



ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO: APR(R)-43/24-25

IN REGARD TO PETITION SUBMITTED BY CESC LIMITED FOR REVIEW OF THE ORDER DATED 05.10.2024 PASSED BY THE COMMISSION IN CASE NO. FPPCA-99/20-21 AND APR-83/20-21 UNDER SECTION 94(1)(F) OF THE ELECTRICITY ACT, 2003 READ WITH REGULATION 3.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2013 READ WITH ORDER 47 RULE 1 OF THE CODE OF CIVIL PROCEDURE, 1908.

PRESENT:

DR. MALLELA VENKATESWARA RAO, CHAIRPERSON

DATE: 03.03.2025



CASE IN BRIEF

- 1.0 This is in regard to the application submitted by CESC Limited (hereinafter referred to as the "Review Petitioner") for review of the FPPCA (Fuel and Power Purchase Cost Adjustment) and APR (Annual Performance Review) Order dated 05.10.2024 (Impugned Order) issued by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21.
- 2.0 The Review Petitioner has submitted their review petition dated 12.11.2024, within timeline as specified in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013. The review petition was admitted by the Commission on 21.11.2024 in Case No. APR (R)-43/24-25.
- 3.0 It is submitted that there are sufficient causes for reviewing, rectifying and modifying the Impugned Order to the extent and for the reasons set out in this Review Petition. It is also submitted that while passing the Impugned Order, this Commission inadvertently omitted to consider certain documents on record and the submissions made by the Review Petitioner, leading to inconsistencies/apparent errors in the Impugned Order. The Review Petitioner by way of this review petition is praying this Commission to remove such inconsistencies / apparent errors and pass appropriate order(s).
- 4.0 The issues associating the Impugned Order for the year 2019 – 2020, as highlighted by the Review Petitioner in their review petition, for review are as follows:
 - A) Inadvertent Double Deduction of cost for assets considered as O&M – for Generation;
 - B) Inadvertent Double Deduction of cost for assets considered as O&M – for Distribution;
 - C) Non-allowance of Capital cost for assets being carried forward to subsequent period;
 - D) Non-allowance of Capital cost for assets created under Regulation 5.2.3;
 - E) Principles adopted during MYT has been modified during APR.



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



5.0 This is stated by the Review Petitioner, supported by affidavit that they have not filed any Appeal or any other proceedings as of 12.11.2024 (the date of filing of the present petition) in relation to the Impugned Order.

6.0 The prayers of the Review Petitioner have been narrated above. Now, the Commission proceeds to find out whether any case for review has been made out by the Review Petitioner in terms of Order 47 Rule 1 of CPC, according to which a person aggrieved by order of a Court can file review on the following grounds, if no appeal against the said order has been filed:

- (a) Discovery of new and important matter of evidence which after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the decree was passed or order made;
- (b) On account of some mistake or error apparent on the face of record; and
- (c) For any other sufficient reason.

6.1 In this connection, reference could be made to the following judgments:

- (a) In **Lily Thomas & Ors. vs. Union of India & Ors. [(2000) 6 SCC 224]** Judgment, the Hon'ble Supreme Court has held as under:

"56. It follows, therefore, that the power of review can be exercised for correction of a mistake and not to substitute a view. Such powers can be exercised within the limits of the statute dealing with the exercise of power. The review cannot be treated as an appeal in disguise. The mere possibility of two views on the subject is not a ground for review...."

- (b) In **Union of India vs. Sandur Manganese and Iron Ores Limited & others {(2013) 8 SCC 337}**, the Hon'ble Supreme Court has held as under:

"23. It has been time and again held that the power of review jurisdiction can be exercised for the correction of a mistake and not to substitute a view. In Parsion Devi & Others Vs. Sumitri Devi & Others, this Court held as under:

"9. Under Order 47 Rule 1 of CPC, a judgment may be open to review inter alia if there is a mistake or an error apparent on the face of the record. An error which is not self-evident and has to be detected by a process of reasoning, can hardly be said to be



an error apparent on the face of the record justifying the court to exercise its power of review under Order 47 Rule 1 of CPC. In exercise of the jurisdiction under Order 47 Rule 1 of CPC, it is not permissible for an erroneous decision to be "reheard and corrected". A review petition, it must be remembered has limited purpose and cannot be allowed to be "an appeal in disguise."

(c) In **M/S Goel Ganga Developers India Pvt. Ltd. vs. Union of India 2018 SCC Online SC 930**, the Hon'ble Supreme Court has held as under:

"In this behalf, we must remind ourselves that the power of review is a power to be sparingly used. As pithily put by Justice V.R. Krishna Iyer, J., "A plea for review, unless the first judicial view is manifestly distorted, is like asking for the moon"

2. The power of review is not like appellate power. It is to be exercised only when there is an error apparent on the face of the record. Therefore, judicial discipline requires that a review application should be heard by the same Bench. Otherwise, it will become an intra-court appeal to another Bench before the same court or tribunal. This would totally undermine judicial discipline and judicial consistency"

7.0 Review sought on the issues of paragraph 4.0 have been discussed below:

7.1 **Principles adopted during MYT has been modified during APR:**

7.1.1 **Review Petitioner's submission:**

7.1.1.1 For coal from captive mine at Sarisatolli, mining charges are not passed on to the consumers in accordance with the statutory provisions. However, apart from mining costs, certain other charges like sizing/ crushing in mine, transportation, evacuation facility charges etc. are incurred. These costs are covered in accordance with various price notifications issued by Coal India Limited, e.g. CIL:S&M:GM(F): Pricing 2017/767 dated 31.08.2017 for sizing / crushing charges, CIL:S&M:GM(F)/Pricing 2017/1005 dated 19.12.2017 for Evacuation facility charges and relevant notifications for surface transportation charges. All such notifications are in the records of the Commission, submitted through Pages 26 to 30 and 57 of Volume 10 of the Supplementary APR Petition submitted on 30.05.2022.



7.1.1.2 During issue of the MYT Order, all these charges were clearly discovered and allowed by the Commission. However, during the APR exercise, these expenses were disallowed. In terms of Regulations 2.6.8 and 2.6.9 of the Tariff Regulations, an application of Annual Performance Review is required to be reviewed in the same manner as done during determination of ARR of the ensuing year.

7.1.1.3 The law is well settled that it is not permissible to adopt or apply new principles at the stage of Annual Performance Review, which is also encapsulated in Regulation 2.6.8 of the Tariff Regulations. In this regard, it may be relevant to refer to the observations made by Hon'ble Supreme Court in paragraph 54 to 56 in BSES Rajdhani Power Ltd. v. Delhi Electricity Regulatory Commission, (2023) 4 SCC 788.

7.1.2 **Commission's view:**

It has been held by the Hon'ble Apex Court in the decision in Lily Thomas(supra) that the error contemplated under the rule must be such which is apparent on the face of the record and not an error which has to be fished out and searched. It must be an error of inadvertence (para 58). Regarding the issue raised, there is no error in the face of the APR order. The principles adopted by the Commission in paragraphs 3.10.2.4 and 3.10.2.5 of the Impugned Order dated 05.10.2024 are self-explanatory which have been questioned by the Review Petitioner. As per Order 47 Rule 1 of CPC, the review of such principle does not fall within the review principles as laid down in section 114 of the CPC.

7.2 ***Non-allowance of Capital cost for assets being carried forward to subsequent period:***

7.2.1 **Review Petitioner's submission:**

7.2.1.1 In Para 4.10.2 of the Impugned Order, the capital expenditure claimed by the Review Petitioner in FY 2019-20 was classified under various heads by the Commission applying some general criteria for identifying capex based on use and benefits accruing pattern. One of the such heads is "Capex for Assets carried forward to subsequent period for servicing through tariff on completion" [numbered vi in paragraph 4.10.2].



7.2.1.2 The Commission noted the following with respect to the above-stated head of capital expenditure claimed by the Review Petitioner:

“However, regarding SI No vi it has been observed that in some cases under generation scheme and under special distribution projects similar items have been repeated subsequently and has been concluded in subsequent year/years. For such items, the capex is considered to be carried over and which will be considered in the APR of that particular year when it is completed for admitting as fixed assets. Otherwise, all admissible capex are considered to be transferred to fixed assets in the current APR year of 2019-20.”

7.2.1.3 In view of the aforesaid, in the Impugned Order, the Commission disallowed Review Petitioner’s request for capital expenditure on account and held as under:

“For capex carried forward to subsequent year/years amounting to Rs. 10135 lakh will be considered as fixed asset addition in subsequent APRs when these special distribution projects are completed;”

7.2.1.4 The Review Petitioner submits that the above finding of the Commission is not borne out of records and is based on mistaken assumptions. In this regard it may be noted from the Petition that Rs. 7063 lakhs of such assets were commissioned in 2019-20 (submitted through Annex 1 of the Supplementary APR Petition submitted on 30.05.2022, Volume 2, Page 94). As is clearly disclosed in the Petition, projects of Rs. Rs.7063 lakhs, as mentioned above, were completed and commissioned in Financial Year 2019-20.

7.2.1.5 It may be noted that for such projects, commissioning can take in parts over more than one year. The assets are ‘put to use’ in parts and start functioning for the distribution system. The balance work might be completed in subsequent years and those remaining parts are ‘put to use’ upon capitalization of such balance parts.

7.2.1.6 Therefore, going by the principle of identifying capex based on use and benefits accruing pattern adopted by the Commission in the Impugned Order, these special projects of Rs. 7063 Lakhs which started functioning from the said year and whose details were provided in the petition, have clearly been mistakenly overlooked by the Commission while passing the Order under Review.



7.2.1.7 Hence, the Company prays for additional allowance of Rs. 7063 lakhs on this account, and consequential rectifications in return on equity, interest allowed, depreciation and temporary accommodation.

7.2.2 Commission's view:

The Commission, after due analysis as elaborated in paragraph 4.10.2 and Annexure 4G of the Impugned Order, had decided that capex carried forward to subsequent year/years amounting to Rs. 10135 lakh including Rs. 9926 lakh for Special Distribution Projects, will be considered as fixed asset addition in subsequent APRs when these projects are completed.

Now, the Review Petitioner claims that assets of Rs. 7063 Lakhs of the special distribution project are 'put to use' in parts as detailed in the APR petition, contending, additional allowance of Rs. 7063 lakhs on this account, and consequential rectifications in return on equity, interest allowed, depreciation and temporary accommodation gets applicable in the instant Review Petition.

The Commission is of the view that the instant claim is clearly 'an appeal in disguise' with reference to the discussions in paragraph 6.0 of this order. Hence, the issue raised by the Review Petitioner on this count is rejected.

7.3 Non-allowance of Capital cost for assets created under Regulation 5.2.3:

7.3.1 Review Petitioner's submission:

7.3.1.1 Under Para 4.10.2 iii) of the Subject Order "*Capex for items falling under Regulation 5.2.3*" has been looked into by the Commission and under Para 4.10.2 d) of the Subject Order, "*Asset, created under regulation 5.2.3 for Rs. 3524 lakh is not admitted;*".

7.3.1.2 In terms of the Tariff Regulations, Rs.10 Crores, being lower than 1% of total business turnover of that financial year, was allowable and there has been an apparent oversight in the Impugned Order in as much as there has been remiss in noting and following the mandate of Proviso to Regulation 5.2.3 of the Tariff Regulations.



7.3.1.3 The Review Petitioner, therefore, prays for additional allowance of Rs.10 Crores on this account, and consequential rectifications in return on equity, interest allowed, depreciation and temporary accommodation.

7.3.2 **Commission's view:**

The Proviso to Regulation 5.2.3 of the Tariff Regulations applies when expenditures under the main Regulation 5.2.3 are considered as additional capitalization by the Commission after prudence check. Since the Commission in paragraph 4.10.2 of the Impugned Order has not admitted Rs. 3524 lakh as Asset, created under regulation 5.2.3 of the Tariff Regulations, the Proviso to Regulation 5.2.3 does not arise.

In light of the above discussion, it is evident that the Review Petitioner is essentially seeking re-examination of the issue on merit which is beyond the scope of review as held by the Hon'ble Supreme Court in catena of the Judgments as referred at para 6.0 above. The review on this ground fails and is accordingly rejected.

7.4 ***Inadvertent Double Deduction of cost for assets considered as O&M – for Generation:***

7.4.1 **Review Petitioner's submission:**

7.4.1.1 In the Impugned Order, the Commission has admitted *"the actual O&M expense as incurred by CESC during 2019-20 in full in the instant order for Budge Budge and Southern Generating stations as the same is within the normative ceiling of O&M Expenses stipulated in the WBERC Tariff Regulations"*. Thus, for Budge Budge Generating Station, Rs.8222 lakhs have been allowed against Rs.11047 lakhs, resulting in a gap of Rs.2825 lakhs. For Southern Generating Station, against Rs.2353 lakhs, Rs.1641 lakhs have been allowed, resulting in a gap of Rs.712 lakhs.

7.4.1.2 Further, in Para 4.10.2 (iv) of the Impugned Order, the Commission has considered *"O&M nature of expense considered by CESC Limited as Capex"*. As a result, in Para 4.10.2 e), the Commission concluded that *"asset for Rs.4616 lakh are found of O&M nature and not admitted;"*



7.4.1.3 Thus, Rs.2430 lakhs of Budge Budge assets have been disallowed for being of O&M nature, whereas there is a gap of Rs.2825 lakhs with respect to non-allowance of normative O&M, in terms of the Impugned Order. Similarly, Rs.67 lakhs of Southern assets have been considered as O&M related, whereas there is a gap of Rs.712 lakhs in normative Southern O&M. However, it is noticed that while these amounts have been deducted from Capital Expenditure, they have correspondingly not been included in O&M Expenditure, thereby, resulting in double deduction. This is an apparent oversight in the Impugned Order.

7.4.2 **Commission's view:**

7.4.2.1 The Commission notes that the Capex of generating stations disallowed in the Impugned Order considering as O&M nature has not been included under O&M expense either constituting an error on the face of the order.

7.4.2.2 Accordingly, under Order 47 Rule 1 of CPC, the review of such errors come under jurisdiction of this Commission in view of the decision of the Hon'ble Apex Court in Lily Thomas(supra).

7.4.2.3 In view of the above, the Commission re-determines the O&M expenses of generation for the year 2019 – 20 as shown in subsequent paragraph.

7.4.2.4 The Commission has considered Rs. 2430 lakh and Rs. 67 lakh of capex claimed by the Review Petitioner as O&M expense. Thus, after review of the aspect, the actual O&M expense of the generating stations becomes Rs. 10,652 Lakh (Rs. 8222 lakh + Rs. 2430 lakh) for Budge Budge and Rs. 1,708 Lakh (Rs.1641 lakh + Rs. 67 lakh) for Southern. Therefore, the Table 4.4-2 of the impugned Order regarding admitted Generation O&M Expenses is redetermined as below:

Table 7.4.2.4: Generation O&M Expenses admitted



Particulars	Installed Capacity	Admitted amount for FY 2019 – 20 as per Tariff Order	Claimed in APR	Actual expense as per Table 4.4-2 of Impugned Order	Admitted in Impugned Order	Actual expense (as discussed above)	Admissible in this Review Order
	MW	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Budge Budge	750.00	11,047.50	11,047.00	8,222.00	8,222.00	10,652.00	10,652.00
Southern	135.00	2,353.05	2,353.00	1,641.00	1,641.00	1,708.00	1,708.00
Titagarh	375.00	0.00	764.00	765.00	0.00	764.00	0.00
Total O&M	1,260.00	13,400.55	14,164.00	10628.00	9,863.00	13,124.00	12,360.00

7.5 ***Inadvertent Double Deduction of cost for assets considered as O&M – for Distribution:***

7.5.1 **Review Petitioner's submission:**

7.5.1.1 The Commission has admitted the actual expenditure for distribution R&M expenses - "Since R&M expense is a controllable element and the claimed amount of Rs. 15,761.00 lakh is within the admitted amount of **Rs. 19,201.00 lakh** (Rs. 20,655.00 - Rs. 1,454.00) allowed in the Tariff order, the actual expenditure is admitted". Thus, for distribution function, Rs. 15761 lakhs have been allowed against Rs. 19201 lakhs, resulting in lowering of Distribution R&M by Rs. 3440 lakhs (Rs. 19201 lakhs – Rs. 15761 lakhs).

7.5.1.2 Further, as discussed above, in Para 4.10.2 (iv) of the Subject Order, the Commission has considered "O&M nature of expense considered by CESC Limited as Capex" (Internal Page 52 of the Subject Order, Page 89 of Review Petition). As a result, in Para 4.10.2 e), the Commission concluded that "asset for Rs.4616 lakh are found of O&M nature and not admitted;".

7.5.1.3 Thus, in totality Rs. 2119 lakhs of assets under Distribution function were disallowed for being of O&M nature, whereas there is a lowering of Rs. 3440 lakhs with respect to non-allowance of the amount admitted in the MYT Order, in terms of the Subject Order. However, it is noticed that while these amounts have been deducted from Capital Expenditure, they have correspondingly not been included in O&M Expenditure. This is an apparent oversight in the Subject Order.



7.5.1.4 Since actual R&M expenses has been considered for the distribution function, resulting in a significant gap with respect to amount admitted in the MYT Order and certain capital expenditure has been considered as O&M related and disallowed, we pray that this deduction is rectified and Rs. 2119 lakhs is allowed towards R&M of distribution.

7.5.2 Commission’s view:

7.5.2.1 The Commission notes that O&M nature of expense considered by the Review Petitioner as Capex of distribution function at Rs. 2119 lakh has been disallowed as Capex but not considered under Repair & Maintenance (R&M) expense for Distribution either is an error on the face of the order.

7.5.2.2 Accordingly, under Order 47 Rule 1 of CPC, the review of such errors come under jurisdiction of this Commission in view of the decision of the Hon’ble Apex Court in Lily Thomas(supra).

7.5.2.3 In view of the above, the Commission re-determines the R&M expenses of Distribution for the year 2019 – 20 as shown in subsequent paragraph.

7.5.2.4 The R&M expense for Distribution admitted in the Impugned Order is Rs. 15,761 lakh and further Rs. 2,119 lakh is considered as O&M nature of expense considered by the Review Petitioner as Capex of distribution function. Therefore, the R&M expenses pertaining to Distribution is considered at Rs 17,880 lakh (Rs 15,761 lakh + Rs 2,119 lakh). Thus, R&M Expenses (Distribution & Supply / Selling) for the year 2019 – 2020 [Table 4.6-3 of the impugned order] is redetermined at Rs 17,880 lakh as below:

Table 7.5.2.4: R&M Expenses (Distribution & Supply / Selling)

Particulars	Allowed in Tariff Order	Claimed in APR	Capex claimed of O&M nature	Admitted in Impugned Order	Admissible in this Review Order
Repairs & Maintenance	20,655.00	15,761.00	2,119.00	15,761.00	17,880.00
Total	20,655.00	15,761.00	2,119.00	15,761.00	17,880.00



7.6 Consequently, the revised admissible interest on temporary accommodation [Table 4.10-6 of the Impugned Order] works out as below:

Table 7.6: Calculation of Normative Interest on Temporary Accommodation

Sl. No.	Particulars	Amount (Rs. Lakh)
A	Opening balance Admissible Temporary Accommodation Requirement on 01.04.2019	1,04,998.91
B	Addition during the year	
	Recoverable as per this APR Review Order 2019-20	18,398.77
	Total Addition during the year	18,398.77
C	Closing Balance of Admissible Temporary Accommodation Requirement as on 31.3.2020 (A + B)	1,23,397.68
D	Average Balance in 2019-20 requiring temporary accommodation (A+C) / 2	1,14,198.30
E	Rate of interest	9.74%
F	Interest on Temporary Accommodation (D x E)	11,122.91

7.7 However, interest on admissible Working Capital [Table 4.10-5 of the impugned order] remains zero as determined in below table:

Table 7.7: Calculation of Normative Interest on Working Capital

Sl. No.	Particulars	Amount (Rs. Lakh)
A1	Net Fixed Cost	3,29,578.06
A2	Fuel and Power Purchase Cost	4,40,755.49
A	Annual fixed Cost, fuel cost and power purchase (A1 + A2)	7,70,333.55
B1	Less: Depreciation including Advance Against Depreciation	45,072.58
B2	Less: Deferred Revenue Expenditure	
B3	Less: Return on Equity	63,694.01
B4	Less: Bad Debt	2,112.00
B5	Less: Reserve for unforeseen exigencies	
B	Total Deductions: (sum B1:B5)	1,10,878.59
C	Allowable Gross Sales for Working Capital (A – B)	6,59,454.96
D	Allowable Working Capital @ 10% on C	65,945.50
E	Cash Security Deposit	1,62,267.00
F	Requirement of Working Capital Loan	0.00
G	Interest on Working Capital	0.00



7.8 Based on the analyses and findings recorded in the foregoing paras, the Commission now redetermines Aggregate Revenue Requirements (ARR) of Budge Budge, Titagarh, Southern and overall CESC for the year 2019 – 2020. Annexure 4A to 4E of the impugned order are redetermined as Annexure 4A to 4E enclosed with this order.

7.9 Thus, the fixed cost for generating stations, distribution business and overall [Table 4.24-1 of the Impugned Order] are reworked out as under:

Table 7.9: Allocation of Fixed Costs

Sl. No.	Particulars	Admitted Fixed cost of Impugned Order (Annexure 4A to 4E) (Rs. lakh)	Admissible Fixed cost in this Review Order (Annexure 4A to 4E) (Rs. Lakh)
1	Generation function		
	Budge Budge	54,267.04	56,697.04
	Titagarh**	3,889.00	3,889.00
	Southern	10,365.63	10,432.63
	Generation	68,521.67	71,018.67
2	Distribution Function	2,56,204.09	2,58,559.39
	Total	3,24,725.76	3,29,578.06

** For Titagarh, only employee cost is allowed.

Annexure 4A

**Generation
Budge Budge Generating Station**

Rs. Lakh

Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
1	Water Charges/Cess	6.77	5.00	5.00	5.00
2	Coal & Ash Handling Charges	906.64	915.00	915.00	915.00
3	Operation & Maintenance Expenses	11,047.50	11,047.00	8,222.00	10,652.00
4 (a)	Employee Cost	6,885.00	8,406.00	8,406.00	8,406.00
(b)	Contractual manpower in regular establishment	3,875.00	3,771.00	3,771.00	3,771.00
5	Rent for generation		0.00	0.00	0.00



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Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
6	Rates & Taxes (other than Income Tax)	420.00	360.00	360.00	360.00
7	Insurance	517.00	1,135.00	1,135.00	1,135.00
8	Corporate Social Responsibility		549.00	0.00	0.00
9	Interest on Capital Borrowings (incl. interest on normative debt)	1,542.00	1,742.00	1,518.49	1,518.49
10	Interest on Working Capital		0.00		
11	Other Finance Charges	626.92	261.00	184.99	184.99
12	Bad Debt		0.00		
13	Depreciation	5,561.00	5,670.00	5,486.93	5,486.93
14	Advance against Depreciation	2,782.00	1,170.00	798.95	798.95
15	Written off Intangible Assets		0.00		
16	Return on Equity	16,782.00	16,776.00	16,432.07	16,432.07
17	Reserve for Unforeseen Exigencies		0.00		
18	Income Tax	2,931.94	5,473.00	5,472.81	5,472.81
19	Performance Incentive		2,036.00	2,087.17	2,087.17
20	Gross Fixed Charges (1 to 19)	53,883.77	59,316.00	54,795.41	57,225.41
21	Less: Income from Non-Tariff Sources	3,055.95	445.00	528.37	528.37
22	Less: Benefits passed on to consumers for sale to persons other than consumers or licensee		77.00		
23	Less: Benefits to pass on to consumers for Auxiliary Services		0.00		
24	Total Net amount deductible (21 to 23)	3,055.95	522.00	528.37	528.37
25	Net Fixed Charge for the year 2019 - 20 (20-24)	50,827.82	58,794.00	54,267.04	56,697.04

Annexure 4B

**Generation
Titagarh Generating Station**

Rs. Lakh

Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
1	Water Charges/Cess	0.00	0.30	0.00	0.00
2	Coal & Ash Handling Charges	0.00	0.00	0.00	0.00
3	Operation & Maintenance Expenses	0.00	764.00	0.00	0.00
4 (a)	Employee Cost	6,068.00	3,889.00	3,889.00	3,889.00
(b)	Contractual manpower in regular establishment	0.00	0.00	0.00	0.00



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
5	Rent for generation		0.00		
6	Rates & Taxes (other than Income Tax)	0.00	83.00	0.00	0.00
7	Insurance	0.00	6.00	0.00	0.00
8	Corporate Social Responsibility		48.00		
9	Interest on Capital Borrowings (incl. interest on normative debt)	0.00	0.00	0.00	0.00
10	Interest on Working Capital		0.00		
11	Other Finance Charges	0.00	8.00	0.00	0.00
12	Bad Debt		0.00		
13	Depreciation	522.00	564.00	0.00	0.00
14	Advance against Depreciation	261.00	116.00	0.00	0.00
15	Written off Intangible Assets		0.00		
16	Return on Equity	1,458.00	1,464.00	0.00	0.00
17	Reserve for Unforeseen Exigencies		0.00		
18	Income Tax	254.70	478.00	0.00	0.00
19	Performance Incentive		0.00	0.00	0.00
20	Gross Fixed Charges (1 to 19)	8,563.70	7,420.30	3,889.00	3,889.00
21	Less: Income from Non-Tariff Sources	125.00	39.00	0.00	0.00
22	Less: Benefits passed on to consumers for sale to persons other than consumers or licensee		0.00		
23	Less: Benefits to pass on to consumers for Auxiliary Services		0.00		
24	Total Net amount deductible (21 to 23)	125.00	39.00	0.00	0.00
25	Net Fixed Charge for the year 2019 – 20 (20-24)	8,438.70	7,381.30	3,889.00	3,889.00

Annexure 4C

**Generation
Southern Generating Station**

Rs. Lakh

Sl. No.	Particulars	Amount admitted in TO 2019-20	Amount Claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
1	Water Charges / cess	65.84	21.00	21.00	21.00
2	Coal and Ash handling charges	256.89	94.00	91.74	91.74
3	Operation & Maintenance Expenses	2,353.05	2,353.00	1,641.00	1,708.00
4(a)	Employee cost	5,223.00	5,635.00	5,635.00	5,635.00
4(b)	Contractual manpower in regular establishment	787.00	518.00	518.00	518.00
5	Rent for generation	43.00	73.00	43.00	43.00

West Bengal Electricity Regulatory Commission



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



Sl. No.	Particulars	Amount admitted in TO 2019-20	Amount Claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
6	Rates & Taxes (other than income tax)	12.00	2.00	2.00	2.00
7	Insurance	110.00	166.00	166.00	166.00
8	Corporate Social Responsibility		43.00		
9	Interest on Capital Borrowings (incl. interest on normative debt)	149.00	175.00	152.55	152.55
10	Interest on Working Capital		0.00		
11	Other Finance Charges	56.12	29.00	20.55	20.55
12	Bad Debt		0.00		
13	Depreciation	313.00	354.00	342.57	342.57
14	Advance against Depreciation	157.00	73.00	49.85	49.85
15	Written off Intangible Assets		0.00		
16	Return on Equity	1,312.00	1,320.00	1,292.94	1,292.94
17	Reserve for Unforeseen Exigencies		0.00		
18	Income Tax	229.10	431.00	430.99	430.99
19	Performance Incentive		0.00		
20	Gross Fixed Charges (1 to 19)	11,067.00	11,287.00	10,407.19	10,474.19
21	Less: Income from non-tariff sources	112.00	35.00	41.56	41.56
22	Less: Benefits passed on to consumers for sale to persons other than consumers or licensee		0.00		
23	Less: Benefits to pass on to consumers for auxiliary services		0.00		
24	Total Net amount deductible (21 to 23)	112.00	35.00	41.56	41.56
25	Net Fixed Charges for the year 2019-20 (20-24)	10,955.00	11,252.00	10,365.63	10,432.63

Distribution

Annexure 4D

Rs. Lakh

Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR2019-20	Admitted in Impugned Order	Admissible in this Review Order
1	Employee Cost	74,331.00	82,664.00	82,664.00	82,664.00
2	Repair & Maintenance	20,655.00	15,761.00	15,761.00	17,880.00
3	Administrative & General	20,567.00	24,968.00	20,567.00	20,567.00
4	Rates & Taxes (other than Income Tax)	346.00	389.00	389.00	389.00
5	Insurance	183.00	373.00	373.00	373.00
6	Lease Rental	1,023.00	1,197.00	1,080.56	1,080.56
7	Cost of Outsourcing	1,084.00	1,370.00	1,084.00	1,084.00
8	Corporate Social Responsibility		1,575.00		
9	Interest on Capital Borrowings (incl. interest on normative debt)	23,016.00	23,030.00	20,075.20	20,075.20

West Bengal Electricity Regulatory Commission



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR2019-20	Admitted in Impugned Order	Admissible in this Review Order
10	Interest on Temporary Accommodation	0.00	49,896.00	10,886.61	11,122.91
11	Interest on Consumer's Security Deposit	12,598.00	10,604.00	10,604.00	10,604.00
12	Interest on Working Capital	0.00	7,132.00	0.00	0.00
13	Other Finance Charges	1,691.12	843.00	581.46	581.46
14	Bad Debt	0.00	2,112.00	2,112.00	2,112.00
15	Depreciation	32,185.00	34,632.00	33,513.85	33,513.85
16	Advance against Depreciation	16,173.00	7,147.00	4,880.43	4,880.43
17	Written off Intangible Assets		0.00		
18	Return on Equity	47,860.00	48,154.00	45,969.00	45,969.00
19	Reserve for Unforeseen Exigencies		0.00		
20	Income Tax	8,361.14	15,711.00	15,710.46	15,710.46
21	Performance Incentive		0.00	0.00	0.00
22	Net DSM Payable		836.00	836.00	836.00
23	Gros Fixed Charges (1 to 22)	2,60,073.26	3,28,394.00	2,67,087.57	2,69,442.87
24	Less: Income from Non-Tariff Sources	11,870.00	20,023.00	10,274.07	10,274.07
25	Less: Benefits passed on to consumers for sale to persons other than consumers or licensee		0.00	77.01	77.01
26	Less: Benefits to pass on to consumers for Auxiliary Services	36.00	0.00	0.00	0.00
27	Less: Expenses attributable to Auxiliary Services		0.00		
28	Less: Benefits to pass on to consumers from other business	532.00	532.00	532.40	532.40
29	Total Net amount deductible (24 to 28)	12,438.00	20,555.00	10,883.48	10,883.48
30	Net Fixed Charge for the year 2019 - 20 (23 - 29)	2,47,635.26	3,07,839.00	2,56,204.09	2,58,559.39

Overall ARR of CESC

Annexure 4E

Rs. Lakh

Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
1	Water Charges/Cess	72.61	26.00	26.00	26.00
2	Coal & Ash Handling Charges	1,163.53	1,009.00	1,006.74	1,006.74
3	Operation & Maintenance – Generation	13,400.55	14,164.00	9,863.00	12,360.00
4	Repair & Maintenance – Distribution	20,655.00	15,761.00	15,761.00	17,880.00

West Bengal Electricity Regulatory Commission



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



Sl. No.	Particulars	Amount admitted in Tariff Order 2019-20	Amount claimed in APR 2019-20	Admitted in Impugned Order	Admissible in this Review Order
5	Administrative & General - Distribution	20,567.00	24,968.00	20,567.00	20,567.00
6	(a) Employee Cost - own employees	97,169.00	1,04,883.00	1,04,883.00	1,04,883.00
	(b) Cost of contractual manpower in regular generation establishment				
7	Rent	43.00	73.00	43.00	43.00
8	Rates & Taxes (other than Income Tax)	778.00	834.00	751.00	751.00
9	Insurance	810.00	1,680.00	1,674.00	1,674.00
10	a) Lease Rental	1,023.00	1,197.00	1,080.56	1,080.56
	b) Cost of Outsourcing	1,084.00	1,370.00	1,084.00	1,084.00
11	Corporate Social Responsibility	-	2,215.00		
12	Interest on Capital Borrowings (incl. interest on normative debt of Rs. 17.66 lakhs)	24,707.00	24,947.00	21,746.24	21,746.24
13	Interest on Temporary Accommodation	0.00	49,896.00	10,886.61	11,122.91
14	Interest on Consumer's Security Deposit	12,598.00	10,604.00	10,604.00	10,604.00
15	Interest on Working Capital	0.00	7,132.00	0.00	0.00
16	Other Finance Charges	2,374.16	1,141.00	787.00	787.00
17	Bad Debt	0.00	2,112.00	2,112.00	2,112.00
18	Depreciation	38,581.00	41,220.00	39,343.35	39,343.35
19	Advance against Depreciation	19,373.00	8,507.00	5,729.23	5,729.23
20	Written off Intangible Assets	-	0.00		
21	Return on Equity	67,412.00	67,715.00	63,694.01	63,694.01
22	Reserve for Unforeseen Exigencies	-	0.00		
23	Income Tax	11,776.88	22,092.00	21,614.26	21,614.26
24	Performance Incentive	0.00	2,036.00	2,087.17	2,087.17
25	Net UI Payable	-	836.00	836.00	836.00
26	Gross Fixed Charges (1 to 25)	3,33,587.73	4,06,418.00	3,36,179.17	3,41,031.47
27	Less: Income from Non-Tariff Sources	15,162.95	20,541.00	10,844.00	10,844.00
28	Less: Benefits passed on to consumers for sale to persons other than consumers or licensee	-	77.00	77.01	77.01
29	Less: Benefits to pass on to consumers for Auxiliary Services	36.00	0.00	0.00	0.00
30	Less: Benefits to pass on to consumers from other business	532.00	532.00	532.40	532.40
31	Total Net amount deductible (27 to 30)	15,730.95	21,150.00	11,453.41	11,453.41
32	Net Fixed Charge for year 2019 - 20 (26-31)	3,17,856.78	3,85,268.00	3,24,725.76	3,29,578.06



- 7.10 The fuel and power purchase cost allowable to the Review Petitioner amounting to Rs. 4,40,755.49 lakh, remains unchanged, after sharing of gains to consumers and WBSEDCL as determined by the Commission in chapter 3 of the Impugned Order. Thus, revenue recovered by the Review Petitioner as per Audited Financial Statements is now required to be adjusted against Rs. 7,70,333.55 lakh (i.e., Rs 3,29,578.06 lakh + Rs 4,40,755.49 lakh).
- 7.11 Accordingly, the amount adjustable on Annual Performance Review [Table 5.3-1 of the Impugned Order] is reworked out as under:

Table 7.11: Adjustment in Annual Performance Review

Sl. No.	Particulars	Admitted in Impugned Order (Rs lakh)	Admissible in this Review Order (Rs lakh)
1	Total Fuel and Power Purchase Cost admitted	4,40,755.49	4,40,755.49
2	Capacity charge admitted	3,24,725.76	3,29,578.06
3	Revenue Arising out of APR Order in earlier order (APR of 2013-14) adjusted with the ARR of 2019 – 20 in Tariff Order dated 03.02.2022	455.00	455.00
4	Net earnings from sale to consumers and WBSEDCL	7,52,389.78	7,52,389.78
5	Balance Recoverable / payable (-) [(1+2+3) – (4)]	13,546.47	18,398.77

- 7.12 The Commission in the Impugned Order dated 05.10.2024 had determined the recoverable amount as Rs. 13,546.47 lakh. The Commission in the instant order redetermines the recoverable amount as Rs. 18,398.77 lakh. Thus, the differential recoverable amount becomes Rs 4,852.30 lakh (Rs. 18,398.77 lakh – Rs 13,546.47 lakh).

ORDER

- 8.1 The Review petition is partially allowed. Issue No. 7.4 to 7.5 are considered and are allowed in full on the finding that the errors pointed out by the Review Petitioner were apparent on the face of the record. So far, the Issue No. 7.1 to 7.3 are



Order of the petition submitted by CESC Limited for review of the Order dated 05.10.2024 passed by the Commission in Case No. FPPCA-99/20-21 and APR-83/20-21



concerned Commission cannot substitute its view since it is not an error on the face of the record.

- 8.2 In terms of regulation 2.6.6 of the Tariff Regulations, the recoverable amount of Rs. 4,852.30 lakh, as determined in paragraph 7.12, or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2025 – 26 or that for any other ensuing year or through a separate order, as may be decided by the Commission.
- 8.3 The impugned order dated 05.10.2024 is revised to the extent as mentioned in paragraphs 7.4.2.4, 7.5.2.4, 7.6 to 7.9, and 8.2 along with the Annexures 4A to 4E of this order. Other portion of the order will remain unaltered.
- 8.4 The Review petition of CESC Limited is, thus, disposed of.
- 8.5 Copy of the order shall be posted in the website of this Commission.
- 8.6 Copy of the order shall be served upon CESC Limited. CESC Limited shall upload the copy of the order in their website.
- 8.7 CESC Limited is to take note of this order.

Sd/-
(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

DATE: 03.03.2025

Sd/-
DEPUTY DIRECTOR, WBERC