8124.86
B.	Administrative & general Exp						
1	Rent	125.99	130.41	134.99	125.99	130.41	134.99
2	Legal charges	59.80	61.90	64.07	32.91	36.80	40.56
3	Auditors fees	82.88	85.79	88.80	72.08	80.29	88.17
4	Other A&G	2123.39	2197.92	2275.06	1907.05	2117.78	2275.06
5	Total A& G (B1: B 4)	2392.06	2476.02	2562.92	2138.03	2365.28	2538.78
C	Total O&M Expenses (A+B)	10352.37	10102.37	10687.78	9365.09	9991.63	10663.64

4.4.5 Rates & Taxes:

This head of expenditure has also been treated at par with O&M Expenses following same methodology for determination of admissible amount taking admitted amount/CKM in Tariff Order 2019-20 and thereafter applying hybrid inflation rate of respective ensuing years of 2020-21, 2021-22 and 2022-23 followed by factoring such inflation adjusted cost with Average Transmission Line length in CKM for respective ensuing years of 7th control period. The final admitted amount is restricted to claim





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submitted by WBSETCL for respective years. The details of such working is placed at Annexure- 4B. Admitted amount for Rates and Taxes are furnished below:

Table 4.6

Rs Lakh

Particulars	Claimed			Admitted amount		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Rates & taxes	88.36	91.46	94.67	88.36	91.46	94.67

4.4.6 License & Filing Fees:

License & Filing fees are payable to WBERC as per applicable WBERC Regulations. Such expenses are admitted as below as claimed by WBSETCL.

Table 4.7

Rs lakh

Particulars	Claimed			Admitted amount		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Licensee & filing fees	259.29	277.27	486.62	259.29	277.27	486.62

4.4.7 Outsourcing Expenses (Manpower & Vehicle)- Security Expenses & Vehicle Expenses

WBSETCL has claimed Outsourcing cost under the heads of (i) Security Expenses and (ii) Vehicle Expenses for 2020-21, 2021-22 and 2022-23. Such head of expenditure has also been treated at par with O&M Expenses following same methodology for determination of admissible amount taking admitted amount/CKM in the Tariff Order of 2019-20 and thereafter applying hybrid inflation rate in case of vehicle expenses and consumer price index in case of security expenses of respective ensuing years of 2020-21, 2021-22 and 2022-23 followed by factoring such inflation adjusted cost with Average Transmission Line length in CKM for respective ensuing years of the 7th control period. The finally admitted amount of such outsourcing expenses is restricted to the claim submitted by WBSETCL for respective years. The details of such working are placed at Annexure- 4B. The





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item wise summary claim and admission for Outsourcing expenditure is furnished below.

Table 4.8 Rs lakh

Particulars	Claimed			Admitted amount		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Security expense	2402.04	2486.35	2573.62	2399.10	2486.35	2573.62
Vehicle hiring	1074.84	1112.57	1151.62	1060.87	1112.57	1151.62
Total Outsourcing Expenses	3476.88	3598.92	3725.24	3459.97	3598.92	3725.24

4.8 Insurance

WBSETCL has not claimed any amount towards Insurance and accordingly no amount is admitted towards the same.

4.9 The total O&M Expenses based on the admissions as explained above are as below:

Table 4.9 Rs Lakh

Sl No	Particulars	Claimed			Admitted amount		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	O&M Expenses	10352.37	10102.37	10687.78	9365.09	9991.63	10663.64
2	Outsourcing Expenses	3476.88	3598.92	3725.24	3459.97	3598.92	3725.24
3	Rates & taxes	88.36	91.46	94.67	88.36	91.46	94.67
4	Licensee & filing fees	259.29	277.27	486.62	259.29	277.27	486.62
5	Overall O&M Exp	14176.90	14070.02	14994.31	13172.71	13959.28	14970.17

4.9.1 The admitted amounts of O&M expenses for Transmission, Outsourcing Expenses, Rates & taxes for 2020-21, 2021-22 & 2022-23 are based on the amount admitted in 2019-20 in the Tariff Order for 6th control period (2018-19 & 2019-20) along with projected business volume parameters. During truing up exercise in APR of the concerned ensuing years in 7th Control period the estimated expenditures of all the elements of different heads as mentioned in paragraph 6.4.5 above for 2020-21, 2021-22 & 2022-23 are to be considered as have been incurred considering actual





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business volume parameter of Transmission Line Length (TLL) in CKM for 2020-21, 2021-22 & 2022-23. In case while finalizing APR for 2020-21, 2021-22 & 2022-23 the actual value of TLL is found to be higher/Lower than the admitted value in this Tariff Order then impact of such amount will be adjusted to the projected value of TLL for the period 2020-21, 2021-22 & 2022-23.

4.10 Depreciation:

4.10.1 WBSETCL has submitted claim of depreciation in Form B considering asset addition as per Form 1.18 including perspective plan submitted along with the petition. while examining the Depreciation schedule as submitted in Form B the Commission observed certain inconsistencies as indicated below: –

- i. No amount has been projected as Assets fully depreciated in the ensuing years of the 7th control period although such assets existed till 2018-19 as per information furnished at Form B.
- ii. WBSETCL has not projected any retirement of assets during 2020-21, 2021-22 & 2022-23. Retirement of assets is a common phenomenon in an organization like WBSETCL covering the total transmission network in the State of West Bengal.

4.10.2 In view of above, the Commission considered depreciation following methodology as below:

- i. In the Tariff Order for the 6th Control period the Commission has admitted fully depreciated asset of Rs 60173.87 lakh for 2018-19 & 2019-20. The Commission now works out the fully depreciable assets for the 7th control period comprising 2020-21, 2021-22 & 2022-23 by taking CAGR of fully depreciated assets from 2014-15 to 2019-20 as follows.

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Table 4.10.1

Rs Lakh

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Actual	Actual	Actual	Actual	Tariff Order		Considered by Commission		
49870.91	46313.26	54222.05	68212.93	60173.87	60173.87	62476.99	64868.26	67351.05

- ii. The Commission considered opening balance of fixed assets as on 1.4.2019 for Rs 924212.71 lakhs besides asset addition of Rs 112954.00 lakh in the Tariff Order of 2019-20. No amount was considered towards retirement of assets in the Tariff Order of 2019-20. The Commission considers asset addition as proposed by WBSETCL in the 7th control period. WBSETCL has not projected retirement of assets in the 7th control period. Based on the above, the asset balances and the depreciable assets during the 7th control period are worked out below in two respective consecutive Tables:

Table 4.10.2

Rs lakh

SI No	Particulars	Tariff Order 2019-20	2020-21 Admitted	2021-22 Admitted	2022-23 Admitted
1	Opening Balance of Fixed Asset	924212.71	1037166.71	1124913.73	1225822.80
2	Asset Addition during the year	112954.00	87747.02	100909.07	116045.43
3	Retirement during the year	0.00	0.00	0.00	0.00
4	Closing Balance of Fixed Assets	1037166.71	1124913.73	1225822.80	1341868.23

Table 4.10.3

Rs lakh

SI No	Particulars	Tariff Order 2019-20	2020-21	2021-22	2022-23
1	Opening Balance of the Original cost of Assets at the beginning of the year	924212.71	1037166.71	1124913.73	1225822.80
2	Addition of original cost of Assets during the year	112954.00	87747.02	100909.07	116045.43
3	Less: Assets fully depreciated	60173.87	62476.99	64868.26	67351.05
4	Less: Assets to be Retired	0.00	0.00	0.00	0.00
5	Cost of Land	12325.10	12325.10	12325.10	12325.10
6	Depreciable Assets = (1+2-3-4-5)	964667.74	1050111.64	1148629.44	1262192.08





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iii. Such depreciable assets as worked out above for the 7th control period have been segregated proportionately category wise based on depreciation rates as considered in the Tariff Order of 2019-20 as below and corresponding depreciation has been worked out taking average depreciable assets of two years for each category as was followed in the Tariff Order of 2019-20.

Table 4.10.4

Rs lakh

SI No	Rate of Depreciation (%)	DEPRECIABLE ASSET				DEPRECIATION ADMISSIBLE		
		2019-20	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
1	2	3	4	5	6	$7 = \frac{(3)+(4)}{2} \times (2)$	$9 = \frac{(5)+(6)}{2} \times (2)$	$8 = \frac{(4)+(5)}{2} \times (2)$
I	1.80%	78239.35	85169.27	93159.55	102370.04	1470.68	1604.96	1759.77
II	2.57%	451873.28	491897.24	538045.32	591240.76	12127.45	13234.76	14511.33
III	3.60%	408354.25	444523.57	486227.22	534299.51	15351.8	16753.51	18369.48
IV	6.00%	24421.29	26584.37	29078.42	31953.34	1530.17	1669.88	1830.95
V	18.00%	1779.57	1937.19	2118.93	2328.43	334.51	365.05	400.26
	Total	964667.74	1050111.64	1148629.44	1262192.08	30814.61	33628.16	36871.79
CLAIM OF WBSETCL						30215.87	34885.72	38530.70
ADMITTED (Lower of Admissible and Claim amount)						30215.87	33628.16	36871.79

Hence, the Commission admits the depreciation of Rs. 30215.87 lakh, 33628.16 lakh and Rs. 36871.79 lakh for the years 2020 -21, 2021- 22 and 2022-23 respectively as shown above.

4.11 Advance against Depreciation:

4.11.1 The amounts chargeable for depreciation in 2020-21, 2021-22 and 2022-23 under the 7th control period, are higher than the amounts required for repayment of loans. Thus, no amount is admissible as advance against depreciation for 2020-21, 2021-22 and 2022-23. The amount is worked out as below:



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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Table-4.11

Rs lakhs

SI No	Particulars	Admitted		
		2020-21	2021-22	2022-23
1	Total allowable repayment of loan during the year	26783.73	32591.75	31321.49
2	1/10th of original loan amount net of disallowed loans if any	64509.71	62799.71	62799.71
3	Maximum permissible amount of loan repayment restricted to 1/10th of original admitted loan	26783.73	32591.75	31321.49
4	Depreciation as per Form B	30215.87	33628.16	36871.79
5	Allowable Advance Against Depreciation (3 - 4)	0.00	0.00	0.00

4.12 Interest on borrowed capital:

4.12.1 WBSETCL has projected the interest on borrowed capital drawn from various sources at different interest rates in Form C. While scrutinizing the petition followings are observed:

- (i) It is observed from the Form C submitted for the previous years of 2015-16 to 2019-20 and ensuing years of 2020-21, 2021-22 and 2022-23 that Loan balances have not been furnished sequentially duly reconciled with closing balances of previous years;
- (ii) It is also observed that a sum of Rs 86250.20 lakh, Rs 98433.37 lakh and Rs 80932.12 lakh have been proposed to be drawn as loan from different sources during the years 2020-21, 2021-22 and 2022-23 respectively. Such drawal of loan is not in sync with corresponding asset addition even if considered as a whole during the 7th control period of 2020-21, 2021-22 and 2022-23;
- (iii) Though WBSETCL has mentioned assets from 'consumer contribution' as in Form 1.18, it appears from the submitted Form 1.18 of WBSEDCL that cumulative asset on consumer contribution has gone up by 154% in 2020 -21





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and declined in 2021-22 by more than 40% and has gone up by 14% in 2022-23. No clarificatory note has been furnished in the submission text regarding such abnormal movement of assets on consumer contribution. It is worthwhile to mention that such assets in general are in the nature of deposit works in case of WBSETCL. However, in the absence of any clarification Commission continues to use the term 'asset from deposit works' as recognized in the Tariff Order of 2019-20.

4.12.2 Based on the facts above the Commission proceeds to consider the interest on borrowed capital following methodology as explained below:

- i. In the Tariff Order for the 6th Control period the Commission projected asset addition from deposit works for 2018-19 and 2019-20 considering the actuals of previous years upto 2017-18. Now, the Commission works out the cumulative assets from deposit works for the 7th control period comprising 2020-21, 2021-22 & 2022-23 by taking CAGR of assets from deposit works from 2014-15 to 2019-20 as in the table below:

Table-4.12.1

Particulars	Rs lakhs								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Asset from Deposit Works	3834.98	7600.35	9254.26	11569.16	14273.68	17610.42	23887.52	32402.04	43951.49

- ii. Based on the above, addition of assets on deposit works during the year is worked out in the table below along with admissible loan based on net asset addition. Drawal of Loan during the 7th control period of 2020-21, 2021-22 and 2022-23 taken together has been restricted to 70% of the net asset addition during the 7th control period as worked out below:

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Table-4.12.2

Sl no	Particulars	Rs lakhs		
		2020-21	2021-22	2022-23
1	Gross Asset Addition during the Year as proposed by WBSETCL and admitted by Commission	87747.02	100909.07	116045.43
2	Cumulative asset on deposit works (From Table 4.12.1 above)	23887.52	32402.04	43951.49
3	Deposit works during the Year (Current Year Figure- Previous Year Figure at Table 4.12.1 above)	6277.10	8514.52	11549.45
4	Net asset Addition excluding Consumer Contribution (Sl 1 -Sl 3)	81469.92	92394.55	104495.98
5	70% Debt (Sl 4*70%)	57028.94	64676.19	73147.19

The drawal of fresh loan has accordingly been considered at Rs 57028.94 lakh, Rs 64676.19 lakh and Rs 731477.19 lakh respectively in 2020-21, 2021-22 & 2022-23.

- 4.12.3 The Commission admits the Interest on capital account in 2020-21, 2021-22 and 2022-23 based on Form C submitted by WBSETCL along with sequential loan repayments and balances as worked out in the absence of clarificatory note. Fresh Loan claimed to be drawn under the head 'proposed' and 'to be tied up' has been adjusted according to the total debt figure worked out in Table 4.12.2 above. Rest of the drawal has been considered as per Form C. Repayment of fresh drawal of Loan for upcoming projects has been considered for two quarterly installments in 2021-22 on outstanding loan in 2020-21 and for 4 quarterly installments in 2022-23 on outstanding loan of 2021-22 as per usual mode of repayment of Financial Institutions of 60 quarterly instalments. Rest of the repayments have been considered as per submitted Form C. In case of claim amount being found to be less than the admissible amount, then such claim amount has been accepted. The details of computation of admissible interest on borrowed capital are furnished in Annexure 4C-1, 4C-2 and 4C-3 for 2020-21, 2021-22 and 2022-23 respectively. Interest on loan drawn during the year @ 70% of net addition to assets have not been capitalized. Capitalization of interest has been shown in details at Annexure-





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4C-4. The claimed amount vis-à-vis the admitted amount of interest on borrowed capital is as below:

Table-4.13

Rs. Lakh

Particulars	Claimed by WBSEDCL			Admitted		
	2020 - 21	2021 - 22	2022 - 23	2020 - 21	2021 - 22	2022 - 23
Interest on borrowed capital	36277.52	38340.76	33353.31	32462.19	34253.10	30638.32
Less: Interest capitalized	5510.47	8110.79	14640.66	4503.00	5373.05	9101.90
Net Interest on loan	30767.05	30229.97	18712.65	27959.19	28880.05	21536.42

4.12.4 Interest on Normative Debt:

WBSETCL has claimed Rs. 7645.41 lakh, Rs 6863.02 lakh and Rs 5723.28 lakh as interest on normative debt respectively for the years 2020-21, 2021-22 and 2022-23 based on their projection of addition to fixed assets during the respective years. No interest on normative debt was allowed to WBSETCL upto MYT 6th control period. The Commission noted that as per information submitted by WBSETCL in Form 1.20 (b) the total actual addition to borrowed capital for capital works during the years 2014-15 to 2016-17 is more than addition to fixed assets. Although such addition to debt is less than addition to fixed assets in 2017-18 and 2018-19 the same is again higher in the 7th control period in each year. Such position can be best determined on assessment of cumulative debt drawn and asset addition during 2007 – 2008 to 2022-23. Thus, the Commission considers no Normative Debt at present for 2020-21, 2021-22 and 2022-23 in 7th Control period. WBSETCL is directed to furnish the details of cumulative asset addition and debt drawn while furnishing APR for the concerned years of 2020-21, 2021-22 and 2022-23. The Commission will consider the interest on normative loan, if any, during APR for the concerned year on the basis of actual addition of fixed assets during the respective years vis-à-vis the loan drawal by WBSETCL.





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4.12.5 Interest on Bonds for creation of pension fund:

To take care of the unfunded liability towards staff terminal benefits on actuarial determination, 8.5% Bonds were issued and the amount pertaining to WBSETCL was considered as Rs 27000.00 lakh in Schedule A to the West Bengal Power Sector reforms Transfer Scheme, 2007. The annual interest charge on those Bonds comes to Rs.459 lakh after considering repayments in 2020-21 respectively as projected by WBSETCL in their Form C submitted in the Tariff Petition for the 6th Control period. The Commission admits such interest cost as claimed for Rs.459 lakh in 2020-21.

4.13 Other Finance charges:

The other finance charges in Form 1.17 (c), as projected by WBSETCL are as follows:

Table-4.14

Particulars	Rs. lakhs		
	2020-21	2021-22	2022-23
(i) Guarantee commission	2.32	2.32	2.32
(ii) Bank charges	1.59	1.59	1.59
(iii) Service fee/Commitment charges	25.37	25.37	25.37
Total	29.27	29.27	29.27

The Commission admits the projected claim of WBSETCL for Rs.29.27 lakh each in 2020-21, 2021-22 and 2022-23.

4.14 Return on Equity:

4.14.1 WBSETCL has projected admissible equity base of Rs. 298705.83 lakh, Rs 325029.93 lakh and Rs 355302.65 lakh respectively, at the beginning of the years 2020-21, 2021-22 and 2022-23 under the 7th control period. The Commission has considered such equity base taking admitted equity base at the end of 2019-20 as per Tariff Order 2019-20 and thereafter considering additions/deletions worked out on claimed figures of WBSETCL.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

4.14.2 Opening balance to projected actual equity base for 2020-21 has been considered on the basis of amount admitted in the Tariff Order of 2019-20. Thereafter addition to equity base has been considered based on 5 years' CAGR ending 2019-20. Net addition to the original cost of fixed asset during the years 2020-21, 2021-22 and 2022-23 under the 7th control period has been considered as worked out while assessing loan requirement during admission of interest on borrowed capital at para 4.12 above.

4.14.3 WBSETCL projected ROE for Rs 48339.52 lakh, Rs 52725.78 lakh and Rs 57769.97 lakh respectively in 2020-21, 2021-22 and 2022-23. The Return on equity has been admitted as follows as per Regulation 5.6.1 read with Form 1.20.a of WBERC Tariff Regulations:

Table-4.15

Rs Lakhs

SI No	Particulars	Tariff Order 2019-20	2020-21	2021-22	2022-23
1	Actual Equity base at the beginning of the year				
a	Share Capital	110552.00	110552.00	110552.00	110552.00
b	Free Reserve	312785.52	356536.27	397409.33	438853.02
c	Sub-Total (1 a +1 b)	423337.52	467088.27	507961.33	549405.02
2	Admissible equity base at the beginning of the year	274433.40	307318.58	331759.56	359477.93
3	Addition/ deletion to equity base during the year	43750.75	40873.06	41443.69	42022.29
4	Addition to fixed asset during the year				
a	Total asset addition	112954.00	87747.02	100909.07	116045.43
b	Less Deposit works	3336.75	6277.10	8514.52	11549.45
c	Less Retirement of Assets	0.00	0.00	0.00	0.00
d	Net Addition to fixed Assets (4a -4b-4c)	109617.25	81469.92	92394.55	104495.98
5	Normative addition to equity (30% of SI 4d)	32885.18	24440.98	27718.37	31348.79
6	Amount to be considered for equity (lower of 3 & 5)	32885.18	24440.98	27718.37	31348.79
7	Admissible equity base at the end of the year (SI 2 + SI 6)	307318.58	331759.56	359477.93	390826.72
8	Average admissible equity base (SI 2+SI 7)/2	290875.99	319539.07	345618.75	375152.33
9	Rate of Return (15.50%)	15.50%	15.50%	15.50%	15.50%
10	Admitted Return on Equity (SI 8* SI 9)	45085.78	49528.56	53570.91	58148.61





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4.14.4 It is to be clarified that the equity bases admitted for allowing returns as shown in the referred Table above are computed for the prospective years and therefore they need adjustments subsequently on the basis of the audited accounts. Such adjustments will be carried out at the time of APR for the concerned years.

4.15 Interest on Working Capital:

4.15.1 WBSETCL has projected the claim for interest on working capital for the 7th control period for Rs 1184.13 lakh, Rs 1137.84 lakh and Rs 1080.74 lakh in 2020-21, 2021-22 and 2022-23 respectively.

4.15.2 In terms of regulations 5.6.5.1 of the Tariff Regulations, as amended, working capital requirement of WBSETCL shall be assessed on normative basis @ 18% on the base amount derived from the annual fixed charges reduced by the elements viz., depreciation, return on equity etc. as determined in the ARR. The amount of working capital for the years under the 7th control period, as admissible is worked out below on normative basis as per the above regulation.

Table-4.16

Sl No	Particulars	Rs Lakhs		
		2020-21	2021-22	2022-23
	Working Capital:			
A	Gross Sales			
B1	Less: Depreciation	141902.12	151805.31	157415.91
B2	Less: Deferred Revenue Expenditure	30215.87	33628.16	36871.79
B3	Less: Return on Equity			
B4	Less: Reserve for Unforeseen Exigencies	49528.56	53570.91	58148.61
B	Total deductions: (sum B1:B4)	79744.43	87199.07	95020.40
C	Allowable Gross Sales for Working Capital (A-B)	62157.69	64606.24	62395.51
D	Allowable Working Capital @18% on C	11188.38	11629.12	11231.19
E	Interest at State Bank Short Term PLR rate or at actual rate of borrowing, whichever is less	9.80%	9.77%	9.81%
F	Interest on Working Capital- (D*E)	1096.46	1136.17	1101.78





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The Commission admits Rs 1096.46 lakh, Rs 1136.17 lakh and Rs 1101.78 lakh as above.

4.16 Charges Payable for Bakreswar Transmission System

4.16.1 The intra-state transmission system comprising two numbers of 400 KV and three numbers of 220 KV lines terminating at Jeerat, Arambag, Gokarna, Satgachia and Durgapur respectively constructed by the West Bengal Power Development Corporation Limited (WBPDC) along with its Bakreswar Power Station, form an integral part of the transmission system being operated by WBSETCL.

4.16.2 WBSETCL has claimed a sum of **Rs 3323.12 lakh, Rs 3489.28 lakh and Rs Rs 3663.74 lakh** in 2020-21, 2021-22 and 2022-23, as payable to WBPDC. Commission admits such amount as payable to WBPDC as per claim of WBSETCL.

4.16.3 The admitted amount will be trued up during APR for the years 2020-21, 2021-22 and 2022-23 based on admitted APR of WBPDC for the concerned years.

4.17 Write off of Scrapped Assets:

WBSETCL has not proposed any amount under this head in the 7th control period and no amount is admitted accordingly. Such write-off if any will be considered on furnishing necessary details during submission of petition for APR of the concerned years.

4.18 Income Tax:

4.18.1 As per para 3.2.11 of the submission, WBSETCL has projected Income Tax for the years 2020-21, 2021-22 and 2022-23 at a rate minimum of Corporate rate and MAT Rate. Commission admits the Income Tax as follows applying MAT Rate @ 17.472% on admitted ROE.



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Table-4.17

Rs Lakh

SI No	Particulars	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
		CLAIMED			ADMITTED		
1	Rate Components				Rate (%)	Rate (%)	Rate (%)
a	MAT				15	15	15
b	Surcharge				1.8	1.8	1.8
c	Sub-Total				16.8	16.8	16.8
d	Cess				0.672	0.672	0.672
e	Total	24.52	22.54	23.41	17.472	17.472	17.472
2	ROE	48339.52	52725.78	57769.97	49528.56	53570.91	58148.61
3	Income Tax (2 x 1e)	11850.86	11882.96	13521.87	8653.63	9359.91	10159.72

4.18.2 WBSETCL is directed to submit a comprehensive statement incorporating the amounts of (i) income tax provided in the annual reports and accounts, (ii) income tax assessed, (iii) income tax paid and (iv) income tax refunded, if any, supported by documentary evidences vide assessment orders, copies of challans, copies of refund orders year wise from the year 2014-2015 till date with their APR application for the years 2020-21, 2021-22 and 2022-23. In this respect, the provisions in the regulations 5.13.1 and 5.13.2 may be referred to.

4.19 Incentive

4.19.1 WBSETCL has claimed incentive citing Tariff regulations for Rs 256.27 lakh, Rs 265.71 lakh and Rs 273.36 lakh respectively in 2020-21, 2021-22 and 2022-23 stating that they have actually achieved availability of 99.89 % in 2019-20 and projected 99.91% for each of the years in the 7th control period. Commission however does not admit any amount at present for the 7th control period and decides to consider the matter during truing up exercise taken up through APR for the years 2020-21, 2021-22 and 2022-23.

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

4.20 State Load Despatch Centre (SLDC) Charges:

4.20.1 WBSETCL in their petition has submitted that consequent to the Electricity Act, 2003, it is engaged in the business of transmission and load despatch of electricity. In terms of West Bengal Power Sector Reforms Scheme 2007, notified by the Government of West Bengal, the functions and management of SLDC is the responsibility of WBSETCL. WBSETCL has not furnished any break-up of SLDC expenses. In the absence of such break-up, the Commission proceeds to admit such expenditure based on the amount admitted in 2019-20 in the 6th control period

4.20.2 Item wise expenditure for SLDC as admitted in the 7th control period is discussed as under.

4.20.2.1 Operation & Maintenance Expenses:

Commission admitted O&M Expenses including components of repair & maintenance expenditure and administrative & general expenditure for Rs 117.33 lakh in 2019-20 in the 6th control period attributable to SLDC out of total O&M Expenses admitted for Rs 11455.31 lakh. The Commission admitted Rs 12825.06 lakh, Rs 13590.55 lakh and Rs 14388.88 lakh as O&M expenses respectively in 2020-21, 2021-22 and 2022-23 in the 7th control period. The Commission accordingly admits a sum of Rs 131.59 lakh, Rs 139.44 lakh and Rs 147.63 lakh following the same proportion of SLDC's O&M expenses against total O&M expenses as admitted in tariff order of the 6th control period for 2019-20.

4.20.2.2 Employee Cost:

The Commission admitted Employee cost for Rs 606.84 lakh in 2019-20 in the 6th control period attributable to SLDC out of total Employee cost admitted for Rs 18952.54 lakh. The Commission admitted Rs 23268.75 lakh, Rs 25626.32 lakh and Rs 29987.67 lakh as Employee cost respectively in 2020-21, 2021-22 and 2022-23 in the 7th control period. The Commission accordingly admits a sum of Rs 745.05 lakh, Rs 820.54 lakh and Rs 960.19 lakh following the same proportion of SLDC's





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Employee cost against total Employee cost as admitted in the tariff order of the 6th control period for 2019-20.

4.20.2.3 **ULDC Charges:** Expenditure for the 7th control period in 2020-21, 2021-22 and 2022-23 is admitted as claimed.

4.20.2.4 The Commission now admits the SLDC charges for the years 2020-21, 2021-22 and 2022-23 as follows:

Table-4.18

Sl. No.	Particulars	Rs. lakh		
		2020-21	2021-22	2022-23
1	Operation and Maintenance	131.59	139.44	147.63
3	Employee cost	745.05	820.54	960.19
4	ULDC Charges	870.67	957.74	1053.31
	Total Expenditure	1747.31	1917.72	2161.33

The admitted amount of Rs.1747.31 lakh, Rs 1917.72 lakh and Rs 2161.33 lakh respectively in 2020-21, 2021-22 and 2022-23 is deducted from the ARR of WBSETCL for the purpose of deriving fixed cost for transmission function. The other incomes of SLDC along with the SLDC charge received from licensees in 2020-21, 2021-22 and 2022-23 shall be kept under the disposal of SLDC under WBSLDC-FUND as per the provisions of the WBERC (Miscellaneous Provisions) Regulations, 2013 to meet its expenses. WBSETCL shall submit the audited accounts of WBSLDC-FUND to the Commission within 30th November of succeeding year.

4.21 Principal Repayment of Bonds for Creation of Pension Fund:

4.21.1 WBSETCL has stated in their petition that Repayment of Pension Bond @ Rs 5400 lakhs has started w.e.f 2016-17 onwards in five equal instalments. The repayment of Pension Bond is not covered in any other item of ARR. WBSETCL started functioning from 01.04.20107 on the strength of notification issued by the Government of West Bengal (GoWB) vide Notification No.313-PO/O/III/3R-29/2006 dated 19/09/2008.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

- 4.21.2 As per facts recorded at para 5.15 of the Commission's Tariff Order for 2017-18 dt 4.7.2018 in case no TP 65/16-17 in respect of WBSEDCL, in schedule E of the notification as referred to above it was categorically stated that for payment of terminal benefits (pension & gratuity), Pension Trust Bond Rs. 27000 lakhs is to be issued by newly formed WBSETCL (Rs. 27,000 lakh). As per terms of the Govt. of West Bengal Notification No.313-PO/O/III/3R- 29/2006 dated 19/09/2008, the Pension Trust Bond is re-payable in 5 equal annual instalments after 10 years of moratorium period and accordingly 1/5th of Rs.27000 Lakh i.e.Rs.5400 lakh is due on 1.4.2017 as first instalment. WBSETCL has not submitted any documents regarding payment of the 1st instalment towards redemption of the bond to this Commission subsequently.
- 4.21.3 The Commission now allows only 50% of the claim made by WBSETCL and admits Rs 2700 lakhs each in 2020-21 in this ARR in line with treatment made for WBSEDCL in Tariff Order for 6th control period in 2018-19 & 2019-20. The Commission will consider the balance amount based on the actual documents regarding payment of the instalment at the time of APR for the years 2020-21, 2021-22 and 2022-23 based on details as would be submitted.
- 4.22 **Charges payable to Eastern Regional Power Committee (ERPC)**
- 4.22.1 WBSETCL has projected an amount of Rs. 16.00 lakh each for the years 2020-21, 2021-22 and 2022-23 towards charges payable to ERPC. In the Tariff Order for the 6th control period in 2018-19 & 2019-20 Rs 16 lakhs was allowed. Thus, the Commission admits the amount of Rs. 16.00 lakh each for the years of 2020-21, 2021-22 and 2022-23 as claimed as charges to ERPC.
- 4.23 **Income from Non-tariff sources:**
- 4.23.1 Incomes from other non-tariff sources, including interest from fixed deposits and bank balances, as projected by WBSETCL in Form 1.26 for the years 2020-21, 2021-22 and 2022-23 are as under:





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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Table-4.19

Sl. No.	Particulars	Rs lakhs		
		2020-21	2021-22	2022-23
1	Income from investment and bank balance	1817.11	1930.68	2051.35
2	Interest on balance of reserve for unforeseen exigencies	473.13	502.70	534.12
3	Other income	3991.86	3500.00	4442.12
4	Total	6282.10	5933.38	7027.59
5	Less: Interest on balance of reserve for unforeseen exigencies	473.13	502.70	534.12
6	Less Income from investment and bank balance pertaining to SLDC	1029.48	1093.82	1162.19
7	Total=(4)-(5)-(6)	4779.49	4336.86	5331.28

The Commission admits such claimed amount projected by WBSETCL as Income from Non-Tariff Sources as above in the 7th control period.

4.24 **Income from Short Term Open Access Charges (STOA)**

4.24.1 WBSETCL in their MYT petition has projected Rs 11431.44 lakh each in 2020-21, 2021-22 and 2022-23 towards income from STOA charges without any supporting information. Commission accordingly decides to admit Rs 11431.44 lakh each in 2020-21, 2021-22 and 2022-23 in the 7th Control Period. This will be trued up in APR based on submitted APR petitions with necessary information.

4.25 **Interest Credit:**

4.25.1 WBSETCL has claimed Rs 296.65 lakh, Rs 163.13 lakh and Rs 373.98 lakh respectively in 2020-21, 2021-22 and 2022-23 towards 'interest credit' under the 7th control period.

4.25.2 In terms of regulation 5.5.3 of the Tariff Regulations, where the actual amount of loan repayment in any year is less than the amount of depreciation admitted by the Commission, an interest credit at the rate of weighted average cost of debt is provided on such excess depreciation charged i.e. outstanding loan on the amount of excess depreciation as detailed below.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Table-4.20

Rs lakhs

Sl. No	Particular	2020-21	2021-22	2022-23
1	Depreciation allowed under paragraph 4.10.2	30215.87	33628.16	36871.79
2	Repayment of loan vide Annexure 4C1, 4C2 and 4C3	26783.73	33366.21	35883.15
3	Excess depreciation admitted -SI (1)-SI (2)	3432.14	261.95	988.64
4	Weighted average cost of debt	9.80%	9.37%	9.78%
5	Interest credit admitted by the Commission on excess depreciation SI (3) * SI (4)	336.41	25.59	96.94

4.26 Special Allocations

4.26.1 WBSETCL has projected claims for adjustment of tariff recoverable for the years 2013-14 to 2017 – 2018 under this head during the 7th control period in form 1.21 as follows:

Table-4.21

Rs lakhs

Sl. No	Particulars	2020-21	2021-22	2022-23
2.	Recovery of APR adjustment for 2013 – 2014	775.11	-	-
3.	Recovery of APR adjustment for 2014-2015	-	-	4504.10
4.	Recovery of APR adjustment for 2015-2016	-	1703.63	-
	Total	775.11	1703.63	4504.10

4.26.2 The Commission in its order dated 16.12.2020 in case no, TP-86/19-20 on ARR for the year 2019-20 has released Rs 775.11 lakh as recoverable under APR of 2013-14. Regarding the claim of WBSETCL on account of APR for 2014–15 & 2015-16 the decision of the Commission will be given in the APR order for the concerned year(s).

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4A

EMPLOYEE COST

Particulars	Tariff Order 2019-20	Claimed by WBSETCL			Computed by WBERC		
		2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Basic	6512.72	14734.56	17182.57	19469.03	18579.98	20590.03	22820.59
DA	10518.04	2504.88	3866.08	5548.67	1858.00	3088.50	4564.12
Other Allowances	1754.53	3062.05	2556.24	2696.39	2787.00	3088.50	3423.09
Bonus, Exgratia, LTC etc.	1130.22	2004.27	2185.67	2468.79	2004.27	2185.67	2468.79
Retirement Benefit	3113.11	4803.99	4525.46	5378.81	3735.92	4328.27	5005.74
Less Capitalized	-4076.06	-3841.00	-4689.70	-5574.02	-4103.88	-5148.36	-6000.46
Total	18952.54	23268.75	25626.32	29987.67	24861.29	28132.62	32281.87

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4B

COMPUTATION OF O&M EXPENSES

Sl No	Particulars	Tariff order 2019 -20	2020-21 [A]	2021-22 [B]	2022-23 [C]
1	Transmission line length at the beginning of the year (in CKM)	14060.72	15140.62	16199.62	17256.62
2	Transmission line length at the end of the year (in CKM)	15140.62	16199.62	17256.62	18009.62
3	Average Transmission line length (in Ckm) = (1+2)/2	14600.67	15670.12	16728.12	17633.12

Inflation index	2020-21	2021-22	2022-23
Wholesale Price Index (WPI)	1.67%	1.67%	1.67%
Consumer Price Index (CPI)	7.54%	7.54%	7.54%
Hybrid Index (60% WPI + 40% CPI)	4.02%	4.02%	4.02%

Particulars	Sensitivity parameter	Inflation Basis	Admitted in Tariff Order	Cost / sensitivity parameter	Admissible per unit cost after inflation			Admissible cost		
					2019-20	2019-20	2020-21	2021-22	2022-23	2020-21
[1]	[2]	[3]	[4]	[5] = [4]/C	[6] = [5]* (1+HI or CPI)	[7] = [6]* (1+HI or CPI)	[8] = [7]* (1+HI or CPI)	[9] = [6] * [A]	[10] = [7] * [B]	[11]=[8]* [C]
Repair & Maintenance	CKM	HI	6473.94	0.4434	0.4612	0.4797	0.4990	7227.06	8024.48	8798.93
Administrative & general Exp										
Rent	Ckm	HI	149.89	0.0103	0.0107	0.0111	0.0115	167.67	185.68	202.78
Legal charges		HI	29.43	0.002	0.0021	0.0022	0.0023	32.91	36.80	40.56
Auditors fees		HI	64.24	0.0044	0.0046	0.0048	0.005	72.08	80.29	88.17
Other A&G		Hi	1708.42	0.117	0.1217	0.1266	0.1317	1907.05	2117.78	2322.28
security expense		CPI	2078.94	0.1424	0.1531	0.1646	0.177	2399.10	2753.45	3121.06
Vehicle hiring		HI	950.45	0.0651	0.0677	0.0704	0.0732	1060.87	1177.66	1290.74
TOTAL O&M			11455.31	0.7846	0.8211	0.8594	0.8997	12866.74	14376.14	15864.52
rates & taxes	Ckm	HI	144.57	0.0108	0.0112	0.0117	0.0122	175.51	195.72	215.12





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Particulars	Claimed amount			Admitted amount		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
				(Minimum of Claim and Admissible cost computed in table above)		
Repair & Maintenance	7960.31	7626.35	8124.86	7227.06	7626.35	8124.86
Administrative & general Exp						
Rent	125.99	130.41	134.99	125.99	130.41	134.99
Legal charges	59.80	61.90	64.07	32.91	36.80	40.56
Auditors fees	82.88	85.79	88.80	72.08	80.29	88.17
Other A&G	2123.39	2197.92	2275.06	1907.05	2117.78	2275.06
security expense	2402.04	2486.35	2573.62	2399.10	2486.35	2573.62
Vehicle hiring	1074.84	1112.57	1151.62	1060.87	1112.57	1151.62
TOTAL O&M	13829.25	13701.29	14413.02	12825.06	13590.55	14388.88
rates & taxes	88.36	91.46	94.67	88.36	91.46	94.67
Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Licensee & fiing fees	259.29	277.27	486.62	259.29	277.27	486.62
OVERALL O&M EXPENSES	14176.90	14070.02	14994.31	13172.71	13959.28	14970.17

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4C1

INTEREST ON BORROWED CAPITAL 2020-21

In Rs. lakh									
Sl No	Loan Source	Original Amount of Loan	Opening Balance at beginning of year	Repayment	Fresh drawal	Closing Balance at end of the year	Rate of int in %	Interest Claimed	Interest Admitted
1	2	3	4	5	6	(7)= (4)-(5)+(6)	8	9	10
1	Bond (10.29%)	25000.00	25000.00	0.00	0.00	25000.00	10.29	2576.04	2572.50
2	PFC	31374.00	9078.43	1068.05	0.00	8010.38	12.09	848.27	848.27
3	REC	326795.13	170470.00	14954.23	17045.47	172561.24	10.07	18880.48	17271.62
4	LIC	16365.00	6156.11	1231.22	0.00	4924.89	10.10	589.39	559.59
5	NABARD	71068.00	36473.09	3405.02	11014.15	44082.22	9.87	4194.17	3975.40
6	NABARD (upcoming projects)	23233.87	0.00	0.00	23233.87	23233.87	10.00	2863.85	1161.69
7	Allahabad Bank - Tr to HUDCO	20000.00	5417.54	1274.71	0.00	4142.83	9.45	466.91	451.73
8	SBI	19000.00	5388.24	0.00	5735.45	11123.69	8.85	761.52	730.65
9	State Govt	117195.00	59963.36	4850.50	0.00	55112.86	8.50	5096.89	4890.74
10	Gross Total	650031.00	317946.77	26783.73	57028.94	348191.98	8.50	36277.52	32462.19
11	Less Int Capitalized							5510.47	4503.00
12	Net Interest							30767.05	27959.19

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4C2

INTEREST ON BORROWED CAPITAL 2021-22

Sl No	Loan Source	Original Amount of Loan	Opening Balance at beginning of year	Repayment	Fresh drawal	Closing Balance at end of the year	Rate of int in %	Interest Claimed	Interest Admitted
1	2	3	4	5	6	(7)= (4)- (5)+(6)	8	9	10
1	Bond (10.29%)	25000.00	25000.00	0.00	0.00	0.00	10.29	1275.68	1275.68
2	PFC	31374.00	8010.38	1068.05	0.00	6942.33	9.75	741.71	728.94
3	REC	326795.13	172561.24	20227.01	9683.40	162017.63	10.07	18798.06	16846.05
4	LIC	16365.00	4924.89	1231.22	0.00	3693.67	10.10	465.91	435.24
5	NABARD	53968.00	44082.22	3940.76	6699.55	46841.01	9.87	4820.83	4487.06
6	Fresh Proposed (upcoming projects)	69199.35	23233.87	774.46	45965.48	68424.89	10.00	6016.43	4582.94
7	Allahabad Bank - Tr to HUDCO	20000.00	4142.83	1274.71	0.00	2868.12	9.45	346.45	331.27
8	SBI	19000.00	11123.69	0.00	2327.76	13451.45	8.85	1191.10	1087.45
9	State Govt	117195.00	55112.86	4850.00	0.00	50262.86	8.50	4684.59	4478.47
10	Gross Total	678896.48	348191.98	33366.21	64676.19	379501.96	0.00	38340.76	34253.10
11	Less Int Capitalized							8110.79	5373.05
12	Net Interest							30229.97	28880.05

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4C3

INTEREST ON BORROWED CAPITAL 2022-23

Sl No	Loan Source	Original Amount of Loan	Opening Balance at beginning of year	Repayment	Fresh drawal	Closing Balance at end of the year	Rate of int in %	Interest Claimed	Interest Admitted
1	2	3	4	5	6	(7)= (4)- (5)+(6)	8	9	10
1	Bond (10.29%)	25000.00	25000.00	0.00	0.00	25000.00	10.29	0.00	0.00
2	PFC	31374.00	6942.33	1068.05	0.00	5874.28	9.75	637.58	624.81
3	REC	326795.13	162017.63	18627.51	0.00	143390.12	10.07	17247.58	15377.28
4	LIC	16365.00	3693.67	1231.22	0.00	2462.45	10.10	341.89	310.88
5	NABARD	71068.00	46841.01	3991.04	0.00	42849.97	9.87	4847.43	4426.25
6	Fresh Proposed (upcoming projects)	142346.54	68424.89	4561.66	73147.19	137010.42	10.00	4443.96	4443.96
7	Allahabad Bank - Tr to HUDCO	20000.00	2868.12	1274.71	0.00	1593.41	9.45	225.99	210.81
8	SBI	19000.00	13451.45	278.46	0.00	13172.99	8.85	1336.58	1178.13
9	State Govt	117195.00	50262.86	4850.50	0.00	45412.36	8.50	4272.30	4066.20
10	Gross Total	769143.67	379501.96	35883.15	73147.19	416766.00	0.00	33353.31	30638.32
11	Less Int Capitalized							14640.66	9101.90
12	Net Interest							18712.65	21536.42

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure- 4C4

CAPITALIZATION OF INTEREST

Rs Lakh
YEAR: 2020-21

Sl No	Particulars	Opening Balance	Repayment	Closing Balance	Rate of Interest in %	Interest Admissible	Interest Claimed	Interest Admitted
1	2	3	4	5=3-4	6	7=(3)+(5)/2 *(6)	8	9 =(Min of (7) & (8))
1	Bond (10.29%)	25000.00	0	25000.00	10.29	2572.50	2576.04	2572.50
2	PFC	9078.43	1068.05	8010.38	12.09	1033.02	848.27	848.27
3	REC	170470.00	14954.23	155515.77	10.07	16413.38	18880.48	16413.38
4	LIC	6156.11	1231.22	4924.89	10.10	559.59	589.39	559.59
5	NABARD	36473.09	3405.02	33068.07	9.87	3431.86	4194.17	3431.86
6	Fresh Proposed (upcomming projects)	0.00	0	0.00	10.00	0.00	2863.85	0.00
7	Allahabad Bank - Tr to HUDCO	5417.54	1274.71	4142.83	9.45	451.73	466.91	451.73
8	SBI	5388.24	0	5388.24	8.85	476.86	761.52	476.86
9	State Govt	59963.36	4850.5	55112.86	8.50	4890.74	5096.89	4890.74
10	Gross Total	317946.77	26783.73	291163.04		29829.67	36277.52	29644.93
						Interest Capitalised	5510.47	4503.00

YEAR: 2021-22

Sl No	Particulars	Opening Balance	Repayment	Closing Balance	Rate of Interest in %	Interest Admissible	Interest Claimed	Interest Admitted
1	2	3	4	5=3-4	6	7=(3)+(5)/2 *(6)	8	Min of (7) & (8)
1	Bond (10.29%)	25000.00	0.00	25000.00	10.29	2572.50	1275.68	1275.68
2	PFC	8010.38	1068.05	6942.33	9.75	728.94	741.71	728.94
3	REC	155515.77	20227.01	135288.76	10.07	14642.01	18798.06	14642.01
4	LIC	4924.89	1231.22	3693.67	10.10	435.24	465.91	435.24
5	NABARD	33068.07	3940.76	29127.31	9.87	3069.34	4820.83	3069.34





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Sl No	Particulars	Opening Balance	Repayment	Closing Balance	Rate of Interest in %	Interest Admissible	Interest Claimed	Interest Admitted
6	Fresh Proposed (upcoming projects)	0.00	774.46	-774.46	10.00	-38.72	6016.43	-38.72
7	Allahabad Bank - Tr to HUDCO	4142.83	1274.71	2868.12	9.45	331.27	346.45	331.27
8	SBI	5388.24	0	5388.24	8.85	476.86	1191.10	476.86
9	State Govt	55112.86	4850	50262.86	8.50	4478.47	4684.59	4478.47
10	Gross Total	291163.04	33366.21	257796.83		26695.90	38340.76	25399.09
						Interest Capitalised	8110.79	5373.05

YEAR: 2022-23

Sl No	Particulars	Opening Balance	Repayment	Closing Balance	Rate of Interest in %	Interest Admissible	Interest Claimed	Interest Admitted
1	2	3	4	5=3-4	6	$7=(3)+(5)/2$ *(6)	8	9=(Min of (7) & (8))
1	Bond (10.29%)	25000.00	0	25000.00	10.29	2572.50	0.00	0.00
2	PFC	6942.33	1068.05	5874.28	9.75	624.81	637.58	624.81
3	REC	135288.76	18627.51	116661.25	10.07	12685.68	17247.58	12685.68
4	LIC	3693.67	1231.22	2462.45	10.10	310.88	341.89	310.88
5	NABARD	29127.31	3991.04	25136.27	9.87	2677.91	4847.43	2677.91
6	Fresh Proposed (upcoming projects)	-774.46	4561.66	-5336.12	10.00	-305.53	4443.96	-305.53
7	Allahabad Bank - Tr to HUDCO	2868.12	1274.71	1593.41	9.45	210.81	225.99	210.81
8	SBI	5388.24	278.46	5109.78	8.85	464.54	1336.58	464.54
9	State Govt	50262.86	4850.5	45412.36	8.50	4066.20	4272.30	4066.20
10	Gross Total	257796.83	35883.15	221913.68		23307.80	33353.31	20735.30
						Interest Capitalised	14640.66	9101.90

Note: Interest Capitalised has been worked out as above on admitted interest excluding drawal during the year and considering proportionate capitalization as per claim.

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CHAPTER - 5

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT AND REVENUE RECOVERABLE THROUGH TARIFF

- 5.1 Based on the analyses and findings recorded in the foregoing chapters, the statements of Aggregate Revenue Requirements are drawn separately for the years 2020 - 21, 2021 - 22 and 2022 - 23. Such summarized statements are given in Annexure 5 to this chapter.
- 5.2 As may be seen in the aforesaid Annexure, the amounts of Aggregate Revenue Requirement of WBSETCL for Transmission functions for the years 2020-21, 2021-22 and 2022-23 are **Rs.142998.58 lakh, Rs 152941.48 lakh and Rs 158517.69 lakh** respectively.
- 5.3 WBSETCL has proposed recovery of APR adjustment for the years 2013-14 to 2015-16 during the ARR of seventh control period under the head of special allocation in form 1.21. The claim of WBSETCL is as follows:

Table-5.1

SI No	Particulars	Rs. lakh		
		2020 - 21	2021 - 22	2022 - 23
1	Recovery of APR adjustment for 2013 - 2014	775.11	-	-
2	Recovery of APR adjustment for 2014-2015	-	-	4504.10
3	Recovery of APR adjustment for 2015-2016	-	1703.63	-
	Total	775.11	1703.63	4504.10

- 5.4 The Commission in its order dated 16.12.2020 in case no, TP-86/19-20 on ARR for the year 2019-20 has already released Rs 775.11 lakh as recoverable under APR of 2013-14. Regarding the claim of WBSETCL on account of APR for 2014-15 & 2015-16 the decision of the Commission will be given in the APR order for the concerned year(s).
- 5.5 The Commission is now to determine the rates for recovery of transmission charges from the different categories of system users for the years 2020-21 and 2021-22 in the next chapter.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Annexure -5

Sl no	Particulars	Admitted		
		2020-21	2021-22	2022-23
		Rs Lakh		
1	Employee Cost			
2	Repair & Maintenance incl. Consumables	23268.75	25626.32	29987.67
3	Administrative & General Charges	7227.06	7626.35	8124.86
a)	Rent			
b)	Legal Charges	125.99	130.41	134.99
c)	Auditors Fees	32.91	36.80	40.56
d)	Other A&G expenses	72.08	80.29	88.17
a)	Security Charges	1907.05	2117.78	2275.06
b)	Vehicle Charges	2399.10	2486.35	2573.62
4	Licensee / Filing Fees of WBERC	1060.87	1112.57	1151.62
5	Rates & Taxes	259.29	277.27	486.62
	TOTAL O&M Costs (excluding Employees Cost)	88.36	91.46	94.67
6	Interest on Capital Borrowings	13172.71	13959.28	14970.17
7	Interest on Normative Loan	27959.19	28880.05	21536.42
8	Interest on Bond for creation of Pension Fund	0.00	0.00	0.00
9	Other Financing Charges	459.00	0.00	0.00
10	Depreciation	29.27	29.27	29.27
11	Income tax	30215.87	33628.16	36871.79
12	Interest on working capital	8653.63	9359.91	10159.72
13	Other cost (WBPDCCL)	1096.46	1136.17	1101.78
14	Various charges to ERPC	3323.12	3489.28	3663.74
15	Provision for abandoned Project	16.00	16.00	16.00
16	ULDC charges			
17	Miscellaneous Claims (Repayment of Pension Bond)	870.67	957.74	1053.51
18	Total Expenditure (sum of 1 : 17)	2700.00	0.00	0.00
19	Normative Return on Equity	111764.67	117082.18	119390.07
20	Gross Revenue Required (18 + 19)	49528.56	53570.91	58148.61
21.a	Less: Income other than revenue from transmission of energy	161293.23	170653.09	177538.68
21.b	Less: Interest credit on Depreciation and any others	4779.49	4336.86	5331.28
21.c	Less: STOA Charges	336.41	25.59	96.94
21.d	Less: SLDC expenses	11431.44	11431.44	11431.44
22	Aggregate Revenue Required (21 – 22 a : e)	1747.31	1917.72	2161.33
		142998.58	152941.48	158517.69

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CHAPTER - 6 TARIFF ORDER

DETERMINATION OF THE RATE FOR RECOVERY OF TRANSMISSION CHARGES FOR THE YEAR 2020-21 AND 2021-22

- 6.1 In the previous chapter the Commission has determined the Aggregate Revenue Requirement (ARR) for the years 2020-21, 2021-22 and 2022-23 for transmission system of WBSETCL. The Commission is now to fix the rate for recovery of the same from the transmission system users during the year 2020-21 and 2021-22 in accordance with the provisions of regulation 6.16 of the Tariff Regulations. It is, however, to mention here that WBSETCL has got no variable cost to recover from its system users besides the fixed charges as admitted by the Commission in the Statement of Aggregate Revenue Requirement.
- 6.2 Transmission charges recoverable from the long-term users including distribution licensees or the open access customers are to be computed as per regulation 6.16.5 of the Tariff Regulations based on the allotted transmission capacity to each of the beneficiaries. In absence of specific contracted capacity mentioned in the long-term agreement of any existing licensee, the maximum value of month-wise average of daily peak demand of the year is to be considered for computation of recoverable transmission charge, subject to the overall available transmission capacity.
- 6.3 As per the submissions of WBSETCL, West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Calcutta Electric Supply Corporation (CESC) Limited are the only long-term users of transmission network of WBSETCL. In page 4 of volume-II of their petition, WBSETCL mentioned that, CESC have a fixed amount of allotted capacity of 150 MW and allotted capacity of WBSEDCL is derived by subtracting the fixed allotted capacity of CESC from average yearly system demand.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

- 6.4 WBSETCL in their Tariff petition has projected the average yearly system demand as 6618 MW for 2020 – 21 and 6764 MW for 2021 – 22 based on the projections made by SLDC (rounded up to nearest integer). In absence of any specific allotment of long-term capacity for WBSEDCL, the Commission in line with the principle stated in paragraph 6.2 above determines the allocated capacity of WBSEDCL for 2020 – 21 and 2021 – 22 as below:

Table-6.1

SI No	Particulars	2020 - 21	2021 - 22
A	Average yearly system demand of WBSETCL	6618	6764
B	Allocated Transmission capacity for CESC	150	150
C	Residual Transmission capacity	6468	6614
D	Maximum month-wise average of daily peak demand projected by WBSEDCL	6650	6900
F	Allocated capacity for WBSEDCL (limited to C)	6468	6614

- 6.5 The Commission considers to arrive at the unit rate of recovery of transmission charges considering the total allocated capacity of 6618 MW (WBSEDCL 6468 MW and CESC 150 MW) for 2020 – 21 and 6764 MW (WBSEDCL 6614 MW and CESC 150 MW) for 2021 – 22. Such recoverable charges are to be expressed in Rs. /MW/month for the long-term customers. The unit rate of recovery of transmission charges during 2020 – 21 and 2021 – 22 from the transmission system users, thus, work out as under:

Table-6.2

Transmission Charges for 2020-21		
i)	Recoverable ARR	Rs. 142998.58 lakh
ii)	Total allocated transmission capacity to long-term customers	6618 MW
iii)	Rate for long-term users	Rs. 142998.58 lakh / (6618 MW x 12) = Rs. 180062.68 / MW/ month subject to adjustment as per regulation 6.16.5 of the Tariff Regulations.





Tariff Order of WBSETCL for the years 2020-21 and 2021-22

Table-6.3

Transmission Charges for 2021-22		
i)	Recoverable ARR	Rs. 152941.48 lakh
ii)	Total allocated transmission capacity to long-term customers	6764 MW
iii)	Rate for long-term users	Rs. 152941.48 lakh / (6764 MW x 12) = Rs. 188425.83 / MW/ month subject to adjustment as per regulation 6.16.5 of the Tariff Regulations.

Provided that the rates for short-term customers are to be determined as per the relevant provisions of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007 as amended and to be uploaded at the website of SLDC within 5 days from issuance of this order.

- 6.6 The tariff for 2020-21 and 2021-22 shall be applicable from the billing month pertaining to April, 2020 and April 2021 respectively and shall continue till further tariff order is issued. Adjustments, if any, for over recovery / under recovery for the period from 01.04.2020 to the month of issuance of this order from the system users shall be made in twelve (12) equal monthly installments. Such adjustment shall start from next month of issuance of this order.
- 6.7 For Bakreswar transmission system of WBPDC, the payable amounts during 2020-21 and 2021-22 respectively are admitted as Rs. 3323.12 lakh and Rs 3489.28 lakh. Any adjustment between the payable amount for the year and the amount paid by WBSETCL for the respective years on account of Bakreswar transmission system shall be made by WBSETCL to WBPDC in six equal monthly installments from the next month of issue of this order. However, the amount determined by the Commission under the tariff order of WBPDC will be final in this regard and any variation will be adjusted during the APR.
- 6.8 SLDC shall, in terms of sub-section (3) of section 32 of the Electricity Act, 2003 and the provisions of the West Bengal Electricity Regulatory Commission (Miscellaneous Provisions) Regulation, 2013, as amended, continue to levy every month the SLDC





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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

charges at the existing rate @ 0.5 paise/kWh from the licensees using intra-state transmission system in the State of West Bengal, on their implemented schedule(s) of injection of power into the grid or on the quanta of electricity transmitted, as the case may be.

- 6.9 The realizations of the revenue from its transmission system users are supposed to meet the Aggregate Revenue Requirement (ARR) of WBSETCL. The recovery of such revenue over the concerned year on piecemeal basis may result in under or over recovery of the total amount of fixed charges. It is, therefore, stipulated that the amount of any such under or over recovery will be dealt with suitably in the APR for the concerned year.
- 6.10 WBSETCL is directed to submit the audited annual accounts of SLDC for the years 2020-21, 2021-22 and 2022-23 clubbed with a statement showing item wise and head wise actual expenses along with their application of APR for the concerned year.
- 6.11 WBSETCL shall present to the Commission a gist of this order in accordance with the regulation 2.9.6 of the Tariff Regulations within three (3) 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 terms of the aforesaid regulation within four (4) working days from the date of receipt of the approval of the Commission.

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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

CHAPTER - 7 DIRECTIONS

- 7.1 The Commission has given some direction in different paragraphs in Chapter-3 and 4 of this order while determining the fixed cost of WBSETCL. WBSETCL shall comply with those directions. WBSETCL shall also comply with the following directions:
- 7.2 While submitting APR application of any ensuing year WBSETCL shall submit the certificate from the auditor of the annual accounts of the said year for the following:
- a) Based on fixed asset register the parameters to be submitted are:
 - i) Transmission Line length in CKM for each level of Voltage related to the asset of WBSETCL, mentioning the conductor type. Asset which is not owned by the WBSETCL but maintained by WBSETCL shall be shown separately.
 - ii) Similarly, the number of transformers and total installed capacity of transformers in MVA or KVA for each category of transformers for transmission system are to be provided.
 - iii) Similarly, the voltage wise number of bays in each sub-station and the O&M cost of each substation is to be given.
 - b) WBSETCL shall submit a list of expenditure arising on account of penalty, fine and compensation due to non-compliance of any statute or statutory order along with the reasons for each such type of penalty, fine and compensation.
 - c) WBSETCL shall submit a statement showing monthly deposit in different terminal funds for the year for which APR is under consideration pursuant to the direction given in paragraph 7.3 below





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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

- 7.3 While submitting application for APR of any ensuing year, WBSETCL shall show through audited accounts of different terminal benefit funds that the contribution to the different terminal benefit funds during the concerned year as a part of employee cost has been duly deposited in the related terminal benefit funds, certified by an independent auditor.
- In case of non-deposit of amount admitted for terminal benefit fund as directed above, Commission will withhold or deduct an amount equivalent to the non-deposited amount.
- 7.4 WBSETCL shall furnish the details of the capital investments made in transmission system during the year along with the APR application of any ensuing year. WBSETCL shall also submit the benefits achieved with implementation of such capital investment vis-à-vis benefits projected during taking up of such investments. In case of non-submission of the above information the application of APR will not be admitted.
- 7.5 While submitting application of APR, WBSETCL shall have to submit the followings through affidavit that no expenditure has been claimed by WBSETCL through the APR petition on employee or infrastructure or any other support or O&M activity pertaining to any other business of WBSETCL.
- 7.6 WBSETCL along with its APR application for any ensuing year shall submit a reconciliation statement, duly certified by the auditor, for items of expenditure wherever the amount claimed in APR petition differs from the Annual Accounts.
- 7.7 WBSETCL shall furnish the following documents to the Commission within three months from the date of issue of this order:
- Category-wise details of Deposit Works undertaken in different years including date of commencement and completion, value of each of the deposit works, etc. WBSETCL shall also furnish details of supervision





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Tariff Order of WBSETCL for the years 2020-21 and 2021-22

charges claimed for creation of assets out of consumer contributions of WBSEDCL.

- b) Transfer of the assets to WBSEDCL already created by WBSETCL out of the WBSEDCL's consumer contribution.
- c) A Deposit Asset Management Plan, to be formulated jointly by WBSETCL and WBSEDCL, streamlining the process of creation of asset, transfer of asset, maintenance of Asset Register, different aspects of financial management cash/ fund flow, maintenance of appropriate book of accounts, reconciliation of accounts, etc.

7.8 WBSETCL shall furnish through affidavit, within a period of three months from the date of issue of this order, the allotted capacity to its long-term customers for the year 2021-22 and 2022-23 along with the copy of agreements with the long-term customers.

7.9 All the reports called for in this chapter are in addition to what are statutorily required to be submitted, in terms of the provisions of the Act or the Rules, or any of the Regulations made thereunder, or all taken together, for the purpose of submission in the Annual Performance Review of 2020-21, 2021-22 and 2022-23.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 25.06.2021

Juray
SECRETARY

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