



ORDER

OF THE

**WEST BENGAL ELECTRICITY REGULATORY COMMISSION FOR
THE YEARS 2023-24 TO 2025-26**

IN CASE NO.

TP-108/24-25

**IN REGARD TO THE TARIFF APPLICATION UNDER
EIGHTH CONTROL PERIOD OF ADHUNIK POWER &
NATURAL RESOURCES LIMITED FOR THE YEARS 2023-
24, 2024-25 AND 2025- 26 UNDER 62(1) OF THE
ELECTRICITY ACT, 2003**

DATE: 31.03.2025



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"), is vested with authority under Sections 86 and 62(1) of the Act to determine tariffs for: a) supply of electricity by generating companies to distribution licensees; b) transmission of electricity; c) wheeling of electricity; and d) retail sale of electricity within the State of West Bengal.
- 1.2 Adhunik Power and Natural Resources Ltd. (APNRL, hereinafter referred to as the "Petitioner"), a company incorporated under the Companies Act, 1956, with its registered office at Lansdowne, 5th Floor, 2/1A, Sarat Bose Road, Kolkata - 700020, is a generating company as defined under Section 2(28) of the Act.
- 1.3 West Bengal State Electricity Distribution Company Limited (WBSEDCL) operates as the distribution licensee within the state. To fulfill the power requirements of consumers in its licensed area, WBSEDCL entered into a long-term Power Supply Agreement (PSA) with PTC India Ltd. ("PTC") on 05.01.2011. Subsequently, PTC executed a back-to-back Power Purchase Agreement (PPA) with the Petitioner, APNRL, on 25.03.2011, for supplying 100 MW electricity at a negotiated tariff for a period of 25 years. These agreements were approved by the Commission's Order dated 15.12.2011. Later, APNRL, along with PTC and WBSEDCL, proposed amendments to the tariff mechanism under the aforementioned agreements, seeking tariff determination by this Commission for the agreed capacity of 100 MW. The Commission approved these amendments vide Order dated 29.07.2022 in Case No. OA-417/22-23.
- 1.4 In accordance with 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 subsequent to the third control period is normally set for a duration of five ensuing years, or any other period as may be determined by the Commission. By suo-motu Order dated 31.08.2022 in Case No. SM-31/22-23, the Commission fixed the eighth



control period as three ensuing years, comprising FY 2023-24, FY 2024-25, and FY 2025-26.

- 1.5 The Petitioner has filed the present petition before the Commission seeking approval of the Aggregate Revenue Requirement (ARR) for supplying a net capacity of 100 MW to WBSEDCL and the determination of tariff for the aforementioned capacity for FY 2023-24 to FY 2025-26, within the eighth control period. The application is filed pursuant to Sections 61, 62, and 64(5) of the Act, read with the provisions outlined in the Tariff Regulations, 2011.
- 1.6 The gist of the Tariff Application, as approved by the Commission, was published by the Petitioner on 17.01.2025 in leading newspapers, namely: (a) Anandabazar Patrika (Bengali), (b) Aajkaal (Bengali), (c) The Telegraph (English), and (d) The Indian Express (English). Additionally, the gist was uploaded on the Petitioner's official website in accordance with the Tariff Regulations. The public notice invited stakeholders, interested parties, and members of the public to submit suggestions, objections, or comments regarding the Tariff Application to the Commission by 06.02.2025. An opportunity was also provided for public inspection and procurement of copies of the Tariff Application.
- 1.7 The Commission notes that no objections, suggestions, or comments were received from stakeholders or members of the public within the stipulated deadline of 06.02.2025.
- 1.8 Having considered the submissions, the Commission hereby proceeds to determine the tariff in accordance with the Electricity Act, 2003, and the applicable Tariff Regulations. Any estimation made by the Commission for the base year 2022-23, utilized for projecting expenses for the ensuing eighth control period (FY 2023-24, FY 2024-25, and FY 2025-26), shall not be interpreted as approved or allowable expenditure for the year 2022-23.



CHAPTER – 2

CASES OF APNRL

- 2.1** Adhunik Power and Natural Resources Ltd. (APNRL), the Petitioner, owns and operates a coal-fired thermal power plant with a total installed capacity of 540 MW (comprising two units of 270 MW each) situated at Padampur and Srirampur in the Seraikela-Kharsawan district, Jharkhand. The commercial operation dates (COD) of Unit-1 and Unit-2 are January 21, 2013, and May 19, 2013, respectively.
- 2.2** The Petitioner submitted that the Jharkhand State Electricity Regulatory Commission (JSERC), through its Order dated September 1, 2016, in Case (Tariff) No. 05 of 2015, read along with the Review Order dated January 9, 2018, in Case (T) No. 13 of 2016, determined the capital cost of the project (on an accrual basis) at ₹ 3,31,424 lakh.
- 2.3** Considering that this Commission evaluates capital costs on a cash basis, APNRL has submitted the year-wise discharge of liability statement from the COD up to March 31, 2023. The Petitioner has provided details showing the movement of capital costs on both accrual and cash bases, amounting to ₹ 3,37,944 lakh.
- 2.4** The Petitioner, therefore, requests this Commission to accept ₹ 3,37,944 lakh as the base capital cost for tariff determination purposes for FY 2023-24 to FY 2025-26. Additionally, the Petitioner seeks leave to submit any supplementary information required by this Commission for the prudent verification of the capital cost established as on COD.
- 2.5** APNRL has submitted fuel costs for tariff determination for FY 2023-24 to FY 2025-26, in compliance with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (as amended). APNRL proposes a total capacity charge of ₹ 68,165 lakh, ₹ 66,509 lakh, and ₹ 66,526 lakh for FY 2023-24, FY 2024-25, and FY 2025-26, respectively, for the entire plant. The proposed capacity charge for the contracted 100 MW capacity to WBSEDCL is ₹ 15,771 lakh, ₹ 15,388 lakh, and ₹ 15,392 lakh for FY 2023-24, FY 2024-25, and FY 2025-26, respectively.
- 2.6** The Petitioner submitted that it has participated in the SHAKTI Scheme B-II (Round 6), through which coal allocation has been granted for the Fuel Supply Agreement (FSA) with WBSEDCL at a levelized tariff of 13 paisa/kWh. APNRL commenced coal



receiving under this scheme from April 2024. Consequently, APNRL has proposed fuel costs attributed to PTC/WBSEDCL amounting to ₹ 30,363 lakh, ₹ 19,267 lakh, and ₹ 19,847 lakh for FY 2023-24, FY 2024-25, and FY 2025-26, respectively. Further, the Petitioner has proposed the corresponding Annual Revenue Requirement (ARR), after accounting for the SHAKTI discount, as ₹ 46,345 lakh, ₹ 33,757 lakh, and ₹ 34,340 lakh for FY 2023-24, FY 2024-25, and FY 2025-26, respectively.

CHAPTER 3

OPERATING NORMS, VARIABLE COST AND EXPENDITURE

3.1 This chapter addresses the operating norms and projected fuel costs claimed by the petitioner (APNRL) for the Eighth Control Period (FY 2023-24 to FY 2025-26) in respect of its generating station. The Commission's assessment is detailed under various sub-sections below.

3.2 Gross Generation

APNRL has projected its gross generation from an installed capacity of 540 MW at 3794.69 MU, 3784.32 MU, and 3784.32 MU for the years 2023-24, 2024-25, and 2025-26 respectively, considering normative Plant Load Factor (PLF) of 80% as approved by the Commission. The Commission, after due examination, admits the following gross generation figures for the Eighth Control Period:

Table 3.1: Gross Generation

Year	Projected by APNRL	Admitted by Commission
2023-24	3794.69	3794.69
2024-25	3784.32	3784.32
2025-26	3784.32	3784.32

3.3 Operating Norms

APNRL's proposed operating norms have been examined in light of Schedule 9D of the Tariff Regulations applicable to new generating stations. The norms claimed by the petitioner, along with those admitted by the Commission, are summarized below:

Table 3.2: Admissible Operating Parameters

Sl. No.	Operating Parameters	Claimed	Admitted by Commission
1	Plant Availability Factor	85%	The normative PAF is admitted as 85%, in line with Paragraph A(5) of Schedule 9D of the Tariff Regulations.



2	Plant Load Factor (PLF)	80%	A normative PLF of 80% is admitted, consistent with the provisions under Paragraph A(4) of Schedule 9D of the Tariff Regulations.
3	Auxiliary Consumption	9%	The Commission admits a 9% auxiliary consumption rate (for 200 MW series units with Induced Draft Cooling Tower), in terms of Paragraph A(3) of Schedule 9D.
4	Gross Station Heat Rate	2387 kCal/kWh	Calculated in accordance with Paragraph A(1)(a) of Schedule 9D, i.e.: $GSHR = 1.065 \times \text{Design Heat Rate} = 1.065 \times 2241.06 = 2387 \text{ kCal/kWh.}$
5	Secondary Fuel Oil Consumption	1.0 ml/kWh	Allowed at 1.0 ml/kWh following Paragraph A(2)(a) of Schedule 9D of the Tariff Regulations.

3.4 GCV and Price of Coal for FY 2023-24

a. Petitioner's Submission

1. APNRL has projected a fuel cost of ₹149,009.86 lakh for FY 2023-24, as shown in Form 1.11, Form 1.12, and Form E(B).
2. In its tariff application, APNRL has used the projected PLF and normative operating parameters such as auxiliary consumption, oil consumption, station heat rate, and transit plus handling losses for coal. Since FY 2023 has ended, the GCV and price of coal and secondary oil have been taken as per the actuals received during FY 2023-24.
3. The petitioner stated that for meeting the 100 MW supply to WBSEDCL, it is entirely reliant on coal procured via e-auction and the open market.
4. Based on the above, APNRL submitted a weighted average coal price of ₹4763.33 per MT and a weighted average GCV of 2945.92 kCal/kg (on an "as received" basis, after deducting 120 kCal/kg).
5. The details are as follows:

Table 3.3: As Claimed

Particulars	Units	FY 2023-24
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GCV of coal through e-auction (as received)	kCal/kg	3434.76
GCV of coal through open market (as received)	kCal/kg	3016.80
Weighted average GCV (less 120 kCal/kg)	kCal/kg	2945.92
Price of coal (e-auction)	₹/MT	6335.74
Price of coal (open market)	₹/MT	4583.92
Weighted average price of coal	₹/MT	4763.33
GCV of secondary oil	kCal/L	9486.31
Price of secondary oil	₹/kL	82981.15

b. Commission's Observation

1. As per the petitioner's submissions, no long-term Fuel Supply Agreement (FSA) with CIL exists under either allotment or SHAKTI schemes; hence, APNRL currently relies exclusively on e-auction and open-market coal. Since FY 2023-24 is already complete, the Commission holds as follows:
2. For e-auction coal, the Commission considers the mid-value GCV of the corresponding grade, less 120 kCal/kg. For open-market coal, the GCV as received (minus 120 kCal/kg) is taken.
3. For the price of e-auction coal, the Commission uses the discovered e-auction price during the year as claimed by the petitioner. For open-market coal, the e-auction price corresponding to the same GCV value is applied as benchmark cost. The Commission observes that, the petitioner submitted GCV of Open Market Coal as 3016.80 Kcal/Kg which falls under G15 Grade of coal. The Commission notes that during 2022-23 APNRL has purchased G14 coal through e auction at ₹ 2080.24 / MT. In absence of purchase of any G15 grade coal by the petitioner, the commission decides to consider the e-auction price of G14 grade for the proposed Open Market Coal in this tariff determining stage.
4. The Petitioner submitted that coal is transported through a rail-cum-road arrangement, with the average rail transport rate claimed at ₹39.30/MT and the average road transport rate at ₹668.90/MT. The weighted average transportation cost thus worked out appears reasonable when compared with the other generating

- stations of West Bengal. Accordingly, the Commission allows the total transportation cost as claimed by the Petitioner.
5. Since, no claim has been made for handling or sampling expenses, the Commission does not allow any costs under coal handling and sampling.
 6. The petitioner may claim actual coal costs in the APR for FY 2023-24, subject to submission of substantiating documentation.
 7. The weighted average GCV and Price of coal FY 2023-24 is shown in Annexure 3D.

3.5 GCV and Price of Coal for FY 2024-25 to FY 2025-26

a. Petitioner's Submission

1. APNRL participated in the SHAKTI Scheme B-II (Round 6), whereby an annual quantity of 520,941 MT of coal has been allocated for its long-term PPA with WBSEDCL, after revision.
2. Receiving of coal under the SHAKTI Scheme B-II (Round 6) commenced in April 2024.
3. The projected cost for FY 2024-25 and FY 2025-26 has been derived from the actual GCV and price of coal expected to be received under SHAKTI B-II (Round 6) during April 2024–August 2024. Should any shortfall arise under the SHAKTI scheme, APNRL proposes to compensate via e-auction or market coal.
4. The petitioner stated that the average coal price would be ₹3484.80 per MT and the GCV (as received, minus 120 kCal/kg) would be 3447.46. An escalation factor of 4.35% (as per the CERC escalation for domestic coal in its Notification dated 08.04.2024, applicable for 01.04.2024 to 30.09.2024) has been considered.
5. Accordingly, the relevant coal and secondary oil parameters are provided below:

Table 3.4: Projected Coal and Secondary Oil Consumption – As Claimed

Particulars	Units	FY 2024-25	FY 2025-26
GCV of SHAKTI-II coal (less 120 kCal/kg)	kCal/kg	3447.46	3447.46
Price of SHAKTI coal	₹/MT	3484.80	3592.91
GCV of secondary oil	kCal/L	9421.67	9421.67
Price of secondary oil	₹/kL	79531.51	79531.51



b. Commission's Observation

1. The Commission observes that, the petitioner has projected the coal cost and GCV for the years 2024-25 and 2025-26 based on actual coal received under SHAKTI Scheme from April 2024 to August 2024.
2. For coal procured under the SHAKTI scheme, the Commission considers the mid-value GCV of the corresponding grade, less 120 kCal/kg, and the corresponding price based on actual procurement from April 2024 to August 2024. However, no escalation is applied at this stage for the year 2025-26. Any further claims may be raised during the APR of the relevant year, with adequate supporting documents.
3. The Petitioner has claimed that coal is transported through a rail-cum-road arrangement, with the average rail transport rate at ₹697.17 per MT and the average road transport rate at ₹157.76 per MT. The weighted average transportation cost so worked out appears reasonable. Accordingly, the Commission considers the total transportation cost as claimed by the Petitioner.
4. Similarly, the weighted average for handling, sampling, and other related charges is calculated at ₹144.56 per MT by the petitioner, which the Commission also finds reasonable. Hence, the total handling, sampling, and other related costs as claimed by the Petitioner are admitted for FY 2024–25 and FY 2025–26.

3.6 Transit and Handling Loss of Coal

1. For energy charge calculations, the petitioner has considered 0.8% as the normative rate for transit and handling losses, applied to the total coal quantity consumed.
2. The Commission, in line with the relevant Tariff Regulations, admits a transit plus handling loss of 0.8% on coal consumed.

3.7 Average Price of Oil

1. The petitioner claims an average secondary oil price of ₹82,891.15 per kL (with a heat value of 9486.31 kCal/L) for FY 2023-24, based on the amount pertaining to recent purchase invoices.

2. For FY 2024-25 and FY 2025-26, APNRL has estimated the oil GCV at 9421.67 kCal/L and the cost at ₹79,531.51 per kL respectively, without projecting any escalation. Copies of relevant bills have been provided with the petition.
3. The Commission accepts these arrived amounts in view of the fact that no further escalation for oil prices has been projected.

3.8 Computation of Fuel Cost

1. In line with the discussions in Sections 3.4 to 3.7, the admitted fuel cost for FY 2023-24, FY 2024-25, and FY 2025-26 is ₹ 95156.82 lakh, ₹77789.23 lakh, and ₹77789.23 lakh, respectively excluding Shakti Discount.
2. The summary of fuel cost claimed by APNRL for these years and the amounts admitted by the Commission is presented in Table 3.5.

Table 3.5: Summary of Fuel Costs Claimed vs. Admitted

Particular	Claimed by APNRL			Admitted by Commission		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Ex Bus Generation in MU	3453.17	3874.32	3784.32	3453.17	3874.32	3784.32
Fuel Cost in Rs Lakh	149009.86	93949.25	97527.00	95156.82	77789.23	77789.23
Energy Charge Rate	4.31	2.42	2.58	2.756	2.259	2.259

3. The detailed calculation of the fuel cost is provided in **Annexure 3A to 3C**

3.9 SHAKTI Discount

Under the SHAKTI B-II Round 6 Scheme, the petitioner is obligated to offer an additional discount of ₹0.13/kWh (13 paise/kWh) to WBSEDCL for the quantum of coal consumed from the SHAKTI allotment. The Commission factors this discount while computing the energy charge for FY 2024-25 and FY 2025-26. In this context,



APNRL is directed to calculate the exact discount based on the actual usage of SHAKTI coal every month.

3.10 Energy Charge Rates

Based on the admitted fuel cost and net sent-out generation, the Commission has determined the Energy Charge Rate (ECR) for FY 2023–24, FY 2024–25, and FY 2025–26 both without and with the SHAKTI discount. As shown in Table 3.6, the ECR without the SHAKTI discount is ₹2.756/kWh for FY 2023–24 and ₹2.259/kWh for both FY 2024–25 and FY 2025–26. Since the SHAKTI discount of ₹0.13/kWh is not applicable for FY 2023–24, the ECR remains at ₹2.756/kWh for that year, whereas for FY 2024–25 and FY 2025–26, the effective ECR (with discount) reduces to ₹2.129/kWh. The details are presented in Table 3.6 below.

Table 3.6: Energy Charge Rate (ECR)

Particulars	Unit	2023-24	2024-25	2025-26
Admitted Energy Charge Rate without SHAKTI discount	₹/kWh	2.756	2.259	2.259
SHAKTI Discount	₹/kWh	(not applicable)	0.130	0.130
Admitted Energy Charge Rate with SHAKTI discount	₹/kWh	2.756	2.129	2.129



Annexure 3A

Fuel Cost Claimed vs. Admitted for FY 2023–24

Sr. No.	Particular	Derivation	Unit	2023–24 Claimed	2023–24 Admitted
1	Gross Generation	A	MU	3794.69	3794.69
2	Normative Auxiliary Consumption	B	%	9.00%	9.00%
3	Auxiliary Consumption	C	MU	341.52	341.52
4	Sent-out Energy	D	MU	3453.17	3453.17
5	Normative Heat Rate	E	kCal/kWh	2387	2387
6	Normative Oil Consumption	F	ml/kWh	1.00	1
7	Heat Value of Oil	G	kCal/L	9486.31	9486.31
8	Heat Value of Coal	H	kCal/kg	2945.92	3016.17
9	Overall Heat	$I = A \times E$	kCal	9056900.46	9057925.03
10	Heat from Oil	$J = A \times F \times G / 10^3$	kCal	35997.58	35997.61
11	Heat from Coal	$K = I - J$	kCal	9020898.51	9021927.42
12	Oil Consumption	$L = (J/G) \times 10^3$	kL	3794.69	3794.69
13	Coal Consumption (excl. transit loss)	—	Tonne	3062165.77	2991186.64
14	Transit Loss	—	Tonne	24694.88	24122.47
15	Coal Consumption	$M = K/H \div (1-0.8\%) \times 10^3$	Tonne	3086860.65	3015309.11
16	Cost of Oil per kL	N	₹/kL	82981.15	82981.15
17	Cost of Coal per Tonne	O	₹/Tonne	4763.33	3051.36
18	Cost of Oil	$P = (L \times N) / 10^5$	₹ Lakh	3148.88	3148.88
19	Cost of Coal	$Q = (M \times O) / 10^5$	₹ Lakh	147037.28	92007.94
20	Total Cost of Fuel	$R = P + Q$	₹ Lakh	150186.16	95156.82



Annexure 3B

Total Fuel Cost for FY 2024–25

Sr. No.	Particular	Derivation	Unit	2024–25 Claimed	2024–25 Admitted
1	Gross Generation	A	MU	3784.32	3784.32
2	Normative Auxiliary Consumption	B	%	9.00%	9.00%
3	Auxiliary Consumption	C	MU	340.59	340.59
4	Sent out Energy	D	MU	3443.73	3443.73
5	Normative Heat Rate	E	kCal/kWh	2387	2387
6	Normative Oil Consumption	F	ml/kWh	1.00	1
7	Heat Value of Oil	G	kCal/L	9421.67	9421.67
8	Heat Value of Coal	H	kCal/kg	3447.46	4226.76
9	Overall Heat	$I = A \times E$	kCal	9032150.47	9033171.84
10	Heat from Oil	$J = A \times F \times G / 10^3$	kCal	35654.61	35654.61
11	Heat from Coal	$K = I - J$	kCal	8996495.85	8997517.23
12	Oil Consumption	$L = (J/G) \times 10^3$	kL	3784.32	3784.32
13	Coal Consumption (excl. transit loss)	—	Tonne	2609603.42	2128703.13
14	Transit Loss	—	Tonne	21045.19	17166.96
15	Coal Consumption	$M = K/H \div (1-0.8\%) \times 10^3$	Tonne	2630648.61	2145870.09
16	Cost of Oil per kL	N	₹/kL	79531.51	79531.51
17	Cost of Coal per Tonne	O	₹/Tonne	3484.80	3484.81
18	Cost of Oil	$P = (L \times N) / 10^5$	₹ Lakh	3010	3009.73
19	Cost of Coal	$Q = (M \times O) / 10^5$	₹ Lakh	91672.91	74779.50
20	Total Cost of Fuel	$R = P + Q$	₹ Lakh	94682.91	77789.23



Annexure 3C

Total Fuel Cost for FY 2025–26

Sr. No.	Particular	Derivation	Unit	2025–26 Claimed	2025–26 Admitted
1	Gross Generation	A	MU	3784.32	3784.32
2	Normative Auxiliary Consumption	B	%	9.00%	9.00%
3	Auxiliary Consumption	C	MU	340.59	340.59
4	Sent out Energy	D	MU	3443.73	3443.73
5	Normative Heat Rate	E	kCal/kWh	2387	2387
6	Normative Oil Consumption	F	ml/kWh	1.00	1
7	Heat Value of Oil	G	kCal/L	9421.67	9421.67
8	Heat Value of Coal	H	kCal/kg	3447.46	4226.76
9	Overall Heat	$I = A \times E$	kCal	9032150.47	9033171.84
10	Heat from Oil	$J = A \times F \times G / 10^3$	kCal	35654.61	35654.61
11	Heat from Coal	$K = I - J$	kCal	8996495.85	8997517.23
12	Oil Consumption	$L = (J/G) \times 10^3$	kL	3784.32	3784.32
13	Coal Consumption (excl. transit loss)	—	Tonne	2609603.42	2128703.13
14	Transit Loss	—	Tonne	21045.19	17166.96
15	Coal Consumption	$M = K/H \div (1-0.8\%) \times 10^3$	Tonne	2630648.61	2145870.09
16	Cost of Oil per kL	N	₹/kL	79531.51	79531.51
17	Cost of Coal per Tonne	O	₹/Tonne	3592.91	3484.81
18	Cost of Oil	$P = (L \times N) / 10^5$	₹ Lakh	3010	3009.73
19	Cost of Coal	$Q = (M \times O) / 10^5$	₹ Lakh	94516.93	74779.50
20	Total Cost of Fuel	$R = P + Q$	₹ Lakh	97526.93	77789.23



Annexure 3D

Coal GCV and Price for FY 2023–24

Sources of coal	Grade of Coal	Coal Quantity	Coal cost claimed	Coal cost admitted	Handling, Sampling & Other Similar Charges	Transportation Cost (By Rail)	Transportation Cost (By Road)	Total Coal Cost Claimed	Total cost admitted	GCV as Received claimed	GCV of mid value of Grade
	Unit	MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT		kCal/kg	kCal/kg
		A	B	C	D	E	F	G=B+D+E+F	H =C+D+E+F	I	J
E-auction	G-07	962.33	3351.83	3351.83	0	0	1044.75	4396.58	4396.58	3293.08	5350
E-auction	G-08	12169.40	6562.51	6562.51	0	0	1932.74	8495.25	8495.25	4745.97	5050
E-auction	G-09	5453.35	5940.49	5940.49	0	8.69	1555.43	7504.61	7504.61	3292.17	4750
E-auction	G-10	11944.68	4758.54	4758.54	0	886.82	1520.28	7165.65	7165.64	3366.97	4450
E-auction	G-11	11509.24	5729.78	5729.78	0	0	1546.35	7276.14	7276.13	3396.9	4150
E-auction	G-12	21900.65	4397.26	4397.26	0	499.1	1377.44	6273.8	6273.8	3137.35	3850
E-auction	G-13	41244.71	2897.10	2897.10	0	239.13	1983.17	5119.4	5119.4	3258.17	3550
Open Market		789831.20	4020.20	2080.24	0	4.74	528.99	4553.92	2613.97	3016.8	3016.8
TOTAL		895015.6				39.30	668.97	4763.32	3051.36		3136.17
										Less:	120
										GCV for computation	3016.17



MYT 8th Control Period and Tariff order of APNRL for the years 2023-24, 2024-25 and 2025-26



Coal GCV and Price FY 2024-25

Sources of coal	Grade of Coal	Coal Quantity	Coal cost claimed	Coal cost admitted	Handling, Sampling & Other Similar Charges	Transportation Cost (By Rail)	Transportation Cost (By Road)	Total Coal Cost Claimed	Total cost admitted	GCV as Received claimed	GCV of mid value of Grade
	Unit	MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT		kCal/kg	kCal/kg
		A	B	C	D	E	F	G=B+D+E+F	H =C+D+E+F	I	J
SHAKTI Coal	G-06	3441.08	3780.20	3780.20	150.23	642.18	74.55	4647.16	4647.16	4055.54	5650
SHAKTI Coal	G-08	38911.69	2744.59	2744.59	142.62	609.63	131.5	3628.34	3628.34	4331.80	5050
SHAKTI Coal	G-09	1743.26	2388.55	2388.55	155.15	750.13	74.55	3368.38	3368.38	3393.87	4750
SHAKTI Coal	G-10	1992.25	1967.15	1967.15	155.96	733.99	74.55	2931.65	2931.65	3302.57	4450
SHAKTI Coal	G-11	29166.16	2035.50	2035.50	153.09	777.31	161.55	3127.45	3127.45	3206.86	4150
SHAKTI Coal	G-12	34521.55	1923.28	1923.28	140.07	766.04	245.98	3075.37	3075.37	2953.25	3850
SHAKTI Coal	G-14	4113.47	1607.10	1607.10	51.19	728.77	74.55	2461.61	2461.61	2445.65	3250
SHAKTI Coal	W-04	14358.54	4072.54	4072.54	165.83	598.63	74.55	4911.55	4911.55	3973.6	3973.6
TOTAL		128248	2485.31	2485.31	144.56	697.17	157.76	3484.81	3484.81	3568.14	4346.76
										Less:	120
										GCV for computation	4226.76



MYT 8th Control Period and Tariff order of APNRL for the years 2023-24, 2024-25 and 2025-26



Coal GCV and Price 2025-26

Sources of coal	Grade of Coal	Coal Quantity	Coal cost claimed	Coal cost admitted	Handling, Sampling & Other Similar Charges	Transportation Cost (By Rail)	Transportation Cost (By Road)	Total Coal Cost Claimed	Total cost admitted	GCV as Received claimed	GCV of mid value of Grade
	Unit	MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT	₹/MT		kCal/kg	kCal/kg
		A	B	C	D	E	F	G=B+D+E+F	H =C+D+E+F	I	J
TOTAL		128248	2593.42	2485.31	144.56	697.17	157.76	3592.91	3484.81	3568.14	4346.76
										Less:	120
										GCV for computation	4226.76



CHAPTER 4

FIXED COST

4.1 This Chapter deals with the analysis of Fixed Charges projected by APNRL for the years 2023–24 to 2025–26 (i.e., the Eighth Control Period), under the Multi Year Tariff (MYT) framework. The various heads of accounts are examined herein, taking into consideration the Capital Cost as determined below.

4.2 Capital Cost and Additional Capitalization

a. Submission by the Petitioner

1. The Petitioner submitted that in its application for APR and FPPCA, it has computed the capital cost of the project till FY 2022–23 as ₹337,944.00 lakh.
2. The Petitioner further submitted that for FY 2023–24 (already concluded), the actual additional capitalization as per the audited accounts is ₹311.00 lakh, while de-capitalization amounts to ₹17.00 lakh.
3. The Petitioner stated that, since FY 2024–25 has already commenced, an additional capitalization of ₹1,207.00 lakh stands incurred up to August 2024. Furthermore, the Petitioner has projected additional capitalization of ₹1,312.00 lakh for FY 2024–25 and ₹634.00 lakh for FY 2025–26. Besides, the petitioner has submitted that decapitalisation during 2024-25 amounts to ₹11 lakh. The Petitioner provided details of the proposed additional capitalization and de-capitalization, clarifying that the costs related to the implementation of the FGD system, biomass pellet system, and certain infrastructure for the sewage treatment plant have not yet been fully envisaged and thus have not been included in the projections.
4. The Petitioner also stated that it has discharged liabilities of ₹979.00 lakh in FY 2023–24 and projected discharge of liabilities of ₹1,000.00 lakh each for FY 2024–25 and FY 2025–26.
5. Based on the above, the Petitioner arrived at the closing balance of the capital cost at ₹339,216.00 lakh for FY 2023–24, ₹342,745.00 lakh for FY 2024–25, and ₹344,379.00 lakh for FY 2025–26 respectively.



b. Analysis of the Commission

1. In the APR Order No. APR-127/24–25, dated 28.03.2025, the Commission admitted closing balance of capital cost for the year 2021–22 at ₹325,390.05 lakh and admitted an additional capitalization of ₹228.00 lakh for FY 2022–23. It also admitted a discharge of liabilities of ₹1,036.00 lakh for FY 2022–23. Accordingly, the Commission admitted closing balance of capital cost to the sum of ₹326,654.05 lakh (i.e., ₹325,390.05 lakh as on March 31, 2022 + ₹228.00 lakh of additional capitalization + ₹1,036.00 lakh of discharge of liabilities) for FY 2022–23.
2. For FY 2023–24, the Petitioner has provided details of additional capitalization of ₹311.00 lakh. As FY 2023–24 is now concluded, the Commission admits additional capitalization of ₹292.00 lakh, discharge of liabilities of ₹979.00 lakh and decapitalisation of ₹17.00 lakh based on certificate provided by Vijay Tulsian and Co., Chartered Accountants. The details of the admitted additional capitalization, along with justification, are provided in **Annexure 4A**.
3. The Commission, based on scrutiny of the submissions, admits ₹163.00 lakh, the details and justifications of which are provided in **Annexure 4B**.
4. In addition, the Petitioner projected a further ₹1,312.00 lakh for additional capitalization in FY 2024–25. After examining the submissions, the Commission admits ₹822.00 lakh, the details and justifications of which are presented in **Annexure 4C**. Accordingly, for FY 2024–25, the total admitted additional capitalization is ₹985.00 lakh (i.e., ₹163.00 lakh + ₹822.00 lakh) and decapitalisation of ₹11 lakhs.
5. For FY 2025–26, the Petitioner has projected additional capitalization of ₹634.00 lakh. The Commission admits ₹170.00 lakh, as detailed in **Annexure 4D**.
6. The Commission does not admit any projected discharge of liabilities for FY 2024–25 and FY 2025–26.
7. However, the Petitioner is directed to submit all necessary details including the original cost of acquisition, actual capitalization (on cash basis), additional capitalisation, retirement of assets and actual discharge of liabilities duly certified by the auditor during truing up.
8. Accordingly, the closing balances of the capital cost are admitted as follows:
 - ₹327,908.05 lakh for FY 2023–24,

- ₹328,882.05 lakh for FY 2024–25, and
 - ₹329,052.05 lakh for FY 2025–26.
9. The admitted cost as discussed above is summarized in Table 4.1 below.

Table 4.1: Admitted Capital Cost (GFA)

Sr. No.	Particulars	2023-24	2024-25	2025-26
		<i>(All values in ₹ lakh)</i>		
1.	Opening Capital Cost	326,654.05	327,908.05	328,882.05
2.	Add: Discharge of Liabilities	979.00	0.00	0.00
3.	Add: Additional Capitalization	292.00	985.00	170.00
4.	Less: De-capitalization	17.00	11.00	0.00
5.	Closing Capital Cost	327,908.05	328,882.05	329,052.05

4.3 Fixed Charges as per ARR

As per the West Bengal Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011, the Fixed Charges in the ARR of a generating station comprise the following elements:

- Depreciation
- Interest on Borrowings
- Return on Equity
- Operation and Maintenance Expenses
- Employee Cost
- Interest on Working Capital
- Water Charges
- Statutory Charges

In the paragraphs below, the Petitioner's rationale for the calculation of each Fixed Charge component is outlined, followed by the Commission's observations on each.

Inflation Index



The Petitioner submitted that the Commission has considered a CPI of 6.10% and a WPI of 9.40% in the 8th MYT Order for another generating station HEL for FY 2023–24 to FY 2024–25. Accordingly, the Petitioner applied the same indices. The Commission allows the CPI of 6.10% and the WPI-IW of 9.40% from the Annual Report of RBI for FY 2022–23.

4.4 Depreciation

a. Submission by the Petitioner

1. The Petitioner has worked out the average rate of depreciation by classifying assets according to the Depreciation Schedule under the applicable Tariff Regulations and applying the prescribed rates.
2. Based on the above methodology, the Petitioner has claimed depreciation of:
 - ₹16,484.00 lakh for FY 2023–24,
 - ₹16,625.00 lakh for FY 2024–25 and
 - ₹16,751.00 lakh for FY 2025–26.

b. Observation of the Commission

1. In view of the above and considering the admissible asset addition during each ensuing year, the admissible depreciation is determined with the following principles:
 - (i) opening Gross Fixed Asset (GFA) and cumulative depreciation as per the admitted value in table 4.1 above and table 4.2 respectively, excluding free hold land for the purpose of determining the depreciation;
 - (ii) assets to be depreciated during the year = Opening GFA – GFA of assets fully depreciated + admissible asset addition during the year;
 - (iii) closing GFA = Opening GFA + admissible asset addition for the year – asset retired if any;
 - (iv) break-up of asset category as proposed by APNRL for fully depreciated assets and assets depreciated between 70% to 90% and assets depreciated less than 70%,

has been referred and thereafter adjustment on account of variation in capital cost addition and prorated depreciation is allowed;

2. From the petition it is observed that APNRL has considered cumulative depreciation as on 31.03.2023 as ₹102725 lakhs, whereas while computing the opening normative loan they have considered cumulative depreciation as ₹104074 lakhs. During the APR of 2022-23, APNRL submitted along with certificate Ms/- Vijay Tulshiyan & Co., Chartered Accountants that adjustment of ₹ 27402 lakh was netted off from the existing asset, being accumulated depreciation up to FY 2015-16 in line with the requirement of Ind AS 16. Besides, lease hold property of ₹6356 lakh previously appearing as asset in the financial statement, has been transferred from the asset and recognised as Right of use assets from the same year. The certificate of the aforesaid firm indicated that ₹2214 lakh was adjusted as "Net Ind AS accounting impact" on the GFA opening value, but the nature of the adjustment was not disclosed in the certificate. The Commission finds that there is lack of clarity in the cumulative depreciation appearing in audited financial statement and devoid of disclosure to this effect which is inconsistent with the regulation 2.11.3 of the Tariff Regulation. APNRL is directed to submit clarifications regarding the year wise depreciation booked by them against the asset along with supporting documents during APR.
3. In view of the above the Commission find it prudent to consider the cumulative depreciation as on 31.03.2023 based on the average depreciation rate of 3.60% (Depreciation Rate of plant and machinery prior to 01.04.2023 as specified in the tariff regulation 2011). Thus, the cumulative depreciation as on 31.03.2023 comes to ₹115596.34 lakh.

Table 4.2 (i): Cumulative Depreciation

Particulars	Amount
Admitted value of GFA	₹326654.05 lakh
Date of COD of the Generating Station	19.05.2013
No. of Years as on 31.03.2023	9.83
Average rate of Depreciation	3.60%
Yearly average Depreciation	₹11759.55 lakh
Cumulative Depreciation as on 31.03.2023	₹115596.34 lakh

4. Accordingly, the admissible depreciation for APNRL becomes ₹15917.51 lakh, ₹15932.13 Lakh and ₹16137.49 Lakh for the years 2023-24, 2024-25 and 2025-26 respectively, as detailed in **Annexure 4E**.

Table 4.2 (ii): Depreciation Claimed vis-à-vis Admitted

SL No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
		<i>(All values in ₹ lakh)</i>		
A	Cumulative Depreciation (Opening)	115596.34	131513.85	147445.98
B	Depreciation Claimed	16484.00	16625.00	16751.00
C	Depreciation Admitted	15917.51	15932.13	16137.49
D	Cumulative Depreciation (Closing) = A+C	131513.85	147445.98	163583.47

4.5 Debt Equity (DE) ratio

- The Petitioner submitted that the overall Debt:Equity (DE) ratio of the project as on COD was **73.24:26.76**, with subsequent additional capitalization (add-cap) being funded in the ratio of **70:30**. Pursuant to a Strategic Debt Restructuring (SDR), the Joint Lenders Forum (JLF) approved conversion of debt into equity, which was further approved by the Petitioner's Board of Directors on **June 22, 2016**. Consequently, after the SDR, the DE ratio for FY **2016-17** stood at **55.35:44.65**. However, for FY **2022-23**, the Petitioner has claimed a DE ratio of **70:30** in accordance with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011.
- The Petitioner has submitted audited financial statements for FY **2022-23** and FY **2023-24**. From the Balance Sheet as on **March 31, 2024**, and with further reference to Note 17, it is observed that the share capital (issued, subscribed, and fully paid-up) stands at **₹17,790.60 lakh**, with **no free reserves**, consequent upon reduction in the number of equity shares from **118,60,40,732** as on **March 31, 2021**, to **17,79,05,970** as on **March 31, 2024**.



3. In the absence of free reserves and in view of no further addition of equity as on **March 31, 2023**, and **March 31, 2024**, the Commission decides that the additional funding for asset addition has been financed through borrowings.

4.6 Interest on borrowings

a. Submission by the Petitioner

1. The Petitioner submitted that, in terms of Regulation 5.6.4.2 of the Tariff Regulations, 2011 (4th Amendment, 2023), the actual and/or normative loan corresponding to assets put to use shall be considered as the admitted loan, reduced by the cumulative depreciation and any Advance Against Depreciation approved by the Commission. It was further submitted that the repayment during each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year, and that the rate of interest shall be the weighted average rate of interest of the admitted loan.
2. The Petitioner stated that it had filed an APR Petition for FY 2022–23 on September 5, 2024, which remains *sub judice* before the Commission as of the date of the present MYT Petition. In the said APR Petition, the Petitioner calculated the gross loan balance as on April 1, 2022, of **₹244,625.00 lakh**.
3. The Petitioner pointed out that FY 2022–23 was the first year for which the Commission determined the tariff for the Petitioner. Consequently, no approved depreciation cost existed up to March 31, 2022. In order to compute the cumulative repayment up to March 31, 2022, therefore, the Petitioner calculated depreciation from the Commercial Operation Date (COD) to March 31, 2022, amounting to **₹92,338.00 lakhs**.
4. The Petitioner further submitted that the depreciation calculated and claimed in the APR Petition for FY 2022–23—currently under the Commission's consideration—has been treated as the deemed repayment for FY 2022–23, amounting to **₹11,735.00 lakh**.
5. On this basis, the Petitioner computed the net opening loan balance for FY 2023–24 at **₹140,552.00 lakh**.
6. Finally, the Petitioner provided lender-wise details of the weighted average interest rate as on April 1, 2023, and has relied on that rate for determining the interest on



loan for FY 2023–24 to FY 2025–26, supported by certificate of M/s. Vijay Tulshiyan & Co., Chartered Accountants.

Table 4.3 Weighted average Interest rate as on 01.04.2023

Source	Weighted Average Interest Rate
Edelweiss Asset Reconstruction Co. Ltd.	9.00%
Life Insurance Corporation	9.00%
Weighted Average	9.00%

7. Based on above the petitioner has computed and claimed ₹11948 Lakh, ₹10609 Lakh and ₹9270 Lakh as interest on loan for FY 2023-24, 2024-25 and 2025-26 respectively.

b. Observation of the Commission

1. In accordance with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (4th Amendment, 2023), Gross Normative Loan is derived by reducing the Gross Equity from the Gross value of the Fixed Asset. For computing the annual interest amount, the net opening loan is considered on normative basis by reducing the cumulative admitted depreciation as cumulative loan repayment.
2. As there are no free reserves or addition to equity in the audited financial statement for FY 2022–23 and FY 2023–24, the Commission considers all additional capitalization during FY 2023–24 to FY 2025–26 to be financed through borrowings.
3. Based on the above discussions at 4.6.b.1 & 4.6.b.2 and applying a weighted average interest rate of **9.00%** (as submitted by the Petitioner and supported by a certificate from M/s. Vijay Tulshiyan & Co., Chartered Accountants), the Commission computes the interest on loan as follows:

- **₹16734.18** lakh for FY 2023–24,
- **₹15401.21** lakh for FY 2024–25, and
- **₹14009.56** lakh for FY 2025–26.

4. The details of computation to arrive at the opening balance of loan, the closing balance of loan for the FYs 2023-24, 2024-25 and 2025-26 as well as the interest on loan admitted by the Commission is shown in **Table 4.4** below.

Table 4.4 Interest on Loan Admitted

Particulars	Derivation	2023-24	2024-25	2025-26
Approved GFA	A	326654.05	327908.05	328882.05
Less: Govt Grant, etc	B	0.00	0.00	0.00
Approved GFA at the beginning (excl grant, deposit work)	C = A-B	326654.05	327908.05	328882.05
Admissible equity at the beginning	D	17790.60	17790.60	17790.60
Opening Gross Normative Loan	E = C – D	308863.45	310117.45	311091.45
Opening Cumulative depreciation and AAD (Table 4.2 (i))	F	115596.34	131513.85	147445.98
Opening Balance of Normative Loan	G = E – F	193267.11	178603.60	163645.47
Net addition of asset during the year	H	1254.00	974.00	170.00
Equity added or Free reserves available	I	0.00	0.00	0.00
Normative addition to capital loan	J = H- I	1254.00	974.00	170.00
Depreciation during the year	K	15917.51	15932.13	16137.49
Closing balance of Normative Loan	L = G + J – K	178603.60	163645.47	147677.98
Average Normative Loan during the year	M = (G + L) /2	185935.36	171124.54	155661.73
Weighted average rate of interest (%)	N	9.00%	9.00%	9.00%
Interest on Normative Loan	O = MxN	16734.18	15401.21	14009.56

4.7 Return on Equity

a. Submission by the Petitioner

1. The Petitioner submitted that, in its APR Petition for FY 2022–23—currently under *sub judice* before this Commission at the time of filing the present MYT, the Petitioner has computed the equity balance as on March 31, 2023, at **₹93,319 lakh**. The Commission notes that the amount of “₹937.01 crore” appeared in the Petition was a typographical error. Therefore, in view of above, the submitted claim of the Petitioner shall be read as **₹93,319 lakh** as the opening equity for calculating Return on Equity (RoE) for FY 2023–24 to FY 2025–26.
2. Accordingly, the Petitioner calculated the RoE for assets commissioned up to March 31, 2024, using a rate of **15.50%** for FY 2023–24 to FY 2025–26, and the RoE for

assets commissioned on or after April 1, 2024, at **14.40%** for FY 2024–25 and FY 2025–26.

3. The Petitioner presented the RoE computation for assets commissioned before March 31, 2024, in **Table 4.5**, and the RoE computation for assets commissioned on or after April 1, 2024, in **Table 4.6**. The total RoE claimed is summarized in **Table 4.7**.

Table 4.5 Return on Equity for FY 2023-24 to FY 2025-26 (for the assets commissioned on or before the 31.03.2024)

SI No	Particular	Unit	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Equity Base	₹ Lakh	93319	93701	93701
2	Equity addition due to discharge of liabilities	₹ Lakh	93	0.00	0.00
3	Equity addition due to additional capitalization	₹ Lakh	294	0.00	0.00
4	Less: Equity decrease due to decapitalization	₹ Lakh	5	0.00	0.00
5	Closing Equity Base	₹ Lakh	93701	93701	93701
6	Average Equity Base	₹ Lakh	93510	93701	93701
7	Rate of return	%	15.50%	15.50%	15.50%
8	Post-tax ROE	₹ Lakh	14494	14524	14524

Table 4.6 Return on Equity for FY 2023-24 to FY 2025-26 (For the assets commissioned on or after 01.04.2024)

SI No	Particular	Unit	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Equity Base	₹ Lakh	-	-	1059
2	Equity addition due to additional capitalization	₹ Lakh	-	762	190



3	Equity addition due to discharge of liabilities	₹ Lakh	-	300	300
4	Less: Equity decrease due to decapitalization	₹ Lakh	-	3	3
5	Closing Equity Base	₹ Lakh	-	1059	1549
6	Average Equity Base	₹ Lakh	-	529	1304
7	Rate of return	%	-	14.00%	14.00%
8	Post-tax ROE	₹ Lakh	-	74	183

Table 4.7 Total Return on Equity claimed for FY 2023-24 to FY 2025-26

Sl No	Particular	Unit	FY 2023-24	FY 2024-25	FY 2025-26
1	RoE for assets commissioned on or before 31.03.2024	₹ Lakh	14494.00	14524.00	14524.00
2	RoE for assets commissioned on or after 01.04.2024	₹ Lakh	0.00	74.00	183.00
3	Total RoE	₹ Lakh	14494.00	14598.00	14706.00

4. Hence the petitioner submitted to allow return on equity of **14495 Lakh**, ₹14598 Lakh and ₹14706 Lakh for FY 2023-24, FY 2024-25 and FY 2025-26 respectively.

b. Observation of the Commission

- The Balance Sheet as on March 31, 2023, submitted along with the petition, shows that the **actual equity** stood at ₹17,790.60 lakh, while **Other Equity (Free Reserves)** was (–) ₹92,559.92 lakh. This implies that no free reserves are available to be considered as equity. Accordingly, **Return on Equity (RoE)** is to be calculated strictly on paid up value of equity, i.e., ₹17,790.60 lakh, given that the liability for equity servicing remains limited to this amount.
- The first proviso to Regulation 5.4.2 of the Tariff Regulations, 2011, specifies: *"Where actual equity employed is less than 30%, the actual equity shall be considered for determination of return on equity in tariff computation."*
- In line with the above regulatory provision, the Commission treats the ₹17,790.60 lakh reflected in Balance Sheet as on March 31, 2023, as the closing balance of equity for FY 2023–24. There being no infusion of equity during FY 2023–24, FY

2024–25, or FY 2025–26, the equity as on March 31, 2024, remains at **₹17,790.60 lakh**. It is further noted that, though a deduction from equity base of ₹3 lakh has been shown by APNRL in its computation table for year 2025-26, there is no proposal of asset decapitalization for 2025-26. Thus, such negative adjustment is also not considered. Consequently, the Commission allows a **Return on Equity** of **₹2,757.54 lakh** (i.e., $17,790.60 \times 15.5\%$) for each of the years FY 2023–24, FY 2024–25, and FY 2025–26. In the event, the petitioner infuse equity during FYs 2024-25 and 2025-26, then the petitioner may claim ROE for equity addition during the submission of APRs for the respective years.

4.8 Operation and Maintenance (O&M) Expenses

a. Submission of the Petitioner

1. The Petitioner submits that, pursuant to Regulation 5.7 of the West Bengal Electricity Regulatory Commission (WBERC) Tariff Regulations, 2011 (4th Amendment), O&M expenses are comprised of:
 2. Repair and Maintenance (R&M) Expenses;
 3. Administrative and General (A&G) expenses, which includes:
 - Rent and lease charges for assets,
 - Legal charges,
 - Auditor's fees,
 - Consultancy charges,
 - Insurance expenses,
 - Outsourced expenses,
 - Other expenses deemed necessary and incidental to the business.
4. The Petitioner further states that, as per the provisions of the WBERC Tariff Regulations, there are no specific O&M norms in Schedule-9A for the Petitioner's generating station. Moreover, the generating station of the Petitioner has been in operation for the past ten years, and it should therefore not be categorized as a "new coal-fired thermal generating station."
5. Considering that the O&M expense norms for the Petitioner's station are not specified in Schedule-9A and that the station should not be treated as a new generating station, the Petitioner has based its projections of O&M expenses for FY

- 2023–24 to FY 2025–26 on the methodology outlined by the Commission in the Statement of Reasons (SOR) to the WBERC Tariff Regulations, 2011 (4th Amendment), released on 13.03.2023.
6. The Petitioner submits that the Commission has only approved the Petitioner's O&M expenses once, i.e., for FY 2022–23, whereas for other generating stations, the Commission considered approved O&M expenses for the past five years (from FY 2018–19 to FY 2022–23).
 7. In the absence of approved O&M expenses for FY 2018–19 to FY 2021–22, and given that approved O&M expenses for the petitioner for FY 2022–23 remain sub judice before the Commission, the Petitioner states to have utilized the audited figures of O&M expenses from FY 2018–19 to FY 2022–23 to project O&M expenses for FY 2023–24 to FY 2025–26.
 8. The Petitioner accordingly projects, and prays for approval of, O&M expenses for FY 2023–24, FY 2024–25, and FY 2025–26 as presented in Table 4.8 below:

Table 4.8: O&M Expenses Claimed

Activity	Capacity (MW)	O&M Expenses Norms (₹ Lakhs/MW)			O&M Expenses (₹ Lakh)		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	(a)	(b)	(c)	(d)	(a) x (b)	(a) x (c)	(a) x (d)
Generation	540	19.54	20.28	21.05	10550	10950	11365

b. Observation of the Commission

1. As per regulation 5.7.2 of WBERC tariff regulation, O & M expense of generating station shall be computed based on the installed capacity considering the norms specified in Schedule-9A of these Regulations.
2. The O & M expense for the petitioner is not covered in Schedule 9A of WBERC tariff regulation. In this regard WBERC tariff regulation states at A4 that the new generating station not covered under this tariff regulation shall be covered by the principles laid down in Schedule 9 D.

3. The Commission examines the submission of the petitioner and observes that as per Serial no. 7 of schedule 9D, the Commission shall admit the O & M expenses subject to the ceiling as determined for Sagardighi Thermal Power Station (2x300) – Stage 1.
4. Hence, the Commission admits Rs 6015.60 Lakh, Rs 6242.40 Lakh and Rs 6480.00 Lakh as O & M expenses as per norms specified in tariff regulation for Sagardighi Thermal Power Station (2x300) – Stage 1. The same is shown in table 4.9 below

Table 4.9 O & M expenses Admitted

Activity	Capacity (MW)	O&M Expenses Norms (₹ Lakhs/MW)			O&M Expenses (₹Lakh)		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	(a)	(b)	(c)	(d)	(a) x (b)	(a) x (c)	(a) x (d)
Generation	540	11.14	11.56	12.00	6015.60	6242.40	6480.00

4.9 Employee Cost

a. Submission of the petitioner

1. The Petitioner projected the employee cost for the FY 2023-24, FY 2024-25 and FY 2025-26 respectively based on amounts for the FY 2022-23.
2. The Petitioner has submitted that the total number of employees in the company during FY 2022-23 was 712, in which 435 number were own employees and 277 number were contractual manpower. The Man/MW ratio for the generating station comes to 1.32.
3. The Petitioner projected the number of own and contractual employees as shown in table 4.10 below:

Table 4.10 Numbers of Employees as claimed

Activity	FY 2023-24			FY 2024-25			FY 2025-26		
	Own	Contr.	Total	Own	Contr.	Total	Own	Contr.	Total
Generation	438	273	711	438	273	711	438	273	711

4. Further, the Petitioner submitted that the cost towards own employee and contractual manpower has been computed considering annual escalation to the extent of CPI

rate of 6.10% over the actual amount of FY 2022-23 with due impact of proposed manpower vis-à-vis actual manpower in FY 2022-23. The same is shown in the table 4.11 below:

Table 4.11 Projected Employee Cost for FY 2023-24 to FY 2025-26

Particulars	In ₹ Lakh		
	FY 2023-24	FY 2024-25	FY 2025-26
Own Employee Cost	3755	3984	4227
Director's sitting fees	26	28	30
Contractual Manpower cost	1550	1644	1745
Total Employee Cost	5331	5656	6002

5. The Petitioner requested this Commission to approve the Man/MW ratio of the generating station as 1.32 and allow the employee cost for FY 2023-24, FY 2024-25 and FY 2025-26 as Rs 5331 Lakh, Rs 5656 Lakh and Rs 6002 Lakh respectively.

b. Observation of the Commission

1. As per Para 8 of Schedule 9D of the WBERC Tariff, Regulation, 2011, the Man/MW ratio for new generating unit is provided a ceiling of 1.3. Thus, maximum number of manpower admissible becomes 702 number which includes own employee as well as contractual manpower under regular establishment. The Commission decides to reduce the excess manpower from contractual employees to match the overall limit specified in terms of the Tariff Regulations. Thus, 438 number of own employee and 264 number of contractual manpower is considered. The contractual man power cost is admitted considering 264 employees to keep admissible man power as 702.
2. The Commission while proceeding to determine the employee cost for the FYs 2023-24, 2024-25 and 2025-26 refers the employee cost appearing under Note 28 of the audited financial statement of FY 2023-24. The employee cost recognized in the aforesaid financial statement is ₹3648.40. Besides, ₹33.45 lakh appears as OCI attributed to actuarial (gain)/ loss on defined benefit obligations. Hence, the employee cost for FY 2023-24 before inclusion of cost pertaining to contractual man power arrives at ₹3681.85 (3648+ 33.45). Further, the Commission admits director



- sitting fee to the extent recognized at Note 31 of the audited financial statement of ₹28.03 Lakhs.
3. The Commission applies escalation rate of 6.10% on year or on year basis for ascertaining the employee cost pertaining to FYs 2024-25 and 2025-26 considering the amount recognized at Note 28 of the audited financial statement (FY 2023-24) as the base. The director's sitting fee of ₹28.03 lakhs as recognized at Note 31 of the audited financial statement (FY 2023-24) is admitted for all the three FYs (2023-24, 2024-25 and 2025-26). For contractual man power cost, the aforesaid escalation rate of 6.10% is also applied year on year basis on the admitted cost of FY 2023-24.
 4. Accordingly, the Commission admits Rs 5203.88 Lakh, Rs 5591.47 Lakh and Rs 5854.76 Lakh as Employee Cost for FY 2023-24, FY 2024-25 and FY 2025-26 respectively.
 5. The employee cost claimed vis a vis admitted is shown in Table 4.12

Table – 4.12: Employee Cost: Claimed vis-à-vis admitted

Particulars	UoM	Approved in APR FY: 2022-23	FY: 2023-24		FY: 2024-25		FY: 2025-26	
			Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
Number of Employees (Own)	No.	435	438	438	438	438	438	438
Number of Employees (Contractual)	No.	267	273	264	273	264	273	264
Number of Employees – T O T A L	No.	712	711	702	711	702	711	702
Total own employee cost	₹ Lakh	3539	3755	3681.85	3984	3906.44	4227	4144.73
Total contractual employee cost (Allowed on pro rata basis)	₹ Lakh	1408.26	1550	1494	1644	1585	1745	1682
Director's Sitting Fees	₹ Lakh	25.00	26.00	28.03	28.00	28.03	30.00	28.03
Total Cost (Own + Contractual)	₹ Lakh	4972.26	5331	5203.88	5656	5519.47	6001	5854.76

4.10 Water Charges

a. Submission by Petitioner

1. The petitioner in the petition has claimed the water charges for FY: 2023-24 as per the books of account for FY: 2023-24 and the same is subject to change as per demand raised by the WRD, State of Jharkhand in future. Annual escalation of 7.50% as provided by the Jharkhand Water Department Regulation, notification dated 01-04-2011 has been considered by the petitioner to derive the charges for FY: 2022-23. As stated by the Petitioner, since the matter is sub-judice before the Hon'ble Jharkhand High Court, therefore the Petitioner craves liberty to claim the expenditure as per books of account and in case there is any liability accruing out of the judgment, the Petitioner submits to be allowed to adjust the expenditure to the extent approved by the competent court. Accordingly, the Petitioner has claimed ₹ 2293 Lakh for the FY 2023-24 towards water charges.
2. The petitioner submitted that in the aforesaid notification of the WRD, it has been stated that from 01.04.2024 the water charges will be increased by 7.5% year on year.
3. The petitioner further submitted that in line with Clause 18 of the Water agreement and as per the request of the Petitioner to reduce the water quantity to 17.60 MCM per annum as compared to original allotment of 35.60 MCM per annum on the basis of installation of reduced capacity i.e. only 540 MW power plant as against the original plan of 1000 MW power plant, the Government of Jharkhand has principally agreed to consider approximately 17.60 MCM as water quantity with effect from 1st April, 2023 with a provision for further reduction to 11.46 MCM per annum based on measurement of actual consumption with effect for signing of the renewed agreement. With regard to quantity and source of water prior to 1st April, 2023, both parties have agreed to abide by the final decision from the competent court for the existing disputes lying at the Hon'ble High Court of Ranchi, Jharkhand both for quantity and source of water, which will automatically determine the applicable rate of the water.
4. Considering above, the Petitioner has projected the water charges for FY 2023-24 to FY 2025-26, which is shown in the table 4.13 below:



Table 4.13 Projection of water charges for FY 2023-24 to FY 2025-26

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Water requirement in MGD	10.60	10.60	10.60
Days in a FY	366	365	365
Water Requirements in MG	3880.15	3869.55	3869.55
Water Requirements in KL ¹	17639506.57	17591311.19	17591311.19
Water Requirements in MCM	17.64	17.59	17.59
Escalation from 01.04.2024 onwards (as per WRD)		7.50%	7.50%
Downstream rate (as per WRD) (Rs/KL)	13.00	13.98	15.02
Water Charges (₹ Lakh)	2293.00	2458.00	2643.00

¹Note: The UK imperial gallon (imp gal), defined as 4.54609 liters

5. Hence, the Petitioner submitted to this Commission to allow the water charges of Rs 2293 Lakh, Rs 2458 Lakh and Rs 2643 Lakh for FY 2023-24, FY 2024-25 and FY 2025-26 respectively.
- b. Observation of the Commission**
1. Based on the above submission by the petitioner and keeping in view the disputes which inter alia includes sources of water (dam or river), actual consumption of water vis-à-vis contracted quantum of water, ₹ 2293 Lakh (based on dam rate) based on the Note 31 of the Audited financial statement is allowed for FY 2023-24. The Commission also considers the escalation of 7.5 % as per WRD notification for the year 2024-25 and 2025-26.
 2. The petitioner is directed to submit the complete documentary evidences together with actual payment (with separate mention of penalty amount, if any) made to the WRD, GoJ in APR application duly certified by the Auditor, showing liability position separately at the time of submission APRs of the respective years. In addition, actual consumption of water vis-à-vis consumption of water as per MOE&F norms may also be indicated in the APR application.



3. Accordingly, the Commission decides to admit ₹ 2293 Lakh, ₹ 2458 Lakh and ₹ 2643 Lakh as water charges for FY 2023-24, FY 2024-25 and FY 2025-26 respectively.
4. The water charges acclaimed vis a vis admitted is shown in Table 4.14 below.

Table 4.14 Water charges claimed vis-à-vis allowed – ₹ Lakh

Particulars	2023-24		2024-25		2025-26	
Water Charges	Claimed	Allowed	Claimed	Allowed	Claimed	Allowed
	2293	2293	2458	2458	2643	2643

4.11 Ash Disposal Expenses

a. Submission of petitioner

1. The Petitioner submitted that as per the SOR for WBERC Tariff Regulation, 2023 (4th Amendment), the Commission has considered Coal and Ash handling expenses within the O&M norms. Further the Commission stated that they feel that the additional cost associated with the ash disposal should offset from the revenue generated from such disposal.
2. However, in the matter of ash disposal expenses, the Petitioner submits that, the ash disposal and transportation is a critical operational activity in the power plant. The Ministry of Environment, Forest & Climate Change (MOEF&CC) has time and again been notifying the modalities for safe and efficient disposal of ash.
3. In line with the above, the Petitioner is expected to undertake measures to ensure 100% ash utilization and accordingly, the Petitioner has been transporting ash from its power station to various cement and brick manufacturing units and incurred the expenditure towards the same.
4. Further, the petitioner has shown the ash disposal expenses along with revenue generated from that since past 5 years i.e., from FY 2018-19 to FY 2022-23 in the table 4.15 below also duly certified with details of the quantity of ash generated, ash transportation cost along with revenue generated from FY 2018-19 to FY 2022-23.

Table 4.15 Ash Disposal expenses and revenue generated from ash sale (FY 2018-19 to FY 2022-23)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Ash disposal expense (₹ Cr) (a)	31.50	17.53	1.86	19.35	8.80
Revenue Generated (₹ Cr) (b)	4.43	1.80	1.38	0.94	0.67
Deficit in Revenue (b)-(a)	(27.07)	(15.73)	(0.48)	(18.41)	(8.13)

5. It is evident from the above that the revenue generated from disposal of ash is significantly less than the cost incurred to disposing the ash. Hence it is not sufficient to offset the full cost of ash disposal.
6. Considering the above, the Petitioner request the Commission to allow the ash disposal expenses separately and not to include in the O&M expenses as expenditure towards the ash disposal is beyond the control of the petitioner i.e., uncontrollable.
7. Further in order to projecting the ash disposal expenses, the Petitioner has used the same methodology as used for projecting the O&M expenses.
8. The projection of ash disposal expenses for FY 2023-24 to FY 2025-26 is shown in the table 4.16 below:

Table 4.16 Ash Disposal Expense for FY 2023-24 to FY 2025-26

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Ash Disposal Expenses (in ₹ Lakh)	1899	1970	2045

b. Observation of the Commission

The Commission notes that, in view of MOEF & CC guidelines generating company has to ensure safe and efficient disposal of ash. Thus, APNRL is directed to submit the details ash transportation cost and any revenue earned from selling of ash in its APR petition of the respective years. The Commission will consider the same during APR based on the submitted documents and the provisions of the respective regulations.

4.12 Statutory charges

a. Submission by the petitioner

1. The petitioner has submitted that it has claimed statutory charges as per 5.7.7.2 of WBERC tariff regulation 2023 (4th amendment).
2. In order to project the statutory charges other than filing fees for FY 2023-24 to FY 2025-26, the Petitioner has applied escalation of 8.08% based on escalation rate WPI and CPI in 60:40 ratio with respect to FY 2022-23.
3. Accordingly, the petitioner has claimed RS 30 Lakh, 32 Lakh and RS 33 Lakh as statutory charge for FY 2023-24, FY 2024-25 and FY 2025-26 respectively.

b. Observation of the Commission

1. In terms of regulation 5.7.1 of tariff regulations, all statutory charges including license and filing fees payable in terms of the Act shall be allowed separately during APR.
2. The petitioner shall file all the relevant/ supporting documents along with its APR petitions.

4.13 Interest on Working Capital

a. Submission by petitioner

1. The petitioner has claimed Interest on working capital as per regulation 5.6.5 of WBERC Tariff Regulation (4th amendment).
2. The petitioner further submitted that as FY 2023-24 has been completed and more than 5 months have been passed of FY 2024-25, the Petitioner has considered the SBI MCLR rate as on 01.04.2023 for FY 2023-24 i.e., 8.50% and SBI MCLR rate as on 01.04.2024 for FY 2024-25 and FY 2025-26 i.e., 8.65%.
3. The petitioner has claimed Interest on working capital Rs 5619 Lakh, 4093 Lakh and 4194 Lakh for FY 2023-24, FY 2024-25 and FY 2025-26 respectively. The same is shown in table 4.17 below.

Table 4.17 Interest on working capital-claimed

Particulars	Units	Derivation	FY 2023-24	FY 2024-25	FY 2025-26
Cost of Coal stock (non-pit-head 20 days)	₹ Lakh	A	8035	5023	5179
Advance payment of coal (30 days)	₹ Lakh	B	12052	7535	7769



MYT 8th Control Period and Tariff order of APNRL for the years 2023-24, 2024-25 and 2025-26



Cost of Secondary fuel oil for 2 months	₹ Lakh	C	525	502	502
O&M expenses for 1 month	₹ Lakh	D	879	912	947
Employee cost for 1 month	₹ Lakh	E	444	471	500
Water charges for 1 month	₹ Lakh	F	191	205	220
Maintenance Spare- 20% of O&M	₹ Lakh	G	2110	2190	2273
Receivables equivalent to 45 days	₹ Lakh	H	26846	19873	20226
Working Capital Requirement	₹ Lakh	I = Sum (A:H)	51083	36711	37615
Interest rate at SBI MCLR+250 basis point	%	J	11.00%	11.15%	11.15%
Interest on Working Capital	₹ Lakh	K = I x J	5619	4093	4194

b. The observation of the Commission.

1. In terms of clause (a) of regulation 5.6.5 of WBERC Tariff Regulation (4th amendment).
2. Working capital for coal based generating station shall cover:
 - (i) Cost of coal towards stock for 10 days for pit head generating stations and 20 days for non-pit head generating stations for generation corresponding to the normative annual plant availability factor or maximum coal stock storage capacity, whichever is lower;
 - (ii) Advance payment for 30 days towards cost of coal for generation corresponding to the normative annual plant availability factor;
 - (iii) Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability and in case of use of more than one secondary fuel oil, cost of oil stock for main secondary fuel oil;
 - (iv) O&M expenses, employee cost and water charges for one month;
 - (v) Maintenance spares@ 20% of O&M expenses including water charges; and
 - (vi) Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity computed on the normative annual availability factor and excluding incentives, if any;
3. Further clause (c) of regulation 5.6.5.1 Interest on working capital shall be allowed at a rate equal to the MCLR or any redefined term thereof by SBI from time to time



being in effect applicable for one-year period, as prevalent on 1st April of the financial year in which the Petition is filed plus 250 basis points:....”

4. As the petition is filled on 04.10.2024, the Commission finds it prudent to consider SBI MCLR rate as on 01.04.2023 for FY 2023-24 i.e., 8.50% and SBI MCLR rate as on 01.04.2024 for FY 2024-25 and FY 2025-26 i.e., 8.65%.
5. Accordingly, admissible Interest on working capital is computed and admitted as below Table 4.18

Table 4.18 Interest on working capital-Admitted

Particulars	Units	Derivation	FY 2023-24	FY 2024-25	FY 2025-26
Cost of Coal stock (non-pit-head 20 days)	₹ Lakh	A	5027.76	4097.51	4097.51
Advance payment of coal (30 days)	₹ Lakh	B	7541.63	6129.47	6129.47
Cost of Secondary fuel oil for 2 months	₹ Lakh	C	516	495	495
O&M expenses for 1 month	₹ Lakh	D	493.08	513.07	532.6
Employee cost for 1 month	₹ Lakh	E	426.55	453.66	481.21
Water charges for 1 month	₹ Lakh	F	187.95	202.03	217.23
Maintenance Spare- 20% of O&M	₹ Lakh	G	1203.12	1248.48	1296
Receivables equivalent to 45 days	₹ Lakh	H	18072.41	15799.80	15747.78
Working Capital Requirement	₹ Lakh	I = Sum (A:H)	33468.50	28939.02	28996.80
Interest rate at SBI MCLR+250 basis point	%	J	11.00%	11.15%	11.15%
Interest on Working Capital	₹ Lakh	K = I x J	3681.54	3226.70	3233.14

4.14 Bad Debt, Reserve for Unforeseen Exigencies, Other finance charges, Income Tax

The petitioner has not claimed any amount against Bad Debt, Bad Debt Reserve for Unforeseen Exigencies, Other finance charges, Income Tax, Hence the Commission does not allow any amount against these heads.

4.15 Non-tariff Income

a. Submission by the petitioner

1. The petitioner has considered the non -tariff Income for the FY 2023-24 to FY 2025-26 as per audited financial statement of FY 2022-23 without any escalation.
2. The same is shown in table 4.19.1 below.

Table 4.19.1 Non-tariff Income-claimed

Sl No	Particulars	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	Interest on Income: Bank Deposit	₹ Lakh	300	300	300	300
2	Old Liabilities written back & settled	₹ Lakh	17	17	17	17
3	Interest on loan given to employee	₹ Lakh	1	1	1	1
4	Airtel Mobile Tower rent	₹ Lakh	5	5	5	5
5	Fly Ash Sale	₹ Lakh	67	67	67	67
6	Scrap sale	₹ Lakh	93	93	93	93
8	Total Non-Tariff Income	₹ Lakh	483	483	483	483

b. Observation of the Commission

1. The Commission finds at Note 26 of the audited financial statement of APNRL of FY 2023-24 that Rs 1568.33 lakh has been recognized in the following manner as shown in Table 4.19.2.

Table 4.19.2 Non-tariff Income as on 31.3.2024

Particular	₹ in Lakh
Interest Income on bank deposit	969.69
Old liabilities written back and settled	395.59
Miscellaneous Income:	203.05
Total	1568.33

2. Since, Liabilities written off and settled being adjustments, thereby cannot be considered as non-tariff income. The Commission, accordingly finds it prudent to admit ₹ 1172.74 Lakh (969.69 + 203.05) as non- tariff income for FY 2023-24, FY 2024-25, and FY 2025-26.

4.16 Summary of Annual Fixed Charges for FY 2023-24, FY 2024-25, FY 2025-26.

1. Based on the above discussions, the Annual Fixed Charges for FY 2023-24, FY 2024-25, FY 2025-26. comes to ₹ 51430.51 Lakh, ₹ 50364.71 and ₹ 49942.75 Lakh.



2. The Annual Fixed Charges claimed vis a vis admitted is shown in Table 4.20 below.

Table 4.20 Annual Fixed charges claimed vis a vis admitted

Sl No	Particulars	Unit	FY 2023-24		FY 2024-25		FY 2025-26	
			Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
1	Depreciation	₹ Lakh	16484	15917.51	16625	15932.13	16752	16137.49
2	Interest on loan	₹ Lakh	11948	16734.18	10609	15401.21	9270	14009.56
3	Return on Equity	₹ Lakh	14494	2757.54	14598	2757.54	14706	2757.54
4	O&M Expenses	₹ Lakh	10550	6015.6	10950	6242.4	11365	6480
5	Employee Expense	₹ Lakh	5331	5203.88	5656	5519.47	6001	5854.76
6	Water Charges	₹ Lakh	2293	2293.00	2458	2458.00	2643	2643.00
7	Ash disposal	₹ Lakh	1899	0	1970	0	2045	0
8	Statutory Charges	₹ Lakh	30	0	32	0	33	0
9	Interest on Working Capital	₹ Lakh	5619	3681.54	4093	3226.70	4194	3233.14
10	Sub- Total Fixed Cost	₹ Lakh	68648	52603.25	66992	51537.45	67009	51115.49
11	Less: Non-Tariff Income	₹ Lakh	483	1172.74	483	1172.74	483	1172.74
12	Total Fixed Cost	₹ Lakh	68165	51430.51	66509	50364.71	66526	49942.75

4.17 Admissible fixed cost for WBSEDCL

a. Submission by Petitioner

The petitioner has submitted that it had signed the MoU with the State Govt. of Jharkhand in October 2005. Pursuant to the MoU, the home state has the first right to claim 25% of the total installed net capacity of the plant and 12% of the total power generated by the Petitioner available to the home state at a variable cost only, which is considered as an essential condition precedent for the establishment of the plant. Considering the above grounds, the Petitioner has only 88% of the total net capacity (88% of 491.4 MW = 432.43 MW) available to recover the capacity charge. The petitioner further submitted that this is comparable to the case of Hydro Power Generating Station where 12% of free power needs to be provided to the home state. In line with the above, the Petitioner has considered the saleable capacity of 432.43 MW, and again requests this Commission to consider the same.

b. Observation of the Commission

The Commission observes that as per the PPA, 'contracted capacity' means a net off 100 MW to be made available by the seller (APNRL) at the delivery point. Thus, the capacity charge shall be prorated at a ratio of 100: 491.40 (Sent Out capacity after adjusting normative auxiliary consumption.)

c. Fixed cost attributed to WBSEDCL

Based on above para 4.17 capacity charge attributed to WBSEDCL based on 85 % PAF for FY 2023-24, FY 2024-25 and FY 2025-26 comes to ₹10466.12 Lakh, ₹10249.23 Lakh and ₹10163.36 Lakh respectively The Claim vis-a-vis admitted Total Fixed Cost attributable to WBSEDCL is shown in Table 4.21 below.

Table 4.21 Claim vis a vis admitted Total Fixed Cost for WBSEDCL

Sl No	Particulars	Unit	FY 2023-24		FY 2024-25		FY 2025-26	
			Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
1	Net capacity	MW	432.43	491.40	432.43	491.40	432.43	491.40
2	Total Fixed Cost	₹ Lakh	68154	51430.51	66499	50364.71	66515	49942.75
3	Contracted Capacity with WBSEDCL	MW	100	100	100	100	100	100
4	Fixed Cost Share of WBSEDCL	₹ Lakh	15761	10466.12	15378	10249.23	15382	10163.36

4.18 Aggregate Revenue requirement (ARR)

a. Submission of the petitioner

The Petitioner submits that it is also paying the Market Operation and System Operation charges (MO SO charges) to the RLDC. However, as per the PPA the MO SO charges have been paid by the WBSEDCL separately. In the FY 2022-23 the MO SO charges paid by the Petitioner against the WBSEDCL is Rs 10 Lakh, the bill is attached as Annexure-25 in the petition. Further, to determine the MO SO charges for FY 2023-24 to FY 2025-26 the Petitioner has applied escalation of 8.08% based on escalation rate WPI and CPI in 60:40 ratio with respect to FY 2022-23.



b. Observation of the Commission

1. The Commission observes that considers MO SO charge for FY 2023-23, 2024-25 and FY 2025-25 has to be paid as per terms and condition of PPA.
2. Based on above para 4.18.b.1, the Commission admits Net ARR ₹ 29833.08 lakh, ₹ 25169.26 Lakh and ₹ 25083.39 Lakh after considering SHAKTI Scheme discount for FY 2023-24, FY2024-25 and FY 2025-26 respectively.
3. The claimed vis a vis admitted net ARR is shown in table 4.22 below.

Table 4.22 The claimed vis a vis admitted net ARR

SI No	Particulars	Unit	FY 2023-24		FY 2024-25		FY 2025-26	
			Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
1	ECR excluding Shakti Discount	₹/kWh	4.35	2.756	2.75	2.259	2.83	2.259
2	Schedule supply (@80% PLF) to West Bengal	MU	702.72	702.72	700.8	700.8	700.8	700.8
3	Total Fuel Cost (attributable to West Bengal)	₹ Lakh	30563	19366.96	19268	15831.07	19847	15831.07
4	Total Fixed Cost (attributable to West Bengal)	₹ Lakh	15771	10466.12	15388	10249.23	15392	10163.36
5	ARR	₹ Lakh	46345	29833.08	34668	26080.30	35251	25994.43
6	Less: Shakti Discount	₹ Lakh	0	0	911	911.04	911	911.04
7	Net ARR	₹ Lakh	46345	29833.08	33757	25169.26	34340	25083.39

4.19 Additional Submission by Petitioner

I. Assured Minimum rate of return as per WBERC tariff regulation

a. Submission by the petitioner

The petitioner has submitted that it is procuring the coal under shakti scheme from April 2024. The petitioner has to offer 13 paisa/kWh to WBSEDCL. It is required the SHAKTI tariff discount is allowed as pass through, otherwise it will distort the intention of the law maker including the Commission, which ensure the minimum after tax RoE of 15.5% or 14.00% to investor of the projects. It has prayed to allow the SHAKTI discount as pass through under tariff element as separate cost.



b. Observation by the Commission

The Commission allows the Return on equity as per WBERC tariff regulation in which there is no provision to allow SHAKTI discount as pass through under tariff element as separate cost.

II. Flue Gas De-sulfurization (FGD)

a. Submission by the petitioner

Following the provision of Environment (Protection) Amendment Rules, 2015 dated 7.12.2015 issued by MoEF & CC, GoI, there is need for modification of emission control system by installing the FGD system in the power plant of the petitioner. It is prayed that the additional cost for installation of FGD system which will be submitted at APR stage may be considered by the Commission.

b. Observation by the Commission

The issue of additional cost for FGD system as of now is premature, which shall be considered once the detailed claim is submitted before the Commission.

III. Biomass Pallet

a. Submission by the petitioner

The petitioner has submitted that to comply with MoP, directives, vide notification no. CEA/TETD-TT/2017/M-35/1137-1251 dated November 24, 2017, the Petitioner is actively working to arrange for biomass pallets supplies through a competitive bidding process.

b. Observation by the Commission

The petitioner is directed to make suitable arrangement at the earliest to use co-firing of biomass pellets to comply MoP directives.

IV. Sewage Treatment Plant

a. Submission by the petitioner



1. The petitioner submitted that MoP has mandated the use of treated sewage water by thermal power plants.
2. The Petitioner submitted that, in compliance with the mandate to facilitate the use of treated sewage water by Adhunik Power & Natural Resources Ltd, the following initiatives have been undertaken:
 - A joint visit by APNRL and JUIDCO to survey the proposed pipeline route from Adityapur STP (with a capacity of 20 MLD) to the APNRL plant premises has been completed.
 - A Pre-Feasibility Report (PFR) has been prepared and vetted by both APNRL and JUIDCO.
 - APNRL has submitted a Draft Memorandum of Understanding (MoU) based on the cost of water delivery at the doorstep, and the final signing process with JUIDCO is awaited.
3. The petitioner has requested the Commission to provide the modalities to determine the compensation for the installation of the STP plant. The Petitioner also seeks permission to approach this Commission with all relevant details once the final agreements and arrangements are in place.

b. Observation by the Commission

The petitioner may approach the Commission with relevant details once the arrangement for STP is finalized.



Annexure 4A

Additional Capital Cost claimed vis-à-vis Admitted during FY: 2023-24

Sl. No.	Item of Add- Cap	Claimed (₹ Lakh)	Admitted (₹ Lakh)	Petitioner's justification	Observation of the Commission
1.	DCS hardware and Software in Ash Handling Plant	82	82	The capital expenditure for the upgradation of the DCS (Distributed Control System) Operating System, application software, and hardware for the Ash Handling Plant (AHP) has been incurred to ensure the continued safe and efficient operation of the thermal power plant. It is now obsolete in the absence of support and service Hence upgradation of the system is necessary. Power plant's automation systems are fully reliant on DCS , This capital expenditure is necessary to endure reliable and secure operation of the plant .	Upgradation of DCS Hardware and software for Ash Handling Plant Unit -1 is necessary in the absence of support and service from OEM. The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
2.	Variable Frequency Drive	104	104	The expenditure for the procurement and installation of a Variable Frequency Drive (VFD) for the Condensate Extraction Pump (CEP) Motor was incurred to enhance the efficiency and operational control of the power plant. This upgradation is a critical step toward optimizing plant performance and reducing the carbon footprint, in line with modern energy efficiency standards. Such an improvement could not have been anticipated during the original project planning and construction phases prior to COD, as technological	Upgradation of VFD drive for CEP is necessary to optimizing plant performance and such an improvement could not have been anticipated during the original project planning and construction phases prior to COD, The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.



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				advancements in VFD application and the plant's operational data revealed the potential for substantial efficiency gains.	
3.	BFP Scoop Electromechanical Actuator for Unit-1 and Portable Vibration Meter	30	30	The capital expenditure incurred for the procurement of the BFP (Boiler Feed Pump) Scoop Electromechanical Actuator for unit-1 and the Portable Vibration Meter was essential for ensuring more efficient and reliable plant operations. The existing mechanism had limitations in terms of control accuracy and reliability, leading to potential performance inefficiencies. The new electromechanical actuator ensures smoother and more accurate control, which is critical for maintaining optimal boiler feed water levels and, consequently, the overall operational stability of the power plant. The Portable Vibration Meter was acquired for the critical task of measuring and monitoring the vibration parameters of various rotating equipment within the plant, including the BFP. The installation of the Electromechanical Actuator and the procurement of the Portable Vibration Meter could not have been anticipated or planned prior to the COD.	The petitioner seeks to procure BFP Scoop Electromechanical actuator for BFP and Portable vibration meter for Unit 1 . Such an improvement could not have been anticipated during the original project planning and construction phases prior to COD, The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
4.	Balance work in residential colony	53	53	The capital expenditure incurred for the completion of the balance work in the residential colony was necessary to fulfill the infrastructural	The petitioner has made certain expenditure towards completion of balance civil work in residential colony which was incomplete due to budgetary constraints,



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				requirements for housing plant employees and supporting staff, ensuring a stable and conducive living environment. During the initial construction phase of the residential colony, certain infrastructural works remained incomplete due to budgetary constraints, prioritization of critical plant operations, or unforeseen site conditions. This expenditure is justified as it provides long-term benefits to plant operations, supporting workforce stability and contributing to the overall performance of the power plant.	prioritization of critical plant operations, or unforeseen site conditions. The capitalization is allowed since the same is required for staff retention and operational readiness and hence successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
5.	Vehicle	23	23-	The capital expenditure for the procurement of vehicles was incurred to support essential operations within the plant. Vehicles are a critical asset for ensuring efficient mobility of personnel, tools, and equipment across the large operational area of the thermal power plant, facilitating quicker response times for maintenance, inspections, and other operational needs. Additionally, two vehicles, with a	The petitioner has make capital expenditure to procure vehicle for transporting people, goods and for logistic purpose. The two old vehicles also de capitalized . The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended
6	Other Assets	19	-	The capital expenditure incurred for the procurement of various other assets, including cameras, laptops, air conditioning units, fans, and UPS systems, was essential to support the smooth and efficient functioning of plant operations.	UPS, Printers etc. are considered as Minor assets, which, are not allowed to be capitalized vide Regulation 5.2.3 of Tariff Regulation, 2011, which reads as follows: "5.2.3 Any expenditure on minor items/assets like normal tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing,



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					<i>achiness, heat-convectors, carpets, mattresses etc. bought after cut-off date may not be considered for additional capitalization subject to prudence check by the Commission for determination of tariff. The list of items is illustrative and not exhaustive."</i> Accordingly, the same is not allowed for capitalization.
	TOTAL	311	292		



Annexure 4B

**Additional Capital Cost actually incurred, and claimed vis-à-vis Admitted during
FY: 2024-25**

Sl. No.	Item of Add- Cap	Claimed (₹ Lakh)	Admitted (₹ Lakh)	Petitioner's justification	Observation of the Commission
1.	LP Turbine Rotor with Blade Assembly	1038	-	The capital expenditure for the procurement of an LP (Low-Pressure) Turbine Rotor with Blade Assembly as a standby unit was incurred to ensure the continued availability of critical spare parts for the smooth operation of the power plant. The LP Turbine Rotor is a crucial component of the power generation system, responsible for converting steam energy into mechanical energy, which in turn drives the generator to produce electricity. Given the importance of this equipment, any failure or significant damage to the LP Turbine Rotor can lead to extended downtime, severely affecting the plant's overall availability and power generation capacity. The procurement of the additional LP Turbine Rotor with Blade Assembly was not feasible prior to the COD due to the high capital investment and the need to prioritize initial Commissioning and core plant operations	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
2.	DCS Hardware & Software upgradation in Coal Handling Plant for unit-1	72	72	The capital expenditure for the upgradation of the DCS (Distributed Control System) Operating System, application software, and hardware for the Coal Handling Plant has been incurred to ensure the continued safe and efficient operation of the thermal power plant. It is now obsolete in the absence of support and	Upgradation of DCS Hardware and software for Coal Handling Plant Unit -1 is necessary in the absence of support and service from OEM. The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.



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				service Hence upgradation of the system is necessary. Power plant's automation systems are fully reliant on DCS , This capital expenditure is necessary to endure reliable and secure operation of the plant .	
3.	BFP Scoop Electromechanical Actuator for Unit-2 and Portable Vibration Meter	30	30	The capital expenditure incurred for the procurement of the BFP (Boiler Feed Pump) Scoop Electromechanical Actuator for unit-2 and the Portable Vibration Meter was essential for ensuring more efficient and reliable plant operations. The existing mechanism had limitations in terms of control accuracy and reliability, leading to potential performance inefficiencies. The new electromechanical actuator ensures smoother and more accurate control, which is critical for maintaining optimal boiler feed water levels and, consequently, the overall operational stability of the power plant. The Portable Vibration Meter was acquired for the critical task of measuring and monitoring the vibration parameters of various rotating equipment within the plant, including the BFP. The installation of the Electromechanical Actuator and the procurement of the Portable Vibration Meter could not have been anticipated or planned prior to the COD.	The petitioner seeks to procure BFP Scoop Electromechanical actuator for BFP and Portable vibration meter for Unit 2. Such an improvement could not have been anticipated during the original project planning and construction phases prior to COD, The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
4.	ABT Server	5	5	The capital expenditure for the installation of an ABT (Availability Based Tariff) Server with higher capacity was essential to support the efficient operation of the generator and the management of online generation reports for commercial purposes.	The petitioner has installed ABT server with higher capacity and fast processing. The capitalization is allowed since the same is required f ensuring compliance with regulatory standards and improving transparency in power generation



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				The ABT server, with higher processing and storage capacity, was installed to ensure seamless and reliable real-time data processing related to power generation and tariff management. This system is crucial for ensuring compliance with regulatory standards and improving transparency in power generation and sales, supporting both operational and commercial objectives. The need for a higher-capacity ABT server could not have been fully foreseen prior to the COD	and sales, supporting both operational and commercial objectives. as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
5.	Vehicle	56	56	The capital expenditure for the procurement of vehicles was incurred to support essential operations within the plant. Vehicles are a critical asset for ensuring efficient mobility of personnel, tools, and equipment across the large operational area of the thermal power plant, facilitating quicker response times for maintenance, inspections, and other operational needs.	The petitioner has make capital expenditure to procure vehicle for transporting people, goods and for logistic purpose. The two old vehicles also de capitalized . The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended
6	Other Assets	6	-	The capital expenditure incurred for the procurement of various other assets, including cameras, laptops, air conditioning units, fans, and UPS systems, was essential to support the smooth and efficient functioning of plant operations.	UPS, Printers etc. are considered as Minor assets, which, are not allowed to be capitalized vide Regulation 5.2.3 of Tariff Regulation, 2011, which reads as follows: <i>"5.2.3 Any expenditure on minor items/assets like normal tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing ,achiness, heat-convector, carpets, mattresses etc. bought after cut-off date may not be considered for additional capitalization subject to prudence check by the Commission for determination of tariff. The list of items is illustrative and not exhaustive."</i>



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					Accordingly, the same is not allowed for capitalization.
	TOTAL	1207	163		

Annexure 4C

Additional Capital Cost planned and claimed vis-à-vis Admitted during FY: 2024-25

Sl. No.	Item of Add- Cap	Claimed (₹ Lakh)	Admitted (₹ Lakh)	Petitioner's justification	Observation of the Commission
1.	PA Fan & FD Fan	17	-	The capital expenditure for the procurement of blade assemblies for both the Primary Air (PA) Fans and Forced Draft (FD) Fans is planned to be incurred in FY 2024-25. The planned procurement of spare FD Fan Blade Assemblies is a preventive measure to ensure that the fans can be swiftly repaired or replaced in case of failure, avoiding costly breakdowns and ensuring that the plant maintains the required airflow for proper boiler operation. At the time of the COD, the PA and FD Fans were new, and maintaining spares was not immediately necessary. However, after over 12 years of operation, wear and tear on the blade assemblies has prompted the need for planned procurement of spare components to ensure ongoing operational reliability and prevent future emergencies.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
2.	Coal Pipe and Bends (Cast Basalt Lined)	75		The capital expenditure for the planned procurement of Coal Pipes and Bends (Cast Basalt Lined) is essential for maintaining	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the



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				critical spares to ensure operational reliability in case of an emergency. These components are subject to high local velocity due to the flow of fine coal, leading to significant erosion over time. Maintaining spares is necessary to avoid unexpected breakdowns and minimize operational disruptions. The coal pipes and bends are located in zones where fine coal particles are transported at high local velocities, increasing the risk of erosion. This continuous wear and tear can compromise the structural integrity of the pipes, leading to potential failures and unplanned outages. This proactive approach will help the plant avoid extended shutdowns and minimize the impact on power generation capacity. At the time of the COD, the original coal pipes and bends were new and functioning within design parameters. However, after years of exposure to high-velocity fine coal, the risk of erosion has increased, making the procurement of spares a necessary step to ensure continued reliability and operational efficiency.	replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
3.	Pressure Part	112		The capital expenditure for the planned procurement of following pressure parts is essential to maintain operational reliability for both units, which have been running for over 12 years as of FY 2024-25. Due to the continuous operation and exposure to	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the



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				high-temperature conditions, the burner panel tubes are subject to increased erosion. Procuring spares will ensure that any worn or damaged components can be replaced promptly, avoiding major disruptions. At the time of the COD, the components were new and not yet subject to significant wear. After 12 years of operation, the need to maintain spares has become evident to address wear and erosion issues proactively and ensure continued operational reliability.	generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
4.	Main Vacuum Pump	25		The capital expenditure for the planned procurement of spare parts for the Main Vacuum Pump is essential for ensuring the reliable operation of the turbine generator (TG) system. The life expectancy of the Main Vacuum Pump is approximately 10-12 years, and maintaining spare parts is necessary to avoid failures and ensure continuous availability of this critical equipment. The typical lifespan of a Main Vacuum Pump is around 10-12 years, after which components may begin to deteriorate due to wear and tear. As the pump approaches the end of its service life, the risk of failures and decreased performance increases. At the time of the COD, the Main Vacuum Pump was new and functioning within its expected lifespan. However, as the pump nears the end of its	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				typical service life of 10-12 years, the need to procure spare parts has become necessary to ensure continued reliability and avoid potential failures.	
5.	HPCV Valve, IPCV Valve & Chilled Water Pumps	8		The capital expenditure for the planned procurement of spare HPCV (High Pressure Control Valve) and IPCV (Intermediate Pressure Control Valve) valves, as well as Chilled Water Pumps, is crucial for ensuring the continued reliable operation of the plant, which has been running for over 12 years as of FY 2024-25. Over time, these components experience deterioration, making it necessary to maintain spares to avoid failures and operational disruptions. HPCV and IPCV Valves are critical for regulating pressure and maintaining safe and efficient operation of various plant systems. Due to their high-pressure applications, these valves are subject to significant wear and tear over time. As both units have been in operation for 12 years, the valves are increasingly susceptible to deterioration. This can lead to reduced performance, potential leaks, or failures, which could impact plant operations. At the time of the COD, all valves and pumps were new and functioning within their design parameters. However, after 12 years of operation, the need to maintain spares has	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				become evident due to natural wear and deterioration of these critical components.	
6	Seal Oil Pump-DC	17	-	The capital expenditure for the planned procurement of spare Seal Oil Pump (SO Pump) is crucial for maintaining the reliability and performance of the turbine generator (TG) system. Given that the typical lifespan of the Seal Oil Pump is approximately 6-8 years, procuring spares is necessary to avoid potential failures and ensure the continuous availability of this vital component. The Seal Oil Pump-DC is integral to the operation of the turbine generator system, providing essential lubrication and sealing oil to prevent leakage and maintain proper functioning of the turbine components.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
7	Valves in H ₂ Gas Room and Seal Oil System	43		The capital expenditure for the planned procurement of spare valves in the H₂ Gas Room and Seal Oil System is essential to ensure the reliable operation of both units, which have been running for over 12 years as of FY 2024-25. Over time, these valves experience deterioration due to continuous operation, necessitating the availability of spares to prevent potential failures and maintain system reliability. The H₂ Gas Room valves are crucial for the safe and efficient management of hydrogen, which is used as a cooling medium in the turbine generator system.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				At the time of the COD, all valves were new and operating within their design lifespan. However, after 12 years of continuous operation, these valves have started to show signs of deterioration, and the need to maintain spares has become necessary to ensure continued reliability and safety.	
8	Electric Equipment	53		The planned capital expenditure for the retrofitting of LT breakers, partial battery replacement, and procurement of new relays is necessary to ensure the continued reliable and trouble-free operation of critical plant systems. Many of these components have been in operation since the project commissioning and are nearing the end of their operational life, making it essential to upgrade and replace them to avoid system failures. The existing LT breakers have been in operation since the project phase and are becoming obsolete. As technology has advanced, the current breakers are no longer supported by manufacturers, making maintenance and repair increasingly difficult. At the time of the COD, all breakers, batteries, and relays were new and operating within their expected lifespan. However, after 12 years of continuous use, many of these components have become obsolete or are nearing the end of their operational life, necessitating retrofitting	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				and replacement to maintain system reliability and safety.	
9	Equipment for AHP like Fluidizing blower assembly, Horizontal Pump for ash dyke complete skid etc.	138		The planned capital expenditure for the procurement of Fluidizing Blower Assembly, Horizontal Pump for Ash Dyke (complete skid) and other equipment for AHP is necessary to maintain equipment reliability and ensure the continued smooth operation of the AHP. These components, which have been in use for nearly 8-9 years, have reached the end of their service life and need to be replaced to avoid breakdowns and operational failures. Hence, the planned procurement of Fluidizing Blower Assembly and Horizontal Pump for Ash Dyke is a proactive measure to ensure the reliability, efficiency, and continuity of the AHP. By replacing these components after their expected lifespan, the plant can avoid breakdowns, minimize downtime, and ensure that ash handling operations remain efficient and reliable.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
10	Operating System upgradation of unit-1 DCS HMI	260	260	The planned capital expenditure for the operating system (OS) upgradation of Unit-1 Distributed Control System (DCS) Human-Machine Interface (HMI) is essential to ensure the reliability, security, and efficiency of the plant's automated control systems. The current system operates on Windows XP, which is obsolete and	Upgradation of operating system (OS) upgradation of Unit-1 Distributed Control System (DCS) Human-Machine Interface (HMI) is essential to ensure the reliability, security, and efficiency of the plant's automated control system in the absence of support from OEM, The capitalization is allowed since the same is required for efficient and successful operation of the generating station as per Regulation 5.2.2



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				unsupported, posing significant operational and cybersecurity risks. The planned upgradation will significantly reduce these risks and ensure uninterrupted operation of the control system. It is now obsolete in the absence of support and service Hence upgradation of the system is necessary. Power plant's automation systems are fully reliant on DCS , At the time of the COD, the Windows XP operating system was up to date and fully supported. However, with the advancement of technology and the subsequent discontinuation of support for Windows XP, the system has become obsolete. The need for upgradation has become critical as the hardware and OS now pose operational and security risks. This capital expenditure is necessary to endure reliable and secure operation of the plant .	(iv) of Tariff Regulation 2011 as amended.
11	Other C&I equipment	75	75	The planned capital expenditure for the procurement of Electronic Test Bench, O₂ Analyzers, Batteries, and a Sodium Analyzer is critical for maintaining the reliability and efficiency of various control and instrumentation systems essential for plant operations. These upgrades and replacements are required due to obsolescence, fixed life spans, and the	The planned capital expenditure for the procurement of Electronic Test Bench, O₂ Analyzers, Batteries, and a Sodium Analyzer is critical for maintaining the reliability and efficiency of various control and instrumentation systems essential for plant operations. These upgrades and replacements are required due to obsolescence, fixed life spans, and the need for reliable testing and calibration. The capitalization is allowed since the same is required for efficient and successful



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				need for reliable testing and calibration. Currently, the plant does not have an electronic test bench for the testing and calibration of instruments. This bench is essential for ensuring the accurate and reliable performance of various control and instrumentation equipment. O₂ analyzers are necessary for monitoring oxygen levels in critical boiler operations, which directly impacts combustion efficiency, fuel usage, and emission control. The procurement of new O₂ analyzers is essential for maintaining reliable and efficient boiler operations, ensuring optimal combustion control and compliance with emission norms. The Sodium Analyzer is crucial for monitoring sodium levels in the water-steam cycle, which is important for maintaining water chemistry and preventing corrosion in boilers and turbines. The existing set of batteries installed during the project phase has a life span of 5-8 years, which has now been exceeded. These upgrades and replacements will prevent operational disruptions, maintain accurate process controls, and safeguard key plant equipment from damage.	operation of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
12	Additional BC 3D Conveyor	150	150	The planned capital expenditure for the procurement of an Additional BC-3D Conveyor is necessary to enhance the reliability of the Coal Handling Plant	The capital expenditure for the procurement of an Additional BC-3D Conveyor is necessary to enhance the reliability of the Coal Handling Plant (CHP) and to ensure the continuous supply of coal to the power



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				(CHP) and to ensure the continuous supply of coal to the power plant, thereby avoiding any potential generation loss. The existing coal conveyors are crucial for transporting coal from the coal yard to the plant's boiler. Any failure or breakdown in the current system can lead to significant delays in coal supply, disrupting plant operations. By adding an Additional BC-3D Conveyor, the plant will have greater operational flexibility and reliability in coal handling operations, reducing the risk of bottlenecks or complete system failure.	plant, thereby avoiding any potential generation loss. The capitalization of procuring additional conveyor belt is allowed since the same is required for efficient and successful operation of the coal handling plant and generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
13	CHP Equipment	42		The planned capital expenditure for the procurement of Belt, Snub Pulley, VGF (Vibrating Grizzly Feeder) Exciter and other equipment is essential to ensure the reliability and continuous operation of the Coal Handling Plant (CHP). These components have a fixed service life of approximately 8-10 years, and their timely replacement is critical to prevent operational failures and minimize downtime. At the time of the COD, the belt, snub pulley, and VGF exciter were new and operating within their expected life span. Over the years, due to constant use and exposure to harsh working conditions, these components have reached the end of their service life, necessitating their replacement to maintain the reliability of coal handling operations.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "after writing off the gross value of the original assets from the original capital cost", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				Hence, the planned procurement of CHP Equipment, including the Belt, Snub Pulley, and VGF Exciter, is crucial for ensuring the reliability, efficiency, and continuity of coal handling operations. By replacing these components after their expected life, the plant can avoid operational failures, maintain a consistent coal supply, and ensure smooth power generation operations.	
14	Water Treatment Plant equipment	12	12	The planned capital expenditure for the procurement of Bench Top Conductivity Meter, Multiple Diaphragm Valves, and HCL Measuring Equipment is essential to maintain the accuracy, reliability, and efficiency of the Water Treatment Plant (WTP). These components are critical for monitoring and controlling water quality, which is vital for efficient plant operations. At the time of the COD, the conductivity meter, diaphragm valves, and HCL measuring equipment were newly installed and functioning within their expected life spans. However, after nearly a decade of continuous use, these components have now either reached the end of their service life or are anticipated to face damage, necessitating their replacement to maintain the reliability and accuracy of the water treatment plant operations.	The capitalization for procurement of Bench Top Conductivity Meter, Multiple Diaphragm Valves, and HCL Measuring Equipment is essential to maintain the accuracy, reliability, and efficiency of the Water Treatment Plant (WTP). The capitalization of procurement of Water Treatment Plant Equipment, including the Bench Top Conductivity Meter, Multiple Diaphragm Valves, and HCL Measuring Equipment, is allowed since the same is required for efficient and successful operation of the coal handling plant and generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.



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				Hence, The planned procurement of Water Treatment Plant Equipment, including the Bench Top Conductivity Meter, Multiple Diaphragm Valves, and HCL Measuring Equipment, is essential for maintaining the accuracy, reliability, and efficiency of the water treatment process. By replacing these components, the plant will ensure the continued smooth operation of the water treatment plant, prevent operational disruptions, and maintain optimal water quality for the plant's processes.	
15	Civil Works	325	325	The planned capital expenditure for various civil construction works, including the construction of drains around critical areas and the completion of the boundary wall, is essential for maintaining the infrastructure integrity, safety, and operational efficiency of the plant. It is planned following work Construction of Drain to Avoid Water Accumulation at Chimney Area & Weigh Bridge No. 3, 4, 5 & 6: Construction of Drain from Gate-2 to Village Road (Approx. 120m): Construction of Drain from Gate-2 to Village Road (Approx. 120m):	The planned capital expenditure for various civil construction works, including the construction of drains around critical areas and the completion of the boundary wall, is essential for maintaining the infrastructure integrity, safety, and operational efficiency of the plant. The capitalization of various civil work is allowed since the same is required for efficient and successful operation of the coal handling plant and generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
	TOTAL	1352	822		
	Total in 2024-25	2539	985		

Annexure 4D



Additional Capital Cost planned and claimed vis-à-vis admitted during FY: 2025-26

Sl. No.	Item of Add- Cap	Claimed (₹ Lakh)	Admitted (₹ Lakh)	Petitioner's justification	Observation of the Commission
1.	Coal Mill	82	-	The planned capital expenditure for procuring a spare Coal Mill is critical to ensure the reliability and continuity of plant operations in case of emergency breakdowns. Given the operational demands and the erosive nature of coal, keeping a spare mill is necessary to avoid extended outages. In the absence of a spare coal mill, a breakdown could lead to a significant reduction in generation capacity or even a complete halt in production until repairs are made. This could impact the plant's ability to meet its power generation targets, especially during critical periods. By maintaining a spare coal mill, the plant can ensure it is prepared for unforeseen equipment failures, thereby avoiding potential generation loss and ensuring operational resilience. At the time of the COD, the wear and tear from coal erosion were not fully anticipated. However, after 12 years of continuous operation and recognizing the risks posed by high erosion rates, it has become necessary to maintain a spare coal mill to ensure operational reliability and mitigate the risk of	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.



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				extended downtime in case of failure.	
2.	Economizer Upper and Lower Coil Assembly	60		The planned capital expenditure for procuring a set of Economizer Upper and Lower Coil Assemblies is crucial for maintaining the operational efficiency and integrity of the plant's economizer system. The coils are essential components that experience significant wear due to erosion, and timely replacement is necessary to ensure continued plant performance. The replacement of the economizer coils is part of a proactive maintenance strategy aimed at ensuring the long-term reliability and efficiency of the plant. By addressing the wear and tear of these critical components, the plant will be better positioned to avoid costly emergency repairs and maintain consistent operational performance. At the time of the COD, the economizer coils were newly installed and not yet subject to significant wear. However, after 13 years of operation, the impact of erosion has become pronounced, necessitating the replacement of the coils to maintain the efficiency and reliability of the economizer system.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
3.	APH: Gear Box Assembly	11		The planned capital expenditure for procuring a new APH-Gear Box Assembly is crucial for	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major



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				maintaining the reliability and smooth operation of the Air Preheater (APH) system. Given the operational demands and wear associated with the gearboxes, timely replacement is necessary to avoid potential breakdowns and ensure the efficient functioning of the APH. Hence, at the time of the COD, the APH gearboxes were newly installed and functioning within their expected lifespan. However, after approximately 5 to 8 years of operation, the components have experienced significant wear, necessitating replacement to ensure continued reliability and performance. The planned procurement of the APH-Gear Box Assembly is essential for maintaining the reliability and smooth operation of the APH system. By replacing the gearbox at the appropriate time, the plant will ensure the continued efficient performance of the APH, reduce the risk of operational disruptions, and enhance the overall lifespan of the equipment.	breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
4.	Turbine and Generator Equipment	145		The planned capital expenditure for procuring spares for Turbine and Generator Equipment is crucial for ensuring the reliability, availability, and smooth operation of the plant's turbine and generator systems. The following spares are essential to avoid	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it



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				potential failures and maintain continuous plant operations. The following spares are planned to procure Seal Oil Vacuum Pump: Turbine & Generator Bearing Set: Impeller Assembly and Shaft: At the time of the Commercial Operation Date (COD), the equipment was new and within its expected lifespan. However, with the passage of time and after 13 years of operation, the wear and tear on these components necessitate the procurement of spares to ensure continued reliability and efficiency. Hence, the planned procurement of Turbine and Generator Equipment spares is essential for maintaining the reliability and smooth operation of the turbine and generator systems. By ensuring that spares are available, the plant will enhance its operational efficiency, reduce the risk of downtime, and support the long-term sustainability of the equipment.	is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
5.	Electrical Equipment	54	-	The planned capital expenditure for retrofitting and replacing various Electrical Equipment is crucial for maintaining the operational reliability and efficiency of the plant's electrical systems. Given the obsolescence of some components and the end of service life of critical parts, timely upgrades	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the



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				and replacements are necessary to ensure trouble-free operation and system integrity. Following equipment are planned to replace /retrofit LT Breaker Retrofitting: Battery Replacement: Auxiliary Relay Replacement: At the time of the Commercial Operation Date COD, the electrical equipment was newly installed and functioned within its expected lifespan. However, with the equipment now being outdated and approaching the end of its service life, timely retrofitting and replacement are necessary to ensure continued operational reliability. Hence, the planned procurement and retrofitting of Electrical Equipment are essential for maintaining the reliability and efficiency of the plant's electrical systems. By upgrading obsolete breakers, replacing old batteries, and renewing auxiliary relays, the plant will ensure trouble-free operation, enhance safety, and support the overall efficiency and longevity of its electrical infrastructure.	Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
6	AHP Equipment	52		The planned capital expenditure for procuring various Ash Handling Plant (AHP) equipment spares is crucial for maintaining the reliability and efficiency of the ash handling systems. Given the expected service life	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient



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				of these components, timely replacement is necessary to prevent equipment failures and ensure uninterrupted operation. The following spares are planned to procure Silo Unloading Spout 90 TPH RVF Silo Fluidizing Blower Assembly Vacuum Pump Assembly Clinker Grinder Complete Assembly At the time of the COD, the AHP equipment was new and within its expected operational lifespan. However, after approximately 8 to 9 years of service, these components have reached the end of their effective life and require replacement to ensure continued reliability and performance. Hence, the planned procurement of AHP Equipment spares is essential for maintaining the reliability and efficiency of the ash handling plant. By replacing critical components such as the silo unloading spout, fluidizing blower assembly, vacuum pump, and clinker grinder, the plant will ensure uninterrupted operation, reduce the risk of breakdowns, and support the long-term performance of the ash handling systems.	and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered <i>"after writing off the gross value of the original assets from the original capital cost"</i>, which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
7	Procurement of SOX/NOX	20	20	The planned procurement of SOx/NOx Analyzer	SOx/NOx Analyzer Sensors is critical for enhancing the



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	Analyzer sensors for both Units			Sensors is critical for enhancing the monitoring capabilities and ensuring regulatory compliance of the plant. These sensors are essential for accurate emission measurement and environmental monitoring.	monitoring capabilities and ensuring regulatory compliance of the plant. The capitalization is allowed since the same is required for efficient and successful operation and ensuring regulatory compliance of the plant. of the generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.
8	Additional BC 3D Conveyor	150	150	The planned procurement of an Additional BC-3D Conveyor is essential for maintaining the reliability of the plant's operations and preventing any potential generation losses. This new conveyor system will play a critical role in enhancing the overall efficiency of material handling processes within the plant. Procuring an additional BC-3D Conveyor will provide redundancy and additional capacity in the material handling system. This is essential for avoiding bottlenecks and ensuring smooth and uninterrupted operations. By adding an Additional BC-3D Conveyor, the plant will have greater operational flexibility and reliability in coal handling operations, reducing the risk of bottlenecks or complete system failure. Hence, the procurement of the Additional BC-3D Conveyor is crucial for enhancing the reliability and efficiency of the plant's material handling system. By investing in this new conveyor, the plant will avoid potential	The capital expenditure for the procurement of an Additional BC-3D Conveyor is necessary to enhance the reliability of material handling system and to ensure the continuous supply of This is essential for avoiding bottlenecks and ensuring smooth and uninterrupted operations The capitalization of procuring additional conveyor belt is allowed since the same is required for efficient and successful operation of the material handling system and generating station as per Regulation 5.2.2 (iv) of Tariff Regulation 2011 as amended.



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				generation losses, improve operational efficiency, and support future growth and scalability.	
9	Other CHP Equipment	49		The planned procurement of various CHP (Coal Handling Plant) equipment spares is essential for maintaining the reliability and availability of critical components within the coal handling system. These spares are required to ensure continued smooth operation and prevent potential equipment failures. The following spares are planned to procure Belt Flap Gate Stacker Hence, the procurement of spares for CHP Equipment such as belts, flap gates, and stackers is crucial for maintaining the reliability and efficiency of the coal handling system. By securing these components in advance, the plant will ensure uninterrupted operation, prevent potential equipment failures, and support overall operational efficiency.	From the justifications submitted by the petitioner, it transpires that the assets are slated to be procured to avoid major breakdown. As mentioned, the replacement of this component is essential to maintain the norms of operational parameters as also efficient and successful operation of the generating station. However, it is also noted that as per the Regulation 5.2.7 (ii), such additional work/services should be considered "<i>after writing off the gross value of the original assets from the original capital cost</i>", which petitioner has not submitted on record. In view of above, the capitalization is not allowed as of now.
10	Water Treatment Plant	11		The planned procurement of various Water Treatment Plant Equipment spares is essential for maintaining the reliability and performance of the water treatment system. These spares are required to ensure continued efficient	The planned procurement of various Water Treatment Plant Equipment spares is essential for maintaining the reliability and performance of the water treatment system. These spares are required to ensure continued efficient operation



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				operation and prevent potential system failures The initial focus during COD was on getting the plant operational with essential equipment. The need for advanced measurement instruments like the turbidity meter became apparent only after the plant was in operation and required detailed performance monitoring. Hence, the procurement of Water Treatment Plant Equipment spares, including diaphragm valves, manual diaphragm valves, and turbidity meters, is crucial for maintaining system reliability and performance. By investing in these spares, the plant will ensure continued efficient operation, prevent potential failures, and support accurate water quality measurement. The decision to procure these spares post-COD is aligned with evolving maintenance needs and the ongoing optimization of plant operations.	and prevent potential system failures Failures This expenditure is already allowed in planned additional capitalization in FY 2024-25 , Hence it is not allowed for FY 2025026
	TOTAL	634	170		



Annexure 4E

Admissible Depreciation for the year 2023-24

(₹in Lakh)

Sl no	Particulars	Claimed		Admitted	
		GFA	Depreciation	GFA	Depreciation
A	Opening Value for the year	337945.00	102725.00	326654.05	115596.34
i	Land – free hold	10137.00	0.00	10137.00	0.00
ii	Assets fully depreciated	0.00	0.00	0.00	0.00
iii	Assets depreciated 70% to 90%	325.00	292.00	314.14	282.24
iv	Assets depreciated less than 70%	327483.00	102433.00	316202.91	115314.10
B	Addition of asset during the year incl. discharge of liability	1289.00		1271.00	
C	Retirement of asset during the year	17.00	0.00	17.00	
D	Assets to be depreciated during the year	339217.00	16484.00	327908.05	15917.51
i	Land – free hold	10137.00	0.00	10137.00	0.00
ii	Assets depreciated 70% to 90%	337.00	6.00	325.74	5.80
iii	Assets depreciated less than 70%	328743.00	16478.00	317445.31	15911.71
iv	Less: depreciation of funded assets	0.00	0.00		0.00
E	Net depreciation		16484.00		15917.51
F	Closing Value for the year	339217.00	119208.00	327908.05	131513.85
i	Land – free hold	10137.00	0.00	10137.00	0.00
ii	Assets fully depreciated	0.00	0.00	0.00	0.00
iii	Assets depreciated 70% to 90%	337.00	298.00	325.76	288.07
iv	Assets depreciated less than 70%	328743.00	118910.00	317445.29	131225.78



Admissible Depreciation for the year 2024-25

(₹in Lakh)

	Particulars	Claimed		Admitted	
		GFA	Depreciation	GFA	Depreciation
A	Opening Value for the year	339217.00	119208.00	327908.05	131513.85
i	Land – free hold	10137.00	0.00	10137.00	0.00
ii	Assets fully depreciated	0.00	0.00	0.00	0.00
iii	Assets depreciated 70% to 90%	337.00	298.00	325.76	288.07
iv	Assets depreciated less than 70%	328743.00	118910.00	317445.29	131225.78
B	Addition of asset during the year	3539.00		985.00	
C	Retirement of asset during the year	11.00		11.00	
D	Assets to be depreciated during the year	342745.00	16625.00	328882.05	15932.13
i	Land – free hold	10137.00	0.00	10137.00	0.00
ii	Assets depreciated 70% to 90%	383.00	26.00	370.23	25.13
iii	Assets depreciated less than 70%	332225.00	16599.00	318374.82	15907.00
iv	Less: depreciation of funded assets	0.00	0.00		0.00
E	Net depreciation		16625.00		15932.13
F	Closing Value for the year	342745.00	135833.00	328882.05	147445.98
i	Land – free hold	10137.00	0.00	7060.00	0.00
ii	Assets fully depreciated	0.00	0.00	0.00	0.00
iii	Assets depreciated 70% to 90%	383.00	324.00	367.51	310.90
iv	Assets depreciated less than 70%	332225.00	135509.00	321454.54	147135.08



Admissible Depreciation for the year 2025-26

(₹ in Lakh)					
	Particulars	Claimed		Admitted	
		GFA	Depreciation	GFA	Depreciation
A	Opening Value for the year	342745.00	135833.00	328882.05	147445.98
i	Land – free hold	10137.00	0.00	7060.00	0.00
ii	Assets fully depreciated	0.00	0.00	0.00	0.00
iii	Assets depreciated 70% to 90%	383.00	324.00	367.51	310.90
iv	Assets depreciated less than 70%	332225.00	135509.00	321454.54	147135.08
B	Addition of asset during the year	1634.00		170.00	
C	Retirement of asset during the year	0.00			
D	Assets to be depreciated during the year	344379.00	16752.00	329052.05	16137.49
i	Land – free hold	10137.00	0.00	7060.00	0.00
ii	Assets depreciated 70% to 90%	383.00	20.00	107.07	5.59
iii	Assets depreciated less than 70%	333859.00	16732.00	321884.98	16131.90
iv	Less: depreciation of funded assets		0.00		0.00
E	Net depreciation		16752.00		16137.49
F	Closing Value for the year	344379.00	152585.00	329052.05	163583.47
i	Land – free hold	10137.00	0.00	7060.00	0.00
ii	Assets fully depreciated	383.00	344.00	0.00	0.00
iii	Assets depreciated 70% to 90%	812.00	597.00	779.16	572.86
iv	Assets depreciated less than 70%	333047.00	151644.00	321212.89	163010.61



CHAPTER- 5 TARIFF ORDER

5.1 In this Chapter, the tariff applicable for selling power to West Bengal State Electricity Distribution Company Limited (WBSEDCL) through Power Trading Corporation (PTC), for a net capacity of 100 MW, is delineated. This includes the determination of the Capacity Charge, Energy Charge, relevant clauses from the Power Supply Agreement (PSA)/Power Purchase Agreement (PPA), and reference to the Commission's pertinent orders.

5.2 Capacity Charge:

- a.** The Commission has admitted annual fixed charge for 100 MW net capacity allocated to WBSEDCL in table 4.21 as below:

Table 5.1: Capacity Charge for WBSEDCL

Year	Target Normative Availability Factor	Annual Capacity Charge (₹ Lakh)
2023-24	85%	10466.12
2024-25		10249.23
2025-26		10163.36

- b.** APNRL shall recover the annual capacity charge from WBSEDCL on monthly basis depending on actual availability during the month certified by ERLDC/ SLDC, as the case may be, with reference to the target normative annual availability subject to the conditions as laid down in regulation 6.11.4 of the tariff regulation as amended from time to time.

5.3 Energy Charge:

- a.** The Energy Charge including SHAKTI discount shall be recovered at the following rates based on the scheduled energy certified by SLDC:

Table 5.2: Energy Charge Rate

Year	Energy Charge Rate (₹/ kWh)
2023-24	2.756
2024-25	2.129



2025-26	2.129

- b. The Petitioner shall recover any variation in fuel cost through the Monthly Fuel Cost Adjustment (MFCA) formula as specified in the Tariff Regulations. These rates include the SHAKTI discount. Since the SHAKTI discount has been incorporated in these rates, no additional SHAKTI discount shall be admissible to WBSEDCL on these rates.
- c. These rates exclude any trading margin, which shall be payable as per the provision of PPA
- d. The Petitioner shall submit all relevant details of the fuel cost, as specified in the Tariff Regulations, to WBSEDCL along with the monthly bills.
- 5.4 The tariff shall be effective from 1st April of respective financial years. Any over-recovery or under-recovery during FY 2023-24 and FY 2024-25, shall be considered for adjustment during the Annual Performance Review. For the FY 2025-26 the tariff shall be applicable from 01.04.2025 onwards and shall remain in force until further order of the Commission.
- 5.5 For merit order dispatch, the SLDC/ALDC shall consider the Energy Charge of the generating stations of APNRL, as determined in paragraph 5.3 of this Tariff Order, prospectively along with the applicable MFCA, if any, from the next day of the issuance of this Order. APNRL and WBSEDCL shall provide details of the Energy Charge rate and the MFCA to the SLDC for the purpose of merit order despatch.
- 5.6 The Petitioner shall submit to the Commission a gist of this Order, in accordance with Regulation 2.9.6 of the Tariff Regulations, within five working days from the date of receipt of this Order for approval. Upon receiving the Commission's approval, the Petitioner shall publish the approved gist within four (4) working days thereafter, in accordance with the provisions of the aforementioned Regulations.



5.7 The Petitioner is directed to submit the FPPCA and APR Petition for FY 2023-24 within three months from the date of issuance of this Order.

5.8 The Petition is thus disposed of.

Sd/-

(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

DATE: 31.03.2025

Sd/-

DEPUTY DIRECTOR, WBERC