



**MYT 8<sup>th</sup> Control Period and Tariff Order of WBPDCCL for the years 2023 – 24 and 2024-25**

Generating station	2023-24	2024-25	2025-26
Bandel – II	1,510.85	1,506.72	1,506.72
Santaldih	3,513.60	3,504.00	3,504.00
Sagardighi – I	4,216.32	4,204.80	4,204.80
Sagardighi – II	7,027.20	7,008.00	7,008.00
<b>Total</b>	<b>29154.09</b>	<b>29074.44</b>	<b>29074.44</b>

- 2.6 WBPDCCL has submitted that The Ministry of Coal, Government of India, allocated six coal mines to WBPDCCL on 31<sup>st</sup> March 2015. These mines are: Tara East & West, Gangaramchak & Gangarmchak-Bhadulia, Barjora, Pachhwara (North), Barjora (North) - under Schedule II, and Kasta (East) - under Schedule III. This allocation came after the cancellation of four previously allotted coal mines by the Hon'ble Supreme Court. WBPDCCL also stated, owing to non-availability of statutory clearances the mining operation could not be started in reasonable time. Later, WBPDCCL surrendered Kasta Coal Mines due to its uneconomic characteristics. Barjora Coal Mine successfully commenced coal production in FY 2018-19 followed by Barjora (North), Pachhwara (North) and Gangaramchak & Gangarmchak-Bhadulia.
- 2.7 WBPDCCL submitted that with allocation of captive coal mines, their Fuel Supply Agreement with Coal India Limited (CIL) has been revised from 14.0476 MMT to zero. The Ministry of Coal mentioned (refer supplementary petition Clause 3.1.1.1) that WBPDCCL can purchase coal from CIL if there is any shortage under premium mechanism i.e., paying 40% higher premium on coal price. WBPDCCL stated that, their captive coal mine production was 73% of total coal requirement during FY 2022-23. In view of operationalization of its captive coal mines, WBPDCCL has proposed to source entire coal requirement from its captive mines during FY 2023-24, FY 2024-25 and FY 2025-26. It is submitted that, in case of any real time shortfall of coal from captive mine they will purchase from CIL under premium mechanism.
- 2.8 WBPDCCL has projected fuel cost for eighth control period including cost of Biomass pellets which is mandatory as per latest CEA guidelines. The petitioner has considered Biomass Pellets to the tune of 5%, 7% and 7% of total fuel requirements for the years 2023-24, 2024-25 & 2025-26 respectively.



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- 2.9 WBPDCCL has applied inflation factors while computing captive coal price in the 3<sup>rd</sup> quarter of FY 2022-23. The inflation factor has been considered at 5% for FY 2023-24, 5% for FY 2024-25 and 2.5% for FY 2025-26.
- 2.10 WBPDCCL has considered suitable escalation based on CIL historical changes in price trend, railway freight change, road transport charges for the distance between the Pit head and Rail loading Point for Bankura siding and Dumka siding and other incidental component price variation for the purpose of the tariff application.
- 2.11 WBPDCCL also stated that they will be installing 100 MW Solar Power Projects under the Government of India's programme for promotion of Renewable Energy.
- 2.12 WBPDCCL has projected employee expenses as Rs. 89836.63 Lakh, Rs. 93281.68 Lakh and Rs. 96984.12 Lakh for the year 2023-24, 2024-25 and 2025-26 respectively including own employees and contractual employees. WBPDCCL also stated that the employee cost for the employees posted in different mines has not been considered in the projection for the period of 2023-24 to 2025-26.
- 2.13 WBPDCCL has projected the Operation and Maintenance Expenses for FY 2023-24 to FY 2025-26 as per norms specified by the Commission in Tariff Regulation.
- 2.14 The petitioner has estimated cost of water from DVC based on the normative water consumption during FY 2023-24 to FY 2025-26 for Santaldih thermal power station only. These charges factor in a 10% annual increase as outlined in DVC's notification. No water charges have been claimed for other generating stations viz. Kolaghat, Bakreswar, Bandel and Sagardighi TPS.
- 2.15 WBPDCCL has proposed depreciation on the basis of rates and useful life of assets as specified by Commission in the Tariff Regulation. It is submitted that, the gross fixed assets are allocated to the respective depreciation categories. For the new units or asset additions during the year depreciations have been considered only for the period for which these assets have been put in use.
- 2.17 WBPDCCL has considered the finance charges as per actual expenditure during the FY 2022-23 for the eighth control period consisting of FY 2023-24 to FY 2025-26 without any escalation. WBPDCCL has claimed costs related to renewing credit



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- facilities, processing fees, discounting charges from new borrowings and bill purchases, and other transaction fees incurred with banks under the head of Finance charge.
- 2.18 WBPDCCL has proposed the requirement of working capital for FY 2023-24 to FY 2025-26 on normative basis in terms of the Tariff Regulations specified by the Commission. Based on the working capital requirement on normative basis, interest on working capital is claimed at 10.90% in terms of Tariff Regulations.
- 2.19 The Return on Equity (RoE) for FY 2023-24 to FY 2025-26 under eighth control period has been claimed by WBPDCCL as per normative basis specified in Tariff Regulations i.e. 15.5% for all the generating stations. WBPDCCL has claimed the RoE on pre-tax basis. WBPDCCL proposed during calculation of return on equity, the equity base considers average equity derived from opening and closing balances for each plant annually. Any asset additions are funded using internal accruals, following a normative debt-equity ratio of 70:30, and the equity contribution aligns with the normative equity for that year.
- 2.20 WBPDCCL has not proposed Income Tax (MAT) for FY 2023-24 to FY 2025-26 under the eighth control period. WBPDCCL will claim actual amount of Income Tax for the concerned year of the control period through annual performance review.
- 2.21 WBPDCCL has proposed statutory charges which covers License & Registration fee, Filing fee, ERPC Charges, Rates & Taxes and Environment Compliance Charges. These expenses are uncontrollable and petitioner prayed to allow these.
- 2.22 WBPDCCL has projected income from other sources for FY 2023-24 to FY 2025-26 at the similar level based on actual non-tariff income of base year i.e. FY 2022-23 which includes income from sale of scrap, interest on short term deposits with the banks etc. The interest on short term deposits has been allocated on the basis of capacity of each generating station for three years.
- 2.23 WBPDCCL has submitted the summarized Annual Revenue Requirement for 2023-24, 2024-25, 2025-26 and the proposed Tariff for each generating station are as below:



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**Table 2: Station-wise Projected Variable and Fixed cost**

FY 2023-24							
	Kolaghat TPS (Unit III to VI)	Bakreswar TPS	Bandel TPS (Unit-I)	Bandel TPS (Unit V)	Santaldih TPS (Unit V & VI)	Sagardighi TPS (Unit I & II)	Sagardighi TPS (Unit III & IV)
Variable Cost (Rs./ kWh)	3.38	2.70	3.77	2.93	2.87	2.41	2.48
Fixed Cost (Rs./ kWh)	1.47	1.29	1.62	1.77	1.95	1.43	1.79
Total Cost (Rs./ kWh)	4.85	3.99	5.39	4.71	4.82	3.84	4.28
FY 2024-25							
	Kolaghat TPS (Unit III to VI)	Bakreswar TPS	Bandel TPS (Unit-I)	Bandel TPS (Unit V)	Santaldih TPS (Unit V & VI)	Sagardighi TPS (Unit I & II)	Sagardighi TPS (Unit III & IV)
Variable Cost (Rs./ kWh)	3.39	2.68	3.70	2.88	2.79	2.38	2.45
Fixed Cost (Rs./ kWh)	1.52	1.31	1.71	1.82	1.95	1.43	1.77
Total Cost (Rs./ kWh)	4.90	3.99	5.41	4.7	4.74	3.81	4.22
FY 2025-26							
	Kolaghat TPS (Unit III to VI)	Bakreswar TPS	Bandel TPS (Unit-I)	Bandel TPS (Unit V)	Santaldih TPS (Unit V & VI)	Sagardighi TPS (Unit I & II)	Sagardighi TPS (Unit III & IV)
Variable Cost (Rs./ kWh)	3.35	2.68	3.69	2.87	2.79	2.36	2.44
Fixed Cost (Rs./ kWh)	1.56	1.32	1.79	1.86	1.97	1.42	1.75
Total Cost (Rs./ kWh)	4.91	4.00	5.48	4.73	4.76	3.78	4.19