



and finality is yet to be achieved.

19.0 As against the provisional capital cost for Rs. Rs. 127249 Lakh as approved vide Order dated 30.12.2011 in the Petition/ Case No. TP-45/09-10, the final capital cost claimed by the Petitioner in the instant Petition is Rs. 161284.54 Lakh details of which are submitted in Annexure 8 of the Petition. The Commission now proceeds with the determination of final project cost in respect of STPS Unit-5 based on the provisional project cost as allowed vide Order dated 30.12.2011 and submissions of the petitioner in the instant petition.

20.0 The summary of capital cost is as under:

Table 1: Summary of Capital Cost for Santaldih TPS Unit 5(Rs. Lakh)

Particulars	As per DPR	TEC (2006)	RCE (2009)	Provisional approval	Final cost claimed
Hard cost	97500.00	134100.00	139651.00	107212.00	140601.90
IDC	8671.60	8900.00	20682.00	20037.00	20682.64
Total cost	106170.00	143000.00	160333.00	127249.00	161284.54

Analysis of Project Cost

21.0 Land and site development

21.1 The comparison of land and site development 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 2: Land and site development cost claimed by the Petitioner (Rs. Lakh)

Particulars	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Land and site development	100.00	121.00	121.00	129.92

21.2 The TEC (2006) provided for an amount of Rs. 100 Lakh towards land and site development. As against the same, the petitioner (WBPDC) has claimed the final cost of Rs. 129.92 Lakh. As the land and site development cost is uncontrollable in nature as submitted by the petitioner, the Commission in line with the provisional approval, grants approval of the land and site development cost for Rs. 129.92 Lakh as claimed by the petitioner (WBPDC) after prudence check.

Table 3: Land and site development cost approved by the Commission (Rs. Lakh)

Particulars	Provisional approval	Final Cost claimed	Approved
Land and site development	121.00	129.92	129.92

22.0 Main Plant package



- 22.1 The main plant turnkey package was awarded to the consortium of M/s Bharat Heavy Electricals Limited (BHEL) pursuant to International Competitive Bidding (ICB). The petitioner (WBPDC) submitted that closure of contracts with BHEL was signed on 28.08.2015 and submitted the settlement summary of the same. From the settlement summary, it has been observed the Liquidated Damages (LD) have been levied on BHEL. The Commission directed WBPDC to submit the complete details including the basis as per the provisions of contract and computations for arriving at the LD amount. WBPDC has not submitted the information as directed. The petitioner (WBPDC), in its Petition, submitted that an amount of Rs. 2233 Lakh was adjusted in the Profit & Loss accounts during FY 2015-16 towards LD for delay in COD of STPS Unit 5 and the same was passed on in the same year itself and hence, cannot be again considered while determining the final project cost. The petitioner (WBPDC) has submitted the Annual Report for FY 2015-16 in support of its claim.
- 22.2 The comparison of main plant package cost as per contracts awarded, TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant Petition is as shown in the Table below:

Table 4: Main Plant package cost claimed by the Petitioner (Rs. Lakh)

Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Supply	53252.89	53252.89	-	-	56765.23
Erection and services	34288.74	34288.74	-	-	25366.52
Main plant cost excluding taxes and duties	87541.63	87541.63	-	-	82131.75
Consultancy	-	-	-	-	3096.52
Taxes and Duties	-	-	-	-	11953.30
Total Main plant cost	87541.63	87541.63	95874.00	95874.00	97181.57
Disallowance on account of excess ETC	-	-	-	3014.00	-
Disallowance on account of spares allocation to Unit 6	-	-	-	3354.00	-
Disallowance on account of contract closing	-	-	-	5670.00	-
Net amount	87541.63	87541.63	95874.00	83836.00	97181.57

- 22.3 The Petitioner has submitted the following supporting documents for main plant package:
- Agreements for supply of equipment and material and for erection and services
 - Settlement summary of contract closure
- 22.4 As against the awarded cost of Rs. 87541.63 Lakh (excluding Tax), the final cost (excluding taxes and duties and project management services) claimed is Rs. 82131.74 Lakh. As the final cost (excluding taxes and duties) is lower than the awarded cost, the commission allows the same after prudence check.



- 22.5 The petitioner (WBPDC) has claimed the taxes and duties to the tune of Rs. 11953.30 Lakh on actual basis. The awarded cost is exclusive of taxes and duties and therefore, such taxes and duties as paid by the petitioner (WBPDC) are to be considered as statutory obligations. Therefore, the Commission deems it proper to approve the taxes and duties for Rs. 11953.30 lakh on actual as claimed by the petitioner (WBPDC) after prudence check.
- 22.6 The petitioner (WBPDC) has claimed the consultancy cost of Rs. 3096.52 Lakh. In line with the provisional approval for the total of Main Plant Package Cost, the Commission deems it proper to approve the same after prudence check.
- 22.7 The Commission, in the provisional approval, had disallowed the amount of Rs. 3014.00 Lakh on comparison of erection testing and commissioning expenses with similarly placed project 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 rather than package/component wise approval, the comparison of project cost on holistic basis would be more appropriate and therefore, does not deem it necessary to disallow any expenses in package wise approval on this account.
- 22.8 The Commission, in the provisional approval, has disallowed the amount of Rs. 3354.00 Lakh on account of mandatory spares allocation for another unit of identical capacity i.e., Unit 6. The Unit 6 was commissioned on 30.09.2011. The claimed cost is inclusive of initial spares of Rs. 6708.00 Lakh. In line with the provisional approval, the commission disallows the 50% of the above amount i.e. Rs. 3354.00 as spares allocation to Unit 6.
- 22.9 The Commission, in the provisional approval, had disallowed the amount of Rs. 5670.00 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. The summary of payments through settlement dated 28.08.2015 with BHEL is submitted by the petitioner against closing of contract. As per the settlement summary the net amount payable by the petitioner (WBPDC) to BHEL is Rs 84.94 Lakh.
- 22.10 Admittedly, the contracts have been closed and LD/penalty has been levied by the petitioner (WBPDC). However, such LD amount has already been passed on in APR for FY 2015-16 as income vide the order dated 29.05.2022 in Case No. APR – 50 / 15 – 16. Therefore, the Commission does not find it necessary to disallow any expenses towards contract closure.
- 22.11 Based on the above, the main plant package cost claimed by the petitioner (WBPDC) and



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

Table 5: Main Plant package cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Main plant cost excluding taxes and duties	-	-	82131.74	82131.74
Consultancy	-	-	3096.52	3096.52
Taxes and Duties	-	-	11953.30	11953.30
Total Main plant cost	95874.00	95874.00	97181.57	97181.57
Disallowance on account of excess ETC	-	3014.00	-	-
Disallowance on account of spares allocation to Unit 6	-	3354.00	-	3354.00
Disallowance on account of contract closing	-	5670.00	-	-
Net amount	95874.00	83836.00	97181.57	93827.57

23.0 Coal Handling Plant (CHP)

- 23.1 The CHP turnkey package was awarded to M/s McNally Bharat Engineering Co. Ltd. pursuant to Domestic Competitive Bidding (DCB). The petitioner (WBPDCCL) submitted that the contract closure report for CHP is not available.
- 23.2 The comparison of CHP package cost as per contracts awarded, TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant petition is as shown in the Table below:

Table 6: CHP package cost claimed by the Petitioner (Rs. Lakh)

Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Supply	6260.97	6260.97	-	-	6304.58
Erection and services	5338.00	5338.00	-	-	6607.66
Cost excluding taxes and duties	11598.97	11598.97	-	-	12912.24
Taxes and duties			-	-	1475.22
Total cost	11598.97	11598.97	14542.00	14542.00	14387.46
Disallowance on account of excess ETC	-	-	-	628.00	-
Disallowance on account of spares allocation to Unit 6	-	-	-	352.00	-
Disallowance on account of cost allocation to Unit 6	-	-	-	8687.00	-
Disallowance on account of contract closing	-	-	-	412.00	-
Net amount	11598.97	11598.97	14542.00	4463.00	14387.46

- 23.3 The Petitioner has submitted the following supporting document for main plant package:
- Agreements for supply of equipment and material and for erection and services.



- 23.4 As against the awarded cost of Rs. 11598.97 Lakh, the final cost (excluding taxes and duties) claimed is Rs. 12912.24 Lakh thereby an increase in cost to the tune of Rs. 1313.27 Lakh. As per Regulation 2.8.5 of the Tariff Regulations, the details of deviations from investment plan along with reasons for such deviations are required to be submitted. However, WBPDCCL has not submitted the justification for such increase in cost along with supporting documents thereof. In view of non-submissions of justification even after providing ample opportunity, the Commission deems it prudent to restrict the cost (excluding taxes and duties) in respect of CHP Package to the ordering cost i.e. Rs. 11598.97 lakh.
- 23.5 The petitioner (WBPDCCL) has claimed the taxes and duties amounting to Rs. 1475.22 Lakh in the instant petition. It is observed that the awarded cost is exclusive of taxes and duties and, therefore, such taxes and duties as paid by the petitioner (WBPDCCL) are to be considered as statutory obligations. Therefore, the Commission is inclined to approve a sum of Rs. 1325.18 lakh towards the taxes and duties on proportionate basis based on approved cost.
- 23.6 The Commission, in the provisional approval, disallowed the amount of Rs. 628.00 Lakh based on the 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 determination of final 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 as a whole would be more appropriate rather than package/component-wise cost and therefore, disallowance of any expenses in package wise approval on this account may not be prudent.
- 23.7 The Commission, in the provisional approval, disallowed the amount of Rs. 352.00 Lakh on account of mandatory spares allocation for another Unit of identical capacity i.e., Unit 6. The Unit 6 was commissioned on 30.09.2011. The claimed cost is inclusive of initial spares of Rs. 704.00 Lakh. In line with the provisional approval, the commission disallows 50 % of the above cost i.e., Rs. 352.00 Lakh towards allocation of spares to Unit 6.
- 23.8 The Commission, in the provisional approval, disallowed the amount of Rs. 8687.00 Lakh towards allocation for the Unit 6. The Unit 6 was commissioned on 30.09.2011. In line with the provisional approval, the Commission decides to allocate 50% of the approved CHP package cost (excluding initial spares) i.e., Rs. 6110.12 Lakh for the Unit 6.
- 24.0 The Commission, in the provisional approval, disallowed the amount of Rs. 412.00 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.

24.1 Therefore, the Commission does not find it necessary to disallow any expenses towards contract closure.

24.2 Based on the above, the CHP package cost claimed by WBPDC and approved by the Commission is as shown in the table below:

Table 7: CHP package cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Cost excluding taxes and duties	-	-	12912.24	11598.97
Taxes and duties	-	-	1475.22	1325.18
Total cost	14542.00	14542.00	14387.46	12924.15
Disallowance on account of excess ETC	-	628.00	-	-
Disallowance on account of spare allocation to unit 6	-	352.00	-	352.00
Disallowance on account of future Unit 6	-	8687.00	-	6110.12
Disallowance on account of contract closing	-	412.00	-	-
Net amount	14542.00	4463.00	14387.46	6462.03

25.0 Plant Water System

25.1 The Plant Water System turnkey package was awarded to M/s Subhash Projects Marketing Ltd. pursuant to Domestic Competitive Bidding (DCB). The petitioner (WBPDC) submitted that the contract is under arbitration.

25.2 The comparison of plant water system cost as per contracts awarded, TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant petition is as shown in the Table below:

Table 8: Plant Water System cost claimed by the Petitioner (Rs. Lakh)

Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Supply	5581.14	5581.14	-	-	5278.94
Erection and services	3312.97	3312.97	-	-	3552.39
Cost excluding taxes and duties	8894.11	8894.11	-	-	8831.33
Taxes and duties	-	-	-	-	716.15
Total cost	8894.11	8894.11	9853.00	9853.00	9547.48
Disallowance on account of excess ETC	-	-	-	580.00	-
Disallowance on account of	-	-	-	35.00	-



Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
spares allocation to Unit 6					
Disallowance on account of cost allocation to Unit 6	-	-	-	5888.00	-
Disallowance on account of contract closing	-	-	-	288.00	-
Net amount	8894.11	8894.11	9853.00	3062.00	9547.48

- 25.3 The Petitioner has submitted the following supporting document for plant water system package:
- Agreements for supply of equipment and material and for erection and services.
- 25.4 As against the awarded cost of Rs. 8894.11 Lakh, the final cost (excluding taxes and duties) claimed is Rs. 8831.33 Lakh. As the final cost (excluding taxes and duties) is lower than the awarded cost, the commission considers it prudent to allow the same after prudence check.
- 25.5 WBPDCCL has claimed the taxes and duties of Rs. 716.15 Lakh. The awarded cost is exclusive of taxes and duties and such taxes and duties as paid by WBPDCCL are to be considered as statutory obligations. Therefore, the Commission deems it proper to approve the taxes and duties as claimed by WBPDCCL.
- 25.6 The Commission, in the provisional approval, disallowed the amount of Rs. 580.00 Lakh based on the comparison of erection testing and commissioning expenses of the project 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 as a whole would be more appropriate rather than package/component wise cost analysis. Therefore, the Commission does not find any reason to disallow any expenses on this account since actual claim of Rs. 9547.48 Lakh is less than the RCE as also provisionally allowed amount of Rs. 9853.00 Lakh.
- 25.7 The Commission, in the provisional approval, disallowed the amount of Rs. 35.00 Lakh on account of mandatory spares allocation for another unit of identical capacity i.e., Unit 6. The Unit 6 was commissioned on 30.09.2011. The claimed cost is inclusive of initial spares of Rs. 70.00 Lakh. In line with the provisional approval, the commission disallows the amount of Rs. 35.00 Lakh as spares allocation to Unit 6.
- 25.8 The commission, in the provisional approval, disallowed the amount of Rs. 5888.00 Lakh towards allocation for the Unit 6. The Unit 6 was commissioned on 30.09.2011. In line with the provisional approval, the commission decides to allocate 50% of the approved plant water system package cost



(excluding spares) i.e., Rs. 4738.74 Lakh for the Unit 6.

26.0 The Commission, in the provisional approval, disallowed the amount of Rs. 288.00 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 contract is under arbitration as confirmed by WBPDCCL vide its letter dated 03.03.2023 based on certificate from the auditors. Therefore, the Commission deems it prudent to disallow the cost of Rs. 288.00 Lakh towards contract closing on similar lines of provisional approval and gives liberty to the Petitioner to approach the Commission once the arbitration is completed and finality is achieved in the matter.

26.1 Based on the above, the plant water system cost claimed by the petitioner (WBPDCCL) and approved by the Commission is as shown in the Table below:

Table 9: Plant water system cost approved by the Commission (Rs. Lakh)

Particulars	Initially claimed	Provisional approval	Final Cost claimed	Approved
Cost excluding taxes and duties	-	-	8831.33	8831.33
Taxes and duties	-	-	716.15	716.15
Total cost	9853.00	9853.00	9547.48	9547.48
Disallowance on account of excess ETC	-	580.00	-	-
Disallowance on account of Spare allocation to Unit 6	-	35.00	-	35.00
Disallowance on account of cost allocation to Unit 6	-	5888.00	-	4738.74
Disallowance on account of contract closing	-	288.00	-	288.00
Net amount	9853.00	3062.00	9547.48	4485.74

27.0 Transmission System

27.1 The turnkey execution of transmission system associated with STPS Unit 5 was awarded to M/s Power Grid Corporation of India Limited.

27.2 The comparison of transmission system cost as per contracts awarded, TEC (2006), RCE (2009), provisional approval and final cost claimed in the instant Petition is as shown in the Table below:

Table 10: Transmission system cost claimed by the Petitioner (Rs. Lakh)

Particulars	Awarded cost	TEC (2006)	RCE (2009)	Provisional approval	Final Cost claimed
Equipment cost	4249.82	-	-	-	-
Contingencies	127.49	-	-	-	-
Power grid Consultancy fee	656.60	-	-	-	-
Cost excluding taxes and	5033.91	-	-	-	5118.69