



WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
(A Government of West Bengal Enterprise)
Vidyut Bhavan, Block-DJ, Sector-II, Salt Lake City, Kolkata-700 091

NOTICE

Gist of the Order dated 30.10.2015 of the Hon'ble West Bengal Electricity Regulatory Commission determining the rates of wheeling charges payable to West Bengal State Electricity Distribution Company Limited (WBSEDCL) for the use of its distribution system for conveyance of electricity by open access customers including captive generating plants during the financial years 2015-16.

- 1) Hon'ble Commission has determined the average rate of distribution wheeling charges, avoided cost (per unit) and rate of reactive energy charge for the open access customers of WBSEDCL for the year 2015-16 vide its order dated 30/10/2015. Details of such charges and associated conditions for all open access customers, including methodology of adjustments, are available on the website of WBSEDCL at www.wbsedcl.in.
- 2) For any further interpretation / clarification, the order of the Hon'ble Commission dated 30/10/2015 may be referred to. The copy of the order may be obtained from the website of the Commission at (www.wberc.net) free of cost or from the office of the Hon'ble Commission at FD-415A, Poura Bhawan (3rd Floor), Sector – III, Bidhannagar, Kolkata - 700 106, following the procedure laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 and the West Bengal Electricity Regulatory Commission (Fees) Regulations, 2013.
- 3) This gist has been published with the approval of the Hon'ble Commission.

N.B: However, if any difference from the original order is found anywhere in this gist, due to misprinting or any other reason, the version as available in the original order would prevail.

Place: Salt Lake, Kolkata

Date:

S. Mukhopadhyay
Chief Engineer(REG)-Offtg.



ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

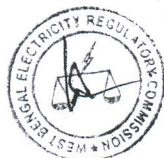
FOR THE YEAR 2015 - 2016

IN

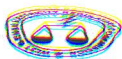
CASE NO: TP – 61 / 13 – 14

**IN RE THE DETERMINATION OF WHEELING
CHARGES PAYABLE TO WEST BENGAL STATE ELECTRICITY
DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR THE USE OF ITS
DISTRIBUTION SYSTEM FOR CONVEYANCE OF ELECTRICITY BY OPEN
ACCESS CUSTOMERS INCLUDING CAPTIVE GENERATING PLANTS
DURING THE FINANCIAL YEAR 2015 – 2016 UNDER SECTION 62(1)(c) OF
THE ELECTRICITY ACT, 2003 .**

DATED: 30.10.2015



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CHAPTER – 1 INTRODUCTION

- 1.1 In terms of regulation 2.1.1(iv) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (hereinafter referred to as the "Tariff Regulations"), the West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission") is required to determine the wheeling charges payable to the distribution licensees for the use of their distribution system and associated facilities for conveyance of electricity by all open access customers including the captive generating plants. Accordingly, the Commission proceeds to determine such wheeling charges payable to West Bengal State Electricity Distribution Company Limited (in short "WBSEDCL") by such customers / system users during the year 2015 - 2016.
- 1.2 On prudent analyses and viewing the tariff application made by WBSEDCL, the Commission earlier determined the Aggregate Revenue Requirement (in short "ARR") of WBSEDCL separately for each year of the fourth control period comprising the financial years 2014 – 2015, 2015 – 2016 and 2016 – 2017 under the Multi Year Tariff (in short "MYT") approach . The ARR for the year 2015 – 2016 as determined in the order dated 4th March, 2015 in Case No. TP- 61/13-14 has been revised on the basis of subsequent revision of power purchase plan of WBSEDCL in the tariff order of WBSEDCL for the year 2015-16 issued on 10.08.2015. Annexure-2A to the tariff order dated 10.08.2015 along with the paragraph 2.10 and the table under paragraph 2.13 of the tariff order dated 10.08.2015 may be referred to for the net ARR of WBSEDCL for the year 2015 – 2016.
- 1.3 The Commission now takes up the matter relating to determination of the rate of distribution wheeling charges for the year 2015 – 2016 in accordance with the principles, terms and conditions laid down in Schedule – 4 to the Tariff Regulations.





CHAPTER – 2 DETERMINATION OF FIXED CHARGES RELATING TO DISTRIBUTION FUNCTION

- 2.1 WBSEDCL is a distribution licensee having certain hydro-power generating stations including Purulia Pumped Storage project with the total installed capacity of 900 MW. The admissible fixed charges of WBSEDCL under certain heads of accounts are, therefore, required to be segregated / allocated to generation and distribution functions on some rational basis. Annexure – 2A to the Commission's tariff order dated 10.08.2015 in Case No. TP – 61 / 13 – 14 determining the tariff of WBSEDCL for the year 2015 - 2016, may be referred to in this regard. After prudent analysis of the amounts of ARR for the year 2015 – 2016 and making such segregation / allocations, the gross amount of total fixed charges attributable to the distribution function of WBSEDCL to be considered for determining wheeling charges is found to be Rs. **346578.37** lakh. The amounts of provisions of Rs. 8497.00 lakh towards depreciation chargeable on metering and other assets, Rs.400.00 lakh on account of complaint management, Rs.2856.00 lakh on account of lease rental charges of MPLS-VPN services and Rs. 7983.00 lakh towards interest payable to consumers on their security deposits have not been considered in the above computation since these are related to sale of energy. The detailed head-wise break-up of the referred amount is given in Annexure – 2A to this order.
- 2.2 The gross amount of total fixed charges, i.e., Rs. **346578.37** lakh, as shown in Annexure – 2A, is the gross aggregate revenue requirement for distribution function. Paragraph 2.1 of Schedule – 4 to the Tariff Regulations provides for deduction of non-tariff income, the expenses incidental to sales and distribution of energy viz. billing, collection etc., and income from other business from the gross aggregate revenue requirement attributable to distribution function for ascertaining the wheeling charges payable by the open access customers. The entire amount of Rs. 35306.48 lakh of non-tariff income along with expenses incidental to selling and distribution of energy for an amount of Rs. 15997.00





Order for wheeling charges of WBSEDCL for the year 2015 – 2016

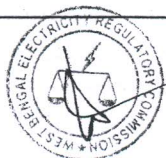
lakh, interest credit of Rs. 2685.30 lakh have been deducted from the gross amount of aggregate revenue requirement to arrive at the net admissible amount of fixed charges for computation of the rate of wheeling charges.

- 2.3 Based on the foregoing analyses, the amount of fixed charges attributable to the distribution function of WBSEDCL for the year 2015 - 2016 for determination of rate of wheeling charges payable by the open access customers including the captive generating plants comes as under:

	Rs. in Lakh
(a) Gross amount of fixed charges relating to distribution wheeling (Annexure 2A)	346578.37
(b) Less:	
i) Non-tariff income related to Distribution function	35306.48
ii) Expenses incidental to selling & distribution of energy, viz. billing, collection, consumer complaints, etc.	15997.00
iii) Interest credit	2685.30
Total [sum of (i) to (iii)]	53988.78
(c) Net admissible amount of fixed charges relating to distribution wheeling [(a)-(b)]	292589.59

- 2.4 The total quantum of sale of electricity during the year 2015 – 2016 has been estimated as under:

	Million Units
(a) Sales to own consumers	27232.10
(b) Sale to other licensees	478.00
(c) Sale to Licensee below EHV	394.22
(d) Energy wheeled	15.64
Total	28119.96





Order for wheeling charges of WBSEDCL for the year 2015 – 2016

2.5 Accordingly, the average rate of recoverable wheeling charges comes to **104.05 paise per unit (kWh)** taking estimated sales of **28119.96 MU** as shown in paragraph 2.4 above.

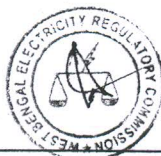
2.6 The avoided cost as computed in terms of the formula provided in regulation 14.3.10 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007, as amended in case of WBSEDCL works out as under:

A. Total power purchase cost of WBSEDCL during the year 2015-16 as shown in Annexure 2A of the tariff order of WBSEDCL for the year 2015 – 2016 and as per paragraph 2.10 and the table below paragraph 2.13 of the tariff order of WBSEDCL for the year 2015 – 2016 issued on 10.08.2015 in case no TP-61/13-14 is Rs. **1291008.36 lakh**. The power purchase cost includes the cost of power from West Bengal Power Development Corporation Limited (WBPDC) and others. This power purchase cost includes both capacity charges and variable charges. The Tariff Order dated 04.03.2015 of WBSEDCL for the years 2015 – 2016 may be referred to in this regard.

Thus the power purchase cost of WBSEDCL excluding the capacity charges payable is Rs. 912922.90 lakh (Rs. 1291008.36 lakh – Rs. 378085.46 lakh). Since the segregation of the cost of power purchase from other agencies is not available, total cost of power purchase from other agencies has been considered in the computation of avoided cost.

B. Total Fuel Cost of WBSEDCL during 2015 – 2016 is Nil.

C. Total Fuel and Power Purchase variable cost of WBSEDCL thus comes to Rs. 912922.90 lakh.





Order for wheeling charges of WBSEDCL for the year 2015 – 2016

D. Computation of avoided cost:

(a)	Total Fuel and Power Purchase Variable Cost	=	Rs. 912922.90 Lakh
(b)	Quanta of energy pooled in the distribution system		
	(i) Sent-out energy from own generation	1379.62 MU	
	(ii) Purchase of Energy	37678.34 MU	37320.34 MU
	(iii) CTU Grid loss and STU loss	Less: (-)1737.62 MU	
(c)	Weighted average unit cost of pooled energy [(a) / (b)]		244.62 paise / kWh
(d)	Distribution Loss allowed for the year		17.50%
(e)	Avoided cost will be -		
	$\frac{244.62 \text{ paise / kWh}}{(100-17.50) \times 0.01}$	+	Wheeling charges per unit applicable to the relevant open access case.
	= 296.51 paise / kWh + Wheeling charges per unit as applicable		



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ANNEXURE – 2A
HEAD WISE BREAKUP OF THE AMOUNT OF
NET FIXED CHARGES ATTRIBUTABLE TO
DISTRIBUTION FUNCTION

Sl. No.	Head of Charges	Amount (Rs. in Lakh)
1	Employee cost	129630.95
2	Cost of Outsourcing	30078.00
3	Operation & Maintenance Expenses	44464.00
4	Rates & Taxes	1409.00
5	Insurance	746.00
6	Interest on Loan	47210.76
7	Interest on Bonds for Pension Fund	11543.00
8	Other Finance Charges	703.19
9	Depreciation (net of depreciation on metering & other asset)	42651.00
10	Taxes under Income Tax Act	906.26
11	Return on equity	37236.21
12	Total Fixed Charges [Sum (1) to (11)]	346578.37



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CHAPTER – 3 ORDER

- 3.1 The average rate of distribution wheeling charges of WBSEDCL for the year 2015 – 2016 comes to 104.05 paise per unit (kWh) as shown in the preceding chapter and the same is recoverable from the long term open access customers. In terms of the provisions contained in regulation 14.3.2 of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2007, as amended (hereinafter referred to as the "Open Access Regulations"), the Commission is fixing the above rate of wheeling charges and the same is to be recovered by WBSEDCL during the year 2015 – 2016 onwards from the different categories of open access customers as mentioned in the said regulation including captive generators for conveyance of electricity through its distribution system for long term open access. For short term open access, the wheeling charge shall be realized as per Open Access Regulations. However, for conveyance of electricity from cogeneration and renewable energy sources, the wheeling charge shall be realized by WBSEDCL from such open access customer as per regulation framed by the Commission on Cogeneration and Generation of Electricity from Renewable Sources of Energy.
- 3.2 In terms of the provisions contained in regulation 14.3.10 of the Open Access Regulations, the open access customers, other than those carrying the electricity generated in captive generating plant to the destination and for the extent of their own use, are to pay cross-subsidy surcharge in addition to the charges for using the distribution system of the licensees. Such cross-subsidy surcharge will be the difference between the tariff applicable for the category of the consumers being, allowed open access and the cost avoided (per unit) by the licensee in this regard.
- 3.3 The avoided cost for the concerned open access customers will be at the rate of 296.51 paise per kWh plus wheeling charges per unit as applicable to the





Order for wheeling charges on WBSEDCL for the year 2015 – 2016.

relevant open access case as shown in chapter 2 of this order. WBSEDCL will recover cross-subsidy surcharge from the open access customer with reference to the tariff applicable for similar category of consumer.

- 3.4 The effective date of the rate of wheeling charge and cross subsidy surcharge as per this order is 1 April, 2015 and will continue till further order in this regard. The adjustments, if any, for over-recovery / under-recovery for the period from 01.04.2015 to 31.10.2015 shall be made in 6 (six) equal monthly instalments starting from the billing month of November, 2015.
- 3.5 The Open Access Customer shall pay to the concerned licensee for drawal of reactive energy at the drawal point if the voltage at the point of drawal is below 97% of normal voltage and for injection of reactive energy at injection point if the voltage is higher than 103% of normal voltage. The charge for VARh shall continue at the existing rate of 11.00 paise per KVARh.
- 3.6 WBSEDCL shall submit to the Commission a gist of this order within three working days from the date of receipt of this order for approval of the Commission and shall publish the approved gist within 5 (five) working days from the date of receipt of approval of the Commission, in those newspapers in which the gist of the tariff order for 2015 – 2016 was published.

Sd/-

(AMITAVA BISWAS)
MEMBER

Sd/-

(SUJIT DASGUPTA)
MEMBER

Sd/-

(RABINDRANATH SEN)
CHAIRPERSON

DATE: 30.10.2015



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