



In regard to the petition submitted by West Bengal Power Development Corporation Limited for approval of final project cost of Santaldih Thermal Power Station Unit 5 –OA-415/22-23



Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
duties					
Taxes and duties	65.66	-	-	-	79.43
Total cost	5099.57	5100.00	5104.00	5104.00	5198.12
Disallowance on account of cost allocation to Unit 6	-	-	-	3200.00	-
Disallowance on account of contract closing	-	-	-	160	-
Net amount	5099.57	5100.00	5104.00	1744.00	5198.12

27.3 The petitioner has submitted the following supporting document for transmission system:

- Agreement for supply and service.

27.4 The Commission, in its Order dated 01.12.2012 ruled as under:

"5.19.3 The fixed charges in respect of Santaldih transmission systems shall be recovered by WBPDCCL from WBSETCL after handing over the asset to WBSETCL, as referred in paragraph 3.20.4 of APR order dated 21.11.2012 in case no APR-27/11-12. WBPDCCL is directed to furnish the documents in this regard."

27.5 The Commission, in its Order dated 04.03.2015 in Case No. TP – 59 / 13-14 on tariff determination for fourth control period from FY 2014-15 to FY 2014-15 to FY 2016-17 observed as under:

"5.17.3 In paragraph 2.21.4 of the APR order dated 21.07.2014 in case no. APR-39/13- 14, the Commission observed that only two line bays at Bishnupur end of Santaldih Thermal Power Station – Bishnupur 220 kV Double Circuit line had been handed over to WBSETCL on 11.10.2010 and also observed that the remaining part of the transmission system was not handed over to WBSETCL as those were not ready at that time. It was also observed that the evacuation of power generated by units V & VI at Santaldih generating station were made through the existing system of units I to IV. WBPDCCL has not confirmed whether the remaining portion of the transmission has been completed and put into operation. Since the transmission system of Santaldih generating station related to Units V and VI is yet to come into operation, the fixed cost related to Santaldih transmission system are not recoverable by WBPDCCL. The fixed cost relating to Santaldih transmission system shall be recoverable by WBPDCCL only after completion of the work to bring the asset in operation for evacuation of power from Santaldih generating stations (Units V & VI) through that transmission system."

27.6 In light of the above observations of this Commission, the fixed charges in respect of transmission system shall be recovered by the petitioner (WBPDCCL) from WBSETCL after handing over the asset to WBSETCL. However, the status of completion and transfer of balance portion of the transmission system, as observed in the Tariff Order for the fourth control period, is unclear. Therefore, the commission does not find it prudent to allow the capital cost of transmission system in this order as a part of final project cost of the generating station.

27.7 Based on the above, the transmission system cost as claimed by the petitioner (WBPDCCL) and



approved by the Commission is as shown in the Table below:

Table 11: Transmission system cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Cost excluding taxes and duties	-	-	5118.69	0.00
Taxes and duties	-	-	79.43	0.00
Total cost	5104.00	5104.00	5198.12	0.00
Disallowance on account of cost allocation to Unit 6	-	3200.00	-	0.00
Disallowance on account of contract closing	-	160.00	-	-
Net Amount	5104.00	1744.00	5198.12	0.00

28.0 Railway Infrastructure

28.1 The comparison of Railway Infrastructure cost as per TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant petition is as shown in the Table below:

Table 12: Railway Infrastructure cost as claimed by petitioner (Rs. Lakh)

Particulars	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Total Railway Infrastructure	1150.00	1141.00	1141.00	1141.00
Disallowance on account of contract closing	-	-	57.00	-
Net amount	1150.00	1141.00	1084.00	1141.00

28.2 It is observed that the petitioner (WBPDC) has not submitted any documentary evidence in support of the contracts placed in respect of Railway Infrastructure and corresponding claim thereof.

28.3 It is further observed that the claim of the petitioner (WBPDC) in respect of final cost of Railway Infrastructure amounting to Rs. 1141 Lakh is same as that of RCE (2009). In line with the provisional approval, the Commission approves a sum of Rs. 1141.00 Lakh towards final cost of Railway Infrastructure.

29.0 The Commission in the provisional approval had disallowed the amount of Rs. 57 Lakh towards cushion for final settlement of accounts with the suppliers and contractors towards imposition of L.D. clause / penalty for non-performances, if any. Admittedly, the contracts have been closed and no LD/penalty has been levied by WBPDC. The same has been confirmed by WBPDC vide its letter dated 03.03.2023 based on certificate from the auditors. Therefore, the Commission does not find it necessary to disallow any expenses towards contract closure.



- 29.1 Based on the above, the Railway Infrastructure cost as claimed by the petitioner (WBPDC) and approved by the Commission is as shown in the Table below:

Table 13: Railway Infrastructure cost approved by Commission (Rs Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Total Railway Infrastructure	1141.00	1141.00	1141.00	1141.00
Disallowance on account of contract closing	-	57.00	-	-
Net amount	1141.00	1084.00	1141.00	1141.00

30.0 Other Civil Works

- 30.1 The comparison of other civil works cost as per TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant Petition is as shown in the table below:

Table 14: Other civil works cost claimed by the Petitioner (Rs. Lakh)

Particulars	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Total other civil works	850.00	2091.00	2091.00	2082.00
Disallowance on account of excess ETC	-	-	4.00	-
Disallowance on account of contract closing	-	-	110.00	-
Net Amount	850.00	2091.00	1977.00	2082.00

- 30.2 The petitioner (WBPDC) has not submitted the contracts placed for other civil works.
- 30.3 The cost of other civil works as per TEC (2006) is Rs. 850 Lakh. The petitioner (WBPDC) has claimed the final cost of Rs. 2082 Lakh as against the RCE (2009) of Rs. 2091 Lakh. WBPDC has not submitted the justification for the increase in cost of other civil works from TEC (2006) to final claimed cost. The Commission in the provisional approval considered the cost of Rs. 1977 Lakh (after disallowance on account of ETC and contract closing) for Civil Works and the final cost claimed is Rs 2082 Lakh. As discussed in detail in the subsequent paragraph, it has been observed that the capital cost of STPS Unit 5 is found to be comparable to that of similarly placed generating stations even after considering the claimed final cost of other civil works. Therefore, the Commission deems it prudent to allow the claimed final cost of other civil works.
- 30.4 The Commission, in the provisional approval, had disallowed the amount of Rs. 4.00 Lakh on comparison of erection testing and commissioning expenses with similar projects namely Rayalseema TPS, Amarkantak TPS and Suratgarh TPS subject to review at the time of approval of completion cost of the project under the provisions of Regulation 2.8.5 of the Tariff Regulations. The



Commission is of the view that the comparison of project cost on holistic basis would be more appropriate rather than package/component wise and therefore, does not deem it necessary to disallow any expenses in package wise approval on this account.

31.0 The Commission, in the provisional approval, had disallowed the amount of Rs. 110.00 Lakh towards cushion for final settlement of accounts with the suppliers and contractors towards imposition of L.D. clause / penalty for non-performances, if any. Admittedly, the contracts have been closed and no LD/penalty has been levied by WBPDC. The same has been confirmed by WBPDC vide its letter dated 03.03.2023 based on certificate from the auditors. Therefore, the Commission does not find it necessary to disallow any expenses towards contract closure.

31.1 Based on the above, the other civil works cost claimed by the petitioner (WBPDC) and approved by the Commission is as shown in the Table below:

Table 15: Other civil works cost approved by Commission (Rs Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Total other civil works	2091.00	2091.00	2082.00	2082.00
Disallowance on account of excess ETC	-	4.00	-	-
Disallowance on account of contract closing	-	110.00	-	-
Net Amount	2091.00	1977.00	2082.00	2082.00

32.0 Overheads

32.1 The comparison of overheads cost as per TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant Petition is as shown in the Table below:

Table 16: Overheads cost claimed by Petitioner (Rs Lakh)

Particulars	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Overheads	2200.00	10925.00	10925.00	10934.36

32.2 The petitioner (WBPDC) has not submitted the break-up of overheads cost. The overheads cost are inclusive of adjustment of the actual fuel cost incurred during pre-commercial run period amounting to Rs. 11903 Lakh and the deductible amount of sale proceeds of infirm power amounting to Rs. 1626.00 Lakh.

32.3 The reasonable overheads as percentage of capital cost is to the tune of 5%. Similar approach had



been adopted by the Rajasthan Electricity Regulatory Commission in approval of capital cost of RWPL (8x135 MW), TSERC in approval of capital cost of STPP (2x600 MW), MERC in approval of capital costs of Koradi Units 8-10 (3x660 MW), Bhusawal Units 4&5 (2x500 MW), Chandrapur Units 8&9 (2x500 MW), Parli Unit 8 (1x250 MW).

32.4 In the absence of details of overheads, the Commission deems it fit to approve the overheads at a reasonable level of 5% of the approved Hard Cost of Rs. 113175.34 lakh (as per table #17 below) i.e., Rs. 5658.77 lakh.

32.5 Based on the above, the overheads cost as claimed by the petitioner (WBPDC) and approved by the Commission is as shown in the Table below:

Table 17: Overheads cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Overheads	10925.00	10925.00	10934.36	5658.77

33.0 Total initial spares

33.1 As discussed above, the Commission approved the initial spares of Rs. 3354.00 Lakh, Rs. 352.00 Lakh and Rs. 35.00 Lakh for main plant, coal handling plant and water system respectively. Accordingly, the total spares as approved in the individual packages is Rs. 3741.00 Lakh. The total spares of Rs. 3741.00 Lakh is more than the ceiling limit of 2.5% of the approved capital cost as specified in Regulation 4.1(vi)(a) of the Tariff Regulations. Therefore, the Commission has further deducted the initial spares to the tune of Rs. 611.68 Lakh so that the total spares are restricted to 2.5% of the capital cost. Therefore, the total amount of initial spares approved by the Commission is Rs. 3129.32 Lakh.

34.0 Hard Cost

34.1 Based on the above analysis of the various components, the following Hard Cost is approved by the Commission as shown in the table below:

Table 18: Hard Cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Total approved	Approved for Unit 5	Allocated to Unit 6
Land & site Development (Table 3)	121.00	121.00	129.92	129.92	129.92	-
Main Plant package (Table 5)	95874.00	83836.00	97181.57	97181.57	93827.57	3354.00
Coal handling Plant (Table 7)	14542.00	4463.00	14387.46	12924.15	6462.03	6462.12



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Particulars	Initially claimed	Provisional approval	Final Cost claimed	Total approved	Approved for Unit 5	Allocated to Unit 6
Plant Water System (Table 9)	9853.00	3062.00	9547.48	9259.48	4485.74	4773.74
Transmission System (Table 11)	5104.00	1744.00	5198.12	0.00	0.00	0.00
Railways Infrastructure (Table 13)	1141.00	1084.00	1141.00	1141.00	1141.00	-
Other Civil Works (Table 15)	2091.00	1977.00	2082.00	2082.00	2082.00	-
Overheads (Table 17)	10925.00	10925.00	10934.36	5658.77	5658.77	-
Less: Disallowance on account of excess spares			-	611.68	611.68	-
Hard Cost	139651.00	107212.00	140601.91	127765.21	113175.34	14589.86
Per MW cost	558.60	428.85	562.41	511.06	452.70	

34.2 The Hard Cost of other similarly placed generating stations is as under:

Table 19: Hard Cost of other similarly placed projects

Name of the Generating Station	COD	Unit size (MW)	No. of Units	Installed Capacity (MW)	Hard Cost (Rs. Lakh)		Hard Cost (Rs. Lakh/MW)	
					Actual	Approved by ERC	Actual	Approved by ERC
Paras Unit No. 3	01.03.2008	250	1	250	122255.00	110415.00	489.02	441.66
Paras Unit No.4	31.08.2010	250	1	250	127627.00	122666.00	510.51	490.66
Parli Unit 6	01.11.2007	250	1	250	110297.00	101938.00	441.19	407.75
Parli Unit 7	31.07.2010	250	1	250	122291.00	116274.00	489.16	465.10
Rosa TPP	30.06.2010	300	4	1200	568355.00	552231.00	473.63	460.19
Satpura Units 10&11	18.08.2013	250	2	500	262828.00	254791.00	525.66	509.58
Bina Thermal Power Plant Units 1&2	31.08.2012	250	2	500	301667.00	300507.00	603.33	601.01
Adhunik Power	19.05.2013	270	2	540	273772.00	266520.00	506.99	493.56
Butibori Power Plant	04.04.2013	300	2	600	344130.00	341529.00	573.55	569.22

34.3 Therefore, the approved Hard Cost of STPS Unit 5 is comparable to the other similarly placed projects.

35.0 Interest During Construction (IDC) and Financing Charges (FC)

35.1 The comparison of IDC and FC cost as per TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant Petition is as shown in the Table below:

Table 20: IDC and FC claimed by the Petitioner (Rs. Lakh)

Particulars	TEC (2006)	RCE (2009)	Initially claimed	Provisional approval	Final Cost claimed
IDC and FC	8900.00	20682.00	20682.00	20682.00	20682.64
Disallowance on account of disallowed Hard Cost	-	-	-	645.00	-
Net amount	8900.00	20682.00	20682.00	20037.00	20682.64



35.2 The Commission directed the Petitioner to submit the following additional information:

- Schedule of the project on the basis of which the IDC of Rs. 8900.00 Lakh was computed.
- Phasing of expenditure with IDC computations with original schedule of the project towards IDC computation of Rs. 8900.00 Lakh.
- Actual schedule of the project on the basis of which the claimed IDC has been computed.
- Phasing of expenditure with IDC computations towards claimed IDC.

35.3 In reply, the Petitioner submitted the following:

- Schedule of the project on the basis of which the IDC of Rs. 8900.00 Lakh was computed is not traceable.
- Phasing of expenditure with IDC computations with original schedule of the project towards IDC computation of Rs. 8900.00 Lakh is not traceable.
- Computation of claimed IDC has been submitted in the 2010 Petition.

35.4 The petitioner (WBPDC), in 2010 Petition, had submitted the computations of IDC of Rs. 20483.74 Lakh as well as the supporting documents for equity and loan disbursements. The same have been taken into consideration for the purpose of approval of IDC in this Order as no fresh submissions have been made in the instant Petition. In addition to the IDC, the FC claimed is to the tune of Rs. 198.91 Lakh. Hence, the aggregate of IDC and FC works out to Rs. 20682.64 Lakh.

35.5 The summary of equity, debt and corresponding IDC submitted by WBPDC is as shown in the Table below:

Table 21: Summary of Equity, Debt and corresponding IDC claimed by the Petitioner (Rs. Lakh)

Year	Equity	Debt	Debt + Equity	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Total
FY 2003-04	0.00	4777.00	4777.00	1.17	423.12	406.05	406.05	413.11	406.83	2056.33
FY 2004-05	2000.00	6559.22	8559.22		63.94	508.34	508.34	537.00	721.51	2339.13
FY 2005-06	4000.00	16366.30	20366.30			467.85	1361.01	1364.74	1595.62	4789.22
FY 2006-07	15000.00	29893.68	44893.68				1100.16	2970.21	2962.09	7032.46
FY 2007-08	21900.00	21579.65	43479.65					1182.55	2359.12	3541.67
FY 2008-09	0.00	11034.66	11034.66						724.95	724.95
Total	42900.00	90210.50	133110.50	1.17	487.06	1382.23	3375.56	6467.61	8770.12	20483.74

35.6 From the submissions of the petitioner (WBPDC), the following have been observed:

- The capital cost claimed by WBPDC is Rs. 161284.54 Lakh whereas the sum of debt and equity upto COD works out to Rs. 133110.50 Lakh.
- Debt financing has been secured from M/s Rural Electrification Corporation.
- The equity investment by GoWB is Rs. 42900 Lakh.



- IDC claimed by WBPDCCL pertains to loan drawal upto COD.

35.7 The zero date i.e., date for starting construction was considered the dates of issuing the Letter of Award of main plant package. Such zero date, construction period, scheduled Commercial Operation Date (COD) and actual COD are as under:

Unit	Zero Date	Target completion period (months)	Scheduled COD	Actual COD	Actual completion period (months)	Delay (months)
Unit 5	27.07.2004	33	27.04.2007	01.04.2009	56	23

35.8 Therefore, there is a delay of 23 months in project completion.

35.9 For computing the impact of delay on IDC, Base Case IDC has been computed by rescheduling the loan drawals beyond the scheduled COD (i.e, 27.04.2007), amounting to Rs. 29685.13 Lakh before the Scheduled COD, during FY 2004-05, FY 2005-06 and FY 2006-07. Accordingly, the Base Case IDC works out as under:

Table 22: Base Case IDC computed by the Commission (Rs. Lakh)

Year	Equity	Debt	Debt + Equity	Base Case IDC					Total
				FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	
Upto FY 2003-04	0.00	4777.00	4777.00	1.17	423.12	406.05	406.05	30.04	1266.43
FY 2004-05	2000.00	16454.26	18454.26		160.40	1275.21	1275.21	94.33	2805.14
FY 2005-06	4000.00	26261.34	30261.34			750.71	2183.87	161.55	3096.13
FY 2006-07	15000.00	39788.73	54788.73				1464.33	291.64	1755.97
FY 2007-08	21900.00	2929.17	24829.17					4.91	4.91
Total	42900.00	90210.50	133110.50	1.17	583.52	2431.96	5329.45	582.46	8928.56

35.10 Therefore, had there been no delay in project completion, the IDC would have worked out to Rs. 8928.56 Lakh.

35.11 The Commission directed the Petitioner to submit the detailed reasons for delay in actual project COD from the scheduled COD along with supporting documents. In reply, the Petitioner submitted that the detailed reasons for delay were explained in 2010 Petition. Regarding delay, WBPDCCL, in 2010 Petition, submitted as under:

"Due to various reasons mainly non-maintenance of sequential supply of various equipments as per the Schedule by the concerned main Contractors resulted in delay in coming up of the unit within stipulated period. WBPDCCL left no stone unturned to put the unit into commercial operation. In spite of all the efforts, the slippage has occurred. The reasons for such slippage were explained to the Commission on several earlier occasions."



35.12 The main reason for delay stated by the petitioner (WBPDC) is non-sequential supply of equipment. The petitioner (WBPDC) has neither quantified the delay due to various reasons nor submitted any supporting documents for justifying the delay. In the absence of details, the Commission is constrained to take a view on allowing the impact of delay by relying on experiences in other similarly placed projects.

35.13 In one of the similarly placed projects namely Parli TPS Unit 6, as regards delay in project completion, Maharashtra Electricity Regulatory Commission in its Order dated 21.10.2009 in Case No. 26 of 2008 had ruled as under:

*"77. As regards the impact of time over run on account of delay in the project commissioning, MSPGCL has considered the entire IDC incurred till actual COD of the Project and has proposed to reduce the same by the Liquidated Damages levied on the Contractors for delay in project. The Commission agrees with the views of some of the stakeholders raised during the hearing that the burden of increase in IDC due to delay in Project should not be loaded to the consumers. The Commission has therefore, re-computed the IDC considering original schedule and original phasing of expenditure. **The Commission obtained the detail of the phasing of expenditure (scheduled and actual) and accordingly re-computed the IDC based on the original phasing of expenditure as per the original schedule of the Project.**" (Emphasis provided)*

35.14 An Appeal was preferred by Generating Company Maharashtra State Power Generation Company Limited (MSPGCL) on the above approach before the Hon'ble Appellate Tribunal for Electricity (APTEL). Hon'ble APTEL in its Judgment dated 27.04.2011 in Appeal No. 72 of 2011 ruled as under:

"7.4. The delay in execution of a generating project could occur due to following reasons:

i) due to factors entirely attributable to the generating company, e.g., imprudence in selecting the contractors/suppliers and in executing contractual agreements including terms and conditions of the contracts, delay in award of contracts, delay in providing inputs like making land available to the contractors, delay in payments to contractors/suppliers as per the terms of contract, mismanagement of finances, slackness in project management like improper co-ordination between the various contractors, etc.

ii) due to factors beyond the control of the generating company e.g. delay caused due to force majeure like natural calamity or any other reasons which clearly establish, beyond any doubt, that there has been no imprudence on the part of the generating company in executing the project.

iii) situation not covered by (i) & (ii) above.

In our opinion in the first case the entire cost due to time over run has to be borne by the generating company. However, the Liquidated Damages (LDs) and insurance proceeds on account of delay, if any, received by the generating company could be retained by the generating company. In the



second case the generating company could be given benefit of the additional cost incurred due to time over-run. However, the consumers should get full benefit of the LDs recovered from the contractors/suppliers of the generating company and the insurance proceeds, if any, to reduce the capital cost. In the third case the additional cost due to time overrun including the LDs and insurance proceeds could be shared between the generating company and the consumer. It would also be prudent to consider the delay with respect to some benchmarks rather than depending on the provisions of the contract between the generating company and its contractors/suppliers. If the time schedule is taken as per the terms of the contract, this may result in imprudent time schedule not in accordance with good industry practices.

7.5 In our opinion, the above principles will be in consonance with the provisions of Section 61(d) of the Act, safeguarding the consumers' interest and at the same time, ensuring recovery of cost of electricity in a reasonable manner."

*"7.10 It is also argued by the Appellant that BHEL being the only major supplier of the equipment in the country at that time could not cope up with the targetted schedules due to heavy orders. Delays were experienced not only at Parli Unit 6 but also at other projects. In our opinion, **this appears to be the case of sudden spurt in execution of the Power Projects in the country and consequential increase in demand of equipments and the gestation period required by the industry in enhancing the manufacturing capacity.***

*7.11 **Considering all these facts and documents submitted before this Tribunal, though it is evident that there was delay on the part of BHEL in supply and commissioning of the main plant, it is not established beyond doubt that the entire delay was due to the reasons beyond the control of the Appellant.***

*7.12 In view of above, we feel that this case falls under category (iii) described in para 7.4. Accordingly, following the principles of prudence check laid down by us, the cost of time over run has to be shared equally between the generating company and the consumers. Admittedly, there is no enhancement in cost of the contract price of the equipment as no price variation escalation was permissible to BHEL beyond the schedule date of completion of the Project according to the terms of the agreement. The impact of time over run beyond the contractual schedule is only on IDC and overhead costs. Accordingly, the same have to be shared between the generating company and the consumers. **Excess IDC and overhead costs for time overrun from scheduled date of commissioning to actual date of commissioning has to be worked out on prorata basis with respect to total actual time taken in commissioning of the unit. 50% of the excess IDC and overhead costs will have to be disallowed. Deduction on account of 50% of the Liquidity Damages received by the Appellant from its suppliers/contractors has also to be allowed from the capital cost, to give due credit for LDs to the consumers...**" (Emphasis provided)*

35.15 The main plant package of STPS Unit 5 was awarded to BHEL and as submitted by the petitioner (WBPDC), the entire delay for execution of the project is on account of BHEL. The petitioner (WBPDC) has not submitted on record any other uncontrollable factor for delay in execution of the Project. On perusal of the Judgment reproduced above, the Commission is of the view that the present case is squarely covered by the above referred Judgment. Accordingly, the increase in IDC due to delay in project completion is allowed to the extent of 50% of the total increase in IDC. In line with the Judgment reproduced above, 50% of the LD recovered by the petitioner (WBPDC) from its suppliers/contractors has to be passed on to the consumers; however, as the entire LD amount of



Rs. 2233.00 Lakh has been passed on to the consumers in the APR of FY 2015-16 under the head of non-tariff income and hence no further adjustment of LD in capital cost is required in this Order.

35.16 Further, the Commission has consistently allowed the IDC in proportion to the approved Hard Cost and the actual Financing Charges as claimed by the Petitioner.

35.17 Based on the above, the IDC claimed by the Petitioner and approved by the Commission is as shown in the Table below:

Table 23: IDC approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final IDC claimed	IDC Approved
IDC and FC	20682.00	20682.00	20682.64	20682.64
Disallowance on account of disallowed Hard Cost	-	645.00	-	4034.47
Actual IDC and FC admissible (A)	20682.00	20037.00	20682.64	16648.18
Base Case IDC and FC	-	-	-	9127.47
Disallowance in Base Case IDC and FC on account of disallowed Hard Cost	-	-	-	1780.45
Base Case IDC and FC admissible (B)	-	-	-	7347.02
Increase in IDC and FC (C=A-B)	-	-	-	9301.16
Increase in IDC and FC allowable (D=C/2)	-	-	-	4650.58
Net (B+D)	-	-	-	11997.60

36.0 Total Capital Cost

36.1 Based on the above discussions, the capital cost as approved by the Commission is shown in the Table below:

Table 24: Capital cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Hard Cost	139651.00	107212.00	140601.90	113175.34
IDC	20682.00	20037.00	20682.64	11997.60
Total	160333.00	127249.00	161284.54	125172.94
Per MW Cost	641.33	509.00	645.14	500.69

36.2 As against the provisional approval of Rs. 509.00 Lakh/MW and the claimed final cost of Rs. 645.14 Lakh/MW, the Capital Cost approved works out to be Rs. 500.69 Lakh.

36.3 The Capital Cost of other similarly placed generating stations is as under:



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Table 25: Capital Cost of other similarly placed projects

Name of the Generating Station	COD	Unit size (MW)	No. of Units	Installed Capacity (MW)	Capital Cost (Rs. Lakh)		Capital Cost (Rs. Lakh/MW)	
					Actual	Approved by ERC	Actual	Approved by ERC
Paras Unit No. 3	01.03.2008	250	1	250	143932.00	120729.00	575.73	482.92
Paras Unit No.4	31.08.2010	250	1	250	148594.00	143159.00	594.38	572.64
Parli Unit 6	01.11.2007	250	1	250	131538.00	115535.00	526.15	462.14
Parli Unit 7	31.07.2010	250	1	250	141643.00	133235.00	566.57	532.94
Rosa TPP	30.06.2010	300	4	1200	625088.00	607697.00	520.91	506.41
Satpura Units 10&11	18.08.2013	250	2	500	316694.00	300719.00	633.39	601.44
Bina Thermal Power Plant Units 1&2	31.08.2012	250	2	500	348333.00	347173.00	696.67	694.35
Adhunik Power	19.05.2013	270	2	540	334421.00	327169.00	619.30	605.87
Butibori Power Plant	04.04.2013	300	2	600	400515.00	394010.00	667.53	656.68

36.4 On comparison of the approved Capital Cost of STPS Units 5 with the approved Capital Costs of similarly placed generating stations by the respective Electricity Regulatory Commissions in the Country, this Commission finds the same to be comparable with those generating stations.



ORDER

- 37.0** From the submissions made by the petitioner (WBPDC) and the clarifications/documents submitted on record in replies to queries raised by the Commission in terms of Regulation 2.8.5 of the Tariff Regulations, the Commission observed that there are deviations in most of the heads of Final Capital Cost with respect to provisional approval. The variation in head-wise cost and reasons during execution of the project is detailed in foregoing paragraphs.
- 38.0** The Commission after considering all the facts and the project report submitted by WBPDC along with submissions, clarifications and documents in terms of Regulation 2.8.5 of the Tariff Regulations approves the final Project Cost of STPS Unit 5 of Rs. 125172.94 Lakh as per details given below:

Table 26: Capital Cost approved by the Commission (Rs. Lakh)

Particulars	Claimed	Total capital cost approved	Approved for Units 5	Allocated to Unit 6
Land and Site development	129.92	129.92	129.92	0.00
Main Plant Package	97181.57	97181.57	93827.57	3354.00
Coal Handling Plant	14387.46	12924.15	6462.02	6462.12
Plant Water System	9547.48	9259.48	4485.74	4773.74
Transmission System	5198.12	0.00	0.00	0.00
Railways Infrastructure	1141.00	1141.00	1141.00	0.00
Other Civil Works	2082.00	2082.00	2082.00	0.00
Overheads	10934.36	5658.77	5658.77	0.00
Less: Disallowance on account of excess spares	-	611.68	611.68	-
Hard cost	140601.90	127765.21	113175.34	14589.86
IDC	20682.64	11997.60	11997.60	0.00
Total	161284.54	139762.80	125172.94	14589.86

- 39.0** Case No. OA-415/2022-23 is disposed of in terms of the above.
- 40.0** A copy of the order shall be posted in the website of the Commission.
- 41.0** WBPDC shall download the copy of the order from website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 as amended and on submission of necessary fees.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

DATE: 11.12.2023

Sd/-
SECRETARY