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**ORDER
OF
WEST BENGAL ELECTRICITY REGULATORY COMMISSION**

FOR THE YEAR 2016 – 2017

IN

CASE NO: TP – 56 / 13 - 14

**IN RE THE TARIFF APPLICATION OF CESC LIMITED
FOR THE YEARS 2014-2015, 2015-2016 and 2016-2017**

UNDER SECTION 64(3)(a)

READ WITH SECTION 62(1) AND SECTION 62(3)

OF THE ELECTRICITY ACT, 2003

DATE: 28.10.2016



CHAPTER - 1 INTRODUCTION

- 1.1. West Bengal Electricity Regulatory Commission (hereinafter referred to as the “Commission”), a statutory body under the first proviso to section 82(1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”), has been authorized in terms of section 86 and section 62(1) of the Act to determine the tariff for a) supply of electricity by a generating company to a distribution licensee, b) transmission of electricity, c) wheeling of electricity and d) retail sale of electricity, as the case may be, within the State of West Bengal.
- 1.2. CESC Limited, a Company under the Companies Act, 1956, is a distribution licensee in the State of West Bengal for supply of electricity in Kolkata and some areas in the districts of Howrah, Hooghly, North 24 Parganas and South 24 Parganas of the State. It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the Act.
- 1.3. West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 has come into effect from 29th April, 2011. The said Tariff Regulations, 2011 was further amended by notifying the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2012 in the Extra-ordinary edition of The Kolkata Gazette dated 27th August, 2012 and West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2013 in the Extra-ordinary edition of The Kolkata Gazette dated 30th July, 2013.
- 1.4. In terms of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (hereinafter referred to as the ‘Tariff Regulations’), the tariff applications for the fourth control period consisting of the years 2014 – 2015, 2015 – 2016 and 2016



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– 2017 under the Multi Year Tariff (MYT) framework were required to be submitted by CESC Limited 120 days in advance of the effective date of the said control period. The effective date of the fourth control period is 1st April, 2014. CESC Limited submitted an application on 11.11.2013 for extension of date for submission of their MYT application for the fourth control period till end December, 2013 on the plea that the Amendment Regulations, 2013 was gazetted on 30.07.2013 and considerable time would be required for preparation of MYT application for the fourth control period in view of extensive compliance requirements and wide ranging impact. The Commission, after considering the application of CESC Limited and also the applications received from some distribution licensees and the transmission licensee for extension of time of submission of MYT application, decided to fix the last date of submission of MYT application for the fourth control period on 31.12.2013, and accordingly, issued an order dated 02.12.2013.

- 1.5. Accordingly, CESC Limited, complying with the provisions of the Tariff Regulations, prepared the application for determination of its tariff for the fourth control period and submitted the same to the Commission on 28.12.2013. This tariff application was admitted by the Commission and was numbered as TP-56/13-14.
- 1.6. CESC Limited was thereafter directed to publish, as required under section 64(2) of the Act, the gist of the tariff application as approved by the Commission in the website and newspapers as specified in the Tariff Regulations. The gist was, accordingly, published simultaneously on 19.02.2014 in 'Anandabazar Patrika', 'The Telegraph', 'Sanmarg', 'Sangbad Pratidin' and also in certain other newspapers. The gist along with the tariff petition was also posted in the website of CESC Limited. The publication invited the attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of CESC Limited for the fourth control period and requested for



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submission of suggestions, objections and comments, if any, on the tariff application to the Commission by 21.03.2014 at the latest. Opportunities were also afforded to all to inspect the tariff application and take copies thereof.

1.7. The suggestions, objections and comments on the aforementioned tariff application of CESC Limited for the fourth control period were received by the Commission from the following objectors within the stipulated time.

- a) Ganatantrik Nagarik Samity, Howrah,
- b) Indus Towers Limited,
- c) All Bengal Electricity Consumers Association (ABECA).

1.8. The Commission thereafter, in accordance with the provisions of the Act and Tariff Regulations, passed the tariff order dated 04.03.2015 in respect of CESC Limited in case no. TP-56/13-14 for 2014 – 2015 determining the Aggregate Revenue Requirement (in short 'ARR') of CESC Limited for each ensuing year under the fourth control period, along with the tariffs of CESC Limited for 2014 – 2015. The objections and suggestions on the tariff application of CESC Limited for the fourth control period were dealt with separately in the tariff order dated 04.03.2015. The analysis and findings for determination of the aforesaid ARR and tariffs of CESC Limited were recorded in the tariff order dated 04.03.2015 in respect of CESC Limited for 2014 – 2015. CESC Limited on receipt of the aforesaid tariff order of 2014 – 2015 submitted its gist for approval and the gist was approved by the Commission on 11.03.2015. Accordingly the gist was published in newspapers and upload on the website of CESC Limited on 13.03.2015. Till the date of signing of this order no notice has been served on the Commission by any stakeholder indicating filing of any case in the court of law against the tariff order of 2014 – 2015 including the ARR of 2015 – 2016 and



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2016 – 2017 or against any other statutory provisions related to tariff in the context of the said order.

- 1.9. The Commission subsequently passed the tariff order dated 10.08.2015 in respect of CESC Limited for the year 2015 – 2016 determining the revenue recordable through tariff by CESC Limited during the year 2015 – 2016 and the tariff of CESC Limited for the year 2015 – 2016 on the basis of ARR determined for 2015 – 2016 in the tariff order dated 04.03.2015 and after effecting necessary adjustments as per provisions of the Tariff Regulations. The gist of the tariff order dated 10.08.2015 was published in the newspapers and on the website of CESC Limited on 14.08.2015.
- 1.10. The Commission now proceeds to determine the revenue recoverable through tariff by CESC Limited during the year 2016 – 2017 as also the tariff of CESC Limited for 2016 – 2017 on the basis of ARR determined for 2016 – 2017 in the tariff order dated 04.03.2015 for the year 2014 – 2015 after necessary adjustments in accordance with the Tariff Regulations in the subsequent chapter.



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- 2.3 In the tariff order dated 04.03.2015 for the year 2014 – 2015 determining the ARR for all the three years i.e., 2014 – 2015, 2015 – 2016 and 2016 – 2017 under the fourth control period, the energy drawal by CESC Limited during the year 2016 – 2017 is considered at 685 MU with 385 MW as agreed annual maximum drawal. The power purchase cost is determined for such purchase accordingly in the said tariff order dated 04.03.2015 considering the fixed charge rate and energy charge rate as shown in Annexure – 4F to the order.
- 2.4 In view of the revised power purchase plan of CESC Limited, the Commission decides to revise the power purchase cost of CESC Limited during the year 2016 – 2017 vis-à-vis the one admitted in the tariff order dated 04.03.2015 as per provision of the Tariff Regulations. Accordingly the Commission considers the quantum of power purchase by CESC Limited from WBSEDCL as well as cost thereof during the year 2016 – 2017 as nil.
- 2.5 In the tariff petition for the fourth control period comprising years 2014 – 2015, 2015 – 2016 and 2016 – 2017, CESC Limited had projected the energy sale to its own consumers at 9074 MU, 9424 MU and 9794 MU respectively considering an annual average growth of 3.9% on the estimated energy sale of 8743.00 MU for the year 2013 – 2014. No suggestion and objections were received on the sale projection of CESC Limited while the gist of the tariff application for fourth control period was published inviting suggestions and objections from the members of the public. The Commission admitted the sale of energy to its own consumers as projected by CESC Limited for all the three years in the tariff order dated 04.03.2015.
- 2.6 The Commission also observes from documents submitted along with the application of APR filed by CESC Limited for the year 2013 – 2014 that the actual energy sale to its own consumers of CESC Limited during the year 2013 –



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2014 was 8591 MU which is less than 8743 MU, the estimated energy sale to its own consumers for 2013 – 2014 as considered for projection for the years 2014 – 2015, 2015 – 2016 and 2016 – 2017 in the tariff petition by CESC Limited and admitted by the Commission in the tariff order dated 04.03.2015. Moreover, the Commission observes from the documents submitted by CESC Limited along with APR applications for the years 2010 – 2011, 2011 – 2012 and 2012 – 2013 and also the APR application for 2013 – 2014 the compounded annual growth rate of energy sale to its own consumers is 1.83%. No suggestions, objections and comments on the sale of energy to its own consumers were received against the gist published for the APR applications for the years 2010 – 2011, 2011 – 2012, 2012 – 2013 and 2013 – 2014.

- 2.7 The annual growth @ 3.9% was considered over the estimated energy sale to consumers to determine the projected energy sale to own consumers during the year 2014 – 2015, 2015 – 2016 and 2016 – 2017 in the tariff order dated 04.03.2015. The Commission observes from the data of actual sale during the year 2010 – 2011, 2011 – 2012, 2012 - 2013 and 2013 – 2014 the growth in energy sale during those years is erratic and varies from 0.16% to 3.6%. However, the Commission considers 3% annual growth over the actual energy sale during the year 2013 – 2014 to arrive at the estimated energy sale to own consumers during the year 2016 – 2017. Thus, the estimated energy sale to own consumers during 2016 – 2017 comes at 9387 MU as per the details given below:

Actual Energy sale to own consumers (MU)				Estimated energy sale to own consumers (MU) considering 3.00% annual growth		
2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017
8135	8271	8577	8591	8849	9114	9387



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- 2.8 The Commission, thus, decides to consider the energy sale to own consumers as 9387 MU for the year 2016 – 2017 as against the energy sale of 9794 MU to own consumers considered for the year 2016 – 2017 in the tariff order dated 04.03.2015 and to revise the power purchase cost accordingly in terms of clause (xi) of regulation 2.5.3 of the Tariff Regulations.
- 2.9 In view of the above, there will be a reduction in requirement of purchase of power by CESC Limited during the year 2016 – 2017 vis-à-vis the requirement considered in the tariff order dated 04.03.2015 for the year 2016 – 2017. The power purchase cost is also required to be revised due to revised power purchase plan of CESC Limited as discussed in paragraphs 2.3 and 2.4 above. The revised power purchase quantum now works out at 3531 MU (3181 MU + 350 MU) as against the quantum of 4006 MU as admitted for the year 2016 – 2017 in the tariff order dated 04.03.2015 as per the revised energy balance for the year 2016 – 2017 shown below:

REVISED ENERGY BALANCE FOR CESC LIMITED FOR 2016 2017				
SL NO	PARTICULARS	UNIT	Energy	
			As per tariff order	Revised
1	Generation from Existing Units	MU	8225.00	8225.00
2	Aux Energy Consumption of existing units	MU	741.00	741.00
3	Ex-bus Generation [(3) = (1) – (2)]	MU	7484.00	7484.00
4	Energy Purchased from WBSEDCL	MU	685.00	0.00
5	Energy Purchased from HEL	MU	2971.00	3181.00
6	Supplementary Energy Purchase and purchase from co-generation	MU	350.00	350.00
7	Energy at input of CESC [(3) to (6)]	MU	11490.00	11015.00
8	Unit Sold To Consumers	MU	9794.00	9387.00
9	Unit Sold to WBSEDCL in radial mode	MU	33.00	33.00
10	Unit Utilized in Own Premises	MU	20.00	20.00
11	Target Norms of Distribution loss	%	14.30	14.30
12	Normative T& D loss on (8+9+10) as per rate of (11)	MU	1643.00	1575.00
13	Unit Available for sale to persons other than licensees of the Commission or consumers of CESC Limited including losses [(13) = (7)-(8)-(9)-(10)-(12)]	MU	0.00	0.00



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2.10 The Commission considers the shortfall in purchase of energy, due to revised plan of power purchase from WBSEDCL as mentioned in paragraph 2.4 above, to be met up from additional energy purchase by CESC Limited from Haldia Energy Limited (HEL). Cost of this additional power purchase has been considered at the energy charge rate considered for the year 2016 – 2017 for HEL in the tariff order dated 04.03.2015. The quantum of energy and cost thereof for Haldia Energy Limited as admitted in the tariff order dated 04.03.2015 is revised accordingly. The quantum and cost thereof for purchase of energy from co-generation and other sources, as considered in the tariff order dated 04.03.2015, shall remain unchanged. The revised power purchase cost for the year 2016 – 2017 are as follows:

Source of power purchase	Power purchase cost admitted in the tariff order dated 04.03.2015 for 2016 – 2017		Revised power purchase cost for 2016 – 2017	
	MU	Rs. in lakh	MU	Rs. in lakh
WBSEDCL	685	51875.00	0.00	0.00
Haldia Energy Limited	2971	152675.00	3181	157767.50
Co-generation	84	3051.00	84	3051.00
Others	266	12175.00	266	12175.00
Total	4006	219776.00	3531	172993.50

2.11 Thus, a negative adjustment of Rs. 46782.50 lakh (Rs. 219776.00 lakh – Rs. 172993.50 lakh) in power purchase is to be made in determining the revenue recoverable through tariff by CESC Limited during the year 2016 – 2017.

2.12 The Commission in the tariff order dated 04.03.2015 in case no. TP-56/13-14 considered for adjustment of Rs. 4573.25 lakh being the balance adjustment of regulatory assets created in the APR order for 2012 – 2013 as detailed in paragraph 6.5 of the order dated 04.03.2015 in respect of CESC Limited in connection with determination of the revenue recoverable through tariff for the year 2016 – 2017. The Commission decides to continue with the adjustment of



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the said amount in determination of revenue recoverable through tariff for 2016 – 2017 in this order. APR order of CESC Limited for the year 2013 – 2014 has not yet been finalized, and as such no adjustments have been considered for the same.

- 2.13 It is also observed by the Commission that a captive coal block has been allotted to CESC Limited for meeting their coal requirement for units I & II at Budge Budge generating station. The coal block has been allocated against reverse auction under Coal Mines (Special Provisions) Second Ordinance, 2014, subsequently repealed by Coal Mines (Special Provisions) Act, 2015 (“Coal Act”).
- 2.14 The Commission now considers it necessary to revise the fuel cost in respect of CESC Ltd taking into account the revised price to be determined for the consumption of coal from the captive coal block allocated to Budge Budge generating station (Units I & II). The price of the captive coal has been determined as follows:
- 2.14.1 In response to Commission’s letter to the Ministry of Coal, GoI, the Ministry vide their letter No 54022/01/2014-CA/III dated 27.06.2016 has responded towards impact on tariff of the price of coal received from different mines in the State of West Bengal. It is to mention that against clarification of cost of coal, component of transfer price (MDO price, Crushing cost, Coal transportation cost, Washery cost, Infrastructure cost), Manpower cost, Taxes and duties and any other cost, Ministry of Coal has responded to cost of coal only.
- 2.14.2 In case of Sarisatoli bid price reached Rs Zero in reverse bidding and the bidding changed to a forward one with the additional premium of Rs 470 per M.T. and hence the fixed rate to Rs 100 per ton will be only input for computation of energy charge will be allowed as passed through. CESC has confirmed that Sarisatoli Coal is of G 11 Grade and of (-) 100 mm size.



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2.14.3 Towards other components, the letter from the Ministry of Power vide No 23/9/2015-R&R dated 16.04.2015 to CERC is referred. As far as coal transportation, washery charge and crushing charges are concerned, the rate should not exceed the benchmark rate of Coal India Ltd, Railway freight rates, benchmarks determined, if any, by CERC/State Electricity Regulatory Commission or by any other appropriate authority.

2.14.4 No guidelines could be seen towards royalty / duties and levies etc. in the above mentioned letter as well. Considering all the statutory charges payable, a transfer price of captive coal has been worked out.

2.14.5 In view of the above, as per CIL notification of 2016 price of G-11 Grade coal applicable for ECL vis a vis for CESC is worked out as shown in the Table below:

Source	GCV Range	Mid pt of GCV	Gd	Basic*	RE CESS	PE CESS	Royalty	MMDR (Royalty) 2%	AMB H	PWD Cess	Stowing Excise	Clean Energy CESS	Total	Excise duty**	VAT 5%	Grand Total
				A	B	C	D	E	F	G	H	I	J=A+...+I	K	L= (J+k) x.05	
ECL	4000-4300	4150	G11	810.00 +79	140.00	35.00	2.50	0.05	1.00	1.00	10.00	400.00	1399.55 + 79.00 = 1478.55			
CESC	4000-4300	4150	G11	179.00	140.00	33.00	2.50	0.05	1.00	1.00	10.00	400.00	768.55	11.49	39.57	819.61

* Basic including crushing charge for (-) 100 MM of Rs. 79.00

** Excise duty = (coal value + Royalty + MMDR + Stowing + Transportation) x 6% .

Hence CESC G 11 coal of Sarisatoli captive block fuel cost is works out to be Rs 819.61

2.15 In the Tariff order dated 04.03.2015 in respect of CESC Ltd., the Commission considers the average price of coal to be consumed from Sarisatoli Coal mines (ICML) as Rs 1270.25 per MT as projected by CESC Ltd in their tariff applications for the fourth control period under multy year tariff framework. The Commission now decides to make a negative adjustment in the ARR of CESC Ltd. for the year 2016-2017 considering reduced transfer price of coal for the



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coal consumed from the captive coal mines at Sarisatoli through ICML. The differential price of coal to be consumed by CESC Ltd. from the captive coal mines comes to Rs 450.64 per MT (Rs 1270.25 per MT - Rs 819.61 per MT).

2.16 The Commission observed from the documents submitted by CESC Ltd. that annual consumption of coal from the captive coal mines is 3.5 Million Ton. The differential amount thus computing for 3.5 Million Ton to be consumed by CESC Ltd. from the captive coal mines comes to Rs. 15772.40 Lakh (3.5 Million Ton x 10^6 x Rs 450.64 per MT / 10^5). The Commission thus considers to make negative adjustment of Rs. 15772.40 Lakh in the ARR of Budge Budge generating station of CESC Ltd.

2.17 Accordingly, the revenue recoverable through tariff, capacity charge and fixed charge of CESC Limited for the year 2016 – 2017 work out as under:

Amount in Rs. in Lakh

REVENUE RECOVERABLE THROUGH TARIFF, CAPACITY CHARGES AND FIXED CHARGES IN 2016-17							
SI No	Particulars	Generation				Distribution	Total
		Budge Budge TPS	Titagarh TPS	Southern generating Station	New Cossipore TPS		
1	Aggregate Revenue Requirement for 2016-17 (Refer Annexure 2A)	177779.00	60571.00	34878.00	119.00	446077.00	719424.00
2	Negative adjustment of power purchase cost as per paragraph 2.11	0.00	0.00	0.00	0.00	-46782.50	-46782.50
3	Negative adjustment in fuel cost of Budge Budge generating station as per paragraph 2.16 above	-15772.40	0.00	0.00	0.00	0.00	-15772.40
4	Aggregate Revenue Requirement for 2016 – 2017 [(4) = (1) – (2)-(3)]	162006.60	60571.00	34878.00	119.00	399294.50	656869.10
5	Positive adjustment of balance amount of recoverable amounts determined in APR for 2012 – 2013	1229.75	400.94	245.97	151.18	2545.41	4573.25
6	Total revenue to be recovered through tariff in 2016-2017 [(6)=(4)+(5)]	163236.35	60971.94	35123.97	270.18	401839.91	661442.35
6	Fuel Cost / Power Purchase Cost	106879.60	44712.00	25698.00	0.00	172993.50	350283.10
7	Capacity Charges / Fixed Charges [(7) = (5) – (6)]	56356.75	16259.94	9425.97	270.18	228846.41	311159.25



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- 2.18 In the tariff order dated 04.03.2015 in paragraph 4.7.1 the Commission admitted the units to be sold to West Bengal State Electricity Distribution Company Limited (WBSEDCL) during the year 2016 – 2017 at 33 MU. The price of energy to be purchased by WBSEDCL from CESC Limited for the year 2016 – 2017 has been admitted at 625 paise/kWh in the tariff order dated 04.03.2015 in respect of WBSEDCL and the Commission considers the same for determination of revenue recoverable by CESC Limited from sale of power to WBSEDCL. Thus, revenue to be earned by CESC Limited from sale of power to WBSEDCL works out at Rs. 2062.50 lakh.
- 2.19 The Commission considers the energy sale to CESC Limited's own consumers for the year 2016 – 2017 at 9387 MU as discussed in paragraph 2.8 above.
- 2.20 The Commission now works out the average tariff for the consumers of CESC Limited for 2016 – 2017 and the same is shown in the table below:

AVERAGE TARIFF FOR THE CONSUMERS OF CESC Limited in 2016 – 2017			
Sl. No.	Particulars	Unit	Total
1.	Total revenue to be recovered through tariff (sl. no. 5 in table below paragraph 2.17 above)	Rs. Lakh	661442.35
2.	Revenue from sale of power to WBSEDCL (refer paragraph 2.18 above)	Rs. Lakh	2062.50
3.	Revenue Recoverable from sale of power to the consumers (3) = [(1)-(2)]	Rs. Lakh	659379.85
4.	Projected quanta of energy for sale to the consumers (refer paragraph 2.8 above)	MU	9387.00
5.	Average tariff for the consumers (5)=[(3) x 10 ÷ (4)]	Paise / kWh	702.44



ANNEXURE 2A

**SUMMARISED STATEMENT OF AGGREGATE REVENUE
REQUIREMENT OF CESC LIMITED FOR 2016 – 2017**

Amount in Rs. in Lakh

ITEM	Generating Stations					
	Budge Budge	Titagarh	Southern	New Cossipore	Distribution	Total
Fuel	122652.00	44712.00	25698.00	0.00	0.00	193062.00
Power Purchase	0.00	0.00	0.00	0.00	219776.00	219776.00
Coal & Ash Handling related charges	619.00	987.00	10.00	0.00	0.00	1616.00
Employee Cost	4648.00	5858.00	3936.00	0.00	64040.00	78482.00
Cost of Contracted Manpower in Regular Establishment	2557.00	1154.00	60.00	0.00	0.00	3771.00
O&M Expenses	9840.00	3660.00	2075.00	119.00	34029.00	49723.00
Rent for generation	0.00	0.00	22.00	0.00	0.00	22.00
Rates & Taxes	348.00	208.00	72.00	0.00	290.00	918.00
Service Tax & Entry Tax	0.00	0.00	0.00	0.00	1219.00	1219.00
Insurances	548.00	113.00	66.00	0.00	331.00	1058.00
Financing Charges	259.00	96.00	54.00	0.00	749.00	1158.00
Interest on capital expenditure	3876.00	631.00	359.00	0.00	29002.00	33868.00
Interest on Temporary Accommodation	645.00	239.00	135.00	0.00	1866.00	2885.00
Interest on consumer security deposit	0.00	0.00	0.00	0.00	9882.00	9882.00
Foreign Exchange Rate Variation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt	0.00	0.00	0.00	0.00	2674.00	2674.00
Lease rental	0.00	62.00	208.00	0.00	841.00	1111.00
Depreciation	8861.00	660.00	331.00	0.00	28211.00	38063.00
Advance Depreciation	4052.00	302.00	151.00	0.00	12901.00	17406.00
Water Charges	13.00	141.00	86.00	0.00	0.00	240.00



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ITEM	Generating Stations					
	Budge Budge	Titagarh	Southern	New Cossipore	Distribution	Total
Reserve for Unforeseen Exigencies	0.00	0.00	0.00	0.00	0.00	0.00
Intangible Assets written off	17.00	0.00	1.00	0.00	53.00	71.00
Cost of Outsourcing	0.00	0.00	0.00	0.00	1007.00	1007.00
Tax on Income & profit	3235.00	300.00	277.00	0.00	7921.00	11733.00
Return on Equity	16173.00	1499.00	1385.00	0.00	39606.00	58663.00
Terminal Benefits	0.00	0.00	0.00	0.00	0.00	0.00
Incentive	0.00	0.00	0.00	0.00	0.00	0.00
Gross Aggregate Revenue Requirement	178343.00	60623.00	34926.00	119.00	454398.00	728409.00
Less : Misc. other income	564.00	52.00	48.00	0.00	7781.00	8445.00
Less :Benefit passed on to consumers and licensees for sale of Energy to person other than consumers and licensees	0.00	0.00	0.00	0.00	0.00	0.00
Less: Benefit Passed on to consumer for Auxiliary services	0.00	0.00	0.00	0.00	100.00	100.00
Less: Earnings from commercial usage of assets	0.00	0.00	0.00	0.00	440.00	440.00
Net Aggregate Revenue Requirement	177779.00	60571.00	34878.00	119.00	446077.00	719424.00



CHAPTER - 3 TARIFF ORDER

- 3.1 In the previous chapter, the Commission has determined for CESC Limited the revenue recoverable through tariff during 2016 – 2017 and the average tariff for the consumers of CESC Limited for 2016 – 2017 as well. The Commission now proceeds to determine the tariff schedule applicable to the consumers of CESC Limited and also the associated conditions of tariff of CESC Limited for 2016 – 2017. The Commission is passing other orders also as mentioned in subsequent paragraphs.
- 3.2 The tariff schedule as applicable to the consumers of CESC Limited in the year 2016 – 2017 is given at Annexure - 3A1 for LV and MV consumers and at Annexure - 3A2 for HV and EHV consumers. The said tariff structure has been designed in such a manner as to fulfil the objective of attaining average tariff of each class of consumers within 80% to 120% of the average cost of supply (702.44 paise / kWh as per paragraph 2.16 of this order) except for lifeline consumers. For lifeline consumers the tariff has been kept at least of about 50% of average cost of supply in line with the guidelines in paragraph 8.3(i) of National Tariff Policy.
- 3.3 For the category of consumers whose average tariff is more than 100% of the average cost of supply in the tariff order of 2015 – 2016, the tariff has been fixed in a way that in this tariff order of 2016 – 2017 the percentage ratio of average tariff of such category of consumers to average cost of supply in 2016 – 2017 tariff order has been slightly reduced from that of 2015 – 2016.
- 3.4 Details of different tariff schemes of different classes of consumers and various associated terms and conditions are specified in various regulations and in Annexure C1 and Annexure C2 to the Tariff Regulations. Other associated conditions of the tariff for 2016 – 2016 shall be as follows:



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3.5.1 Load Factor Rebate / Surcharge:

3.5.1.1 In order to reduce the overall system T&D loss and to flatten the load curve by improving the existing system load factor of CESC Limited, the HT industrial, HT commercial and HT domestic consumers shall receive voltage wise graded load factor rebate as per the following table:

LOAD FACTOR REBATE (Paise / kWh)

Range of Load Factor (LF)		Supply Voltage		
		Below 33 kV	33 kV	Above 33 kV
Above 50%	Up to 55%	1	2	3
Above 55%	Up to 60%	4	5	6
Above 60%	Up to 65%	8	10	12
Above 65%	Up to 70%	10	14	18
Above 70%	Up to 75%	20	22	24
Above 75%	Up to 80%	25	30	35
Above 80%	Up to 85%	30	35	45
Above 85%	Up to 90%	35	45	55
Above 90%	Up to 92%	37	50	60
Above 92%	Up to 95%	40	55	65
Above 95%		45	60	70

3.5.1.2 The above load factor rebate shall be applicable on total quantum of energy consumed in the billing period. (For example a 6 kV industrial or commercial or domestic consumer at 85% load factor shall be eligible for a rebate @ 30 paise / kWh on the total quantum of energy consumed in the billing period).

3.5.1.3 Load factor surcharge shall continue at the prevailing rate.

3.5.1.4 The load factor rebate and load factor surcharge shall be computed in accordance with the formula and associated principles given in regulations 3.9.2, 3.9.3 and 3.9.4 of the Tariff Regulations and at the rates as mentioned in paragraphs 3.5.1.1 and 3.5.1.3 above



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Tariff Order of CESC Limited for the year 2016 – 2017

3.5.2 Fixed / Demand Charge:

3.5.2.1 The fixed charge shall be applicable to different categories of consumers as per rate as shown in Annexure – 3A1 to this tariff order.

3.5.2.2 The demand charge shall be applicable to different categories of consumers as per rate as shown in Annexure – 3A1 and Annexure – 3A2 to this order on the basis of recorded demand as specified in regulation 4.3.3 of the Tariff Regulations.

3.5.2.3 When a new consumer gets connected to the system, the computation of fixed charge or demand charge in respect of that consumer for that month shall be made pro-rata for the number of days of supply in that particular month.

3.5.3 Subject to conditions as specified in regulation 4.13 of the Tariff Regulations, for all consumers minimum charge shall continue at the existing level.

3.5.4 In case of short term supply to Pandals for community religious ceremonies, a rebate of 30 paise / kWh on energy charge of each unit will be given from the date of this order if the entire illumination is done with LED.

3.5.5 For all consumers, excluding consumers having pre-paid meters, rebate shall be given @ 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being the arrears due to revision of tariff) if the payment is made within the due date.

3.5.6 In addition to the rebate under paragraphs 3.5.4 and 3.5.5 above, if the payment is made within due date, then an additional rebate of 1% of the amount of the bill excluding meter rent, taxes, duties, levies and arrears (not being arrears due to revision of tariff) would be allowed to the consumers who would pay their energy bills through e-payment facility (through web by using net banking, debit card, credit card, electronic clearing scheme) as introduced by CESC Limited. The prepaid consumers purchasing prepaid voucher through e-payment facility will get 1% rebate in voucher amount. A rebate of Rs. 5.00 will be admissible



Tariff Order of CESC Limited for the year 2016 – 2017

prospectively if any consumer opts for e-bill following regulation 3.1.10 of West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013. These rebates are applicable subject to effect of the provisions under paragraphs 3.5.4 and 3.5.5 of this order.

3.5.7 Power Factor Rebate / Surcharge:

3.5.7.1 The power factor rebate and surcharge shall continue for all HV and EHV categories of consumers to whom these are applicable at present. The rate of rebate and surcharge and the methods of calculation of such rebate and surcharge are given below:

Power Factor (PF) Range	Power Factor Rebate & Surcharge on Energy Charge in Percentage							
	For Consumers under TOD Tariff						For Consumers under non-TOD Tariff	
	Normal Period (6.00 AM to 5.00 PM)		Peak Period (5.00 PM to 11.00 PM)		Off-peak Period (11.00 PM to 6.00 AM)		Rebate in %	Surcharge in %
	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %	Rebate in %	Surcharge in %		
PF > 0.99	8.00	0.00	9.00	0.00	7.00	0.00	5.00	0.00
PF > 0.98 & PF ≤ 0.99	7.00	0.00	8.00	0.00	6.00	0.00	4.00	0.00
PF > 0.97 & PF ≤ 0.98	5.00	0.00	6.00	0.00	4.00	0.00	3.00	0.00
PF > 0.96 & PF ≤ 0.97	4.00	0.00	5.00	0.00	3.00	0.00	2.50	0.00
PF > 0.95 & PF ≤ 0.96	3.00	0.00	4.00	0.00	2.00	0.00	2.00	0.00
PF > 0.94 & PF ≤ 0.95	2.25	0.00	3.00	0.00	1.50	0.00	1.50	0.00
PF > 0.93 & PF ≤ 0.94	1.50	0.00	2.00	0.00	1.00	0.00	1.00	0.00
PF > 0.92 & PF ≤ 0.93	0.75	0.00	1.00	0.00	0.50	0.00	0.50	0.00
PF ≥ 0.86 & PF ≤ 0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PF ≥ 0.85 & PF < 0.86	0.00	0.75	0.00	1.00	0.00	0.50	0.00	0.50
PF ≥ 0.84 & PF < 0.85	0.00	1.50	0.00	2.00	0.00	1.00	0.00	1.00
PF ≥ 0.83 & PF < 0.84	0.00	2.25	0.00	3.00	0.00	1.50	0.00	1.50
PF ≥ 0.82 & PF < 0.83	0.00	3.00	0.00	4.00	0.00	2.00	0.00	2.00
PF ≥ 0.81 & PF < 0.82	0.00	4.00	0.00	5.00	0.00	3.00	0.00	2.50
PF ≥ 0.80 & PF < 0.81	0.00	5.00	0.00	6.00	0.00	4.00	0.00	3.00
PF < 0.80	0.00	6.00	0.00	7.00	0.00	5.00	0.00	3.50



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Tariff Order of CESC Limited for the year 2016 – 2017

- 3.5.7.2 The rebate and surcharge against different time periods shall be reflected in the bill separately and shall be treated separately.
- 3.5.8 For short term supply, emergency supply and for supply of construction power, there shall be no rebate or surcharge for load factor and power factor.
- 3.5.9 Delayed payment surcharge shall be applicable as per regulation 4.14 of the Tariff Regulations.
- 3.5.10 All existing charges relating to meter rent for HT consumers, meter testing, meter replacement, disconnection and reconnection etc. shall continue.
- 3.5.11 A consumer opting for pre-paid meter shall not be required to make any security deposit for the energy charge.
- 3.5.12 All statutory levies like electricity duty or any other taxes, duties etc. imposed by the State Govt. / Central Govt. or any other competent authority shall be extra and shall not be a part of the tariff determined under this tariff order.
- 3.5.13 All the rates and conditions of tariff are effective from 1st April 2016 and onwards. This rate will continue till further order of the Commission. The rates mentioned in Annexure 3A1 and 3A2 to this order exclude the Monthly Variable Cost Adjustment (MVCA), if any, realized / to be realized by CESC Limited.
- 3.5.14 Adjustments, if any, for over recovery / under recovery for 2016-17 from the energy recipients shall be made in 8 (eight) equal monthly instalments through subsequent energy bills, and such adjustment will start from the energy bill raised on or after 1st November, 2016. The MVCA realized by CESC Limited during the year 2016 – 2017 shall not be considered for adjustment in computation of over recovery / under recovery for the year 2016 – 2017 as mentioned above.
- 3.5.15 In addition to the tariff determined under this tariff order, CESC Limited will be further entitled to additional sums towards enhanced cost of fuel and power



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Tariff Order of CESC Limited for the year 2016 – 2017

purchase, if any, after the date from which this tariff order takes effect. Thus, CESC shall also be entitled to realize Monthly Variable Cost Adjustment (MVCA) for any subsequent period after the date of effect of this order as per provisions of the Tariff Regulations based on the tariff of this order. While computing MVCA, the direction in paragraph 4.2 of the order dated 10.08.2015 shall be complied with.

3.5.16. For any pre-paid and TOD tariff scheme, other charges shall be the charges applicable to consumers under respective category of non-TOD tariff.

3.5.17. An applicant for short term supplies through pre-paid meter shall have to comply with all necessary formalities for obtaining supply including payment in accordance with the Regulations made by the Commission. The same will be subject to the following conditions:

- i. Provision of requisite meter security deposit to be kept with the licensee;
- ii. Provision of space for installing weather-proof, safe and secure terminal services apparatus to protect sophisticated meter; and
- iii. Availability of prepaid-meter of appropriate capacity

3.5.18. To avail Rate C-2 for street lighting, the supply should be metered and all the street lights under the same meter shall be illuminated with LED. For mixed type of street lights under one meter Rate – C shall be applicable.

3.5.19. For a pre-paid consumer who has purchased voucher prior to issue of this order, the existing tariff will continue till such voucher is exhausted.

3.5.20. Any matter, which has not been explicitly mentioned in this order, shall be guided by regulations 2.9.8 and 2.9.9 of the Tariff Regulations.



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Tariff Order of CESC Limited for the year 2016 – 2017

- 3.5.21. A new rate 'R-M' for the consumer category of Military Engineering Service (MES) in High and Extra High Voltage has been introduced. The rate 'R-M' shall be applicable to the said consumer category along with existing applicable rebate and surcharges prospectively from the date of commencement of first billing month of the respective consumer after the date of issue of this order.
- 3.6. It is open to the State Government to grant any subsidy to any consumer or any class of consumers in the tariff determined by the Commission for CESC Limited. If at all any such subsidy under the provisions of the Act is intimated to CESC Limited and to the Commission by the Government of West Bengal with clear indication of the consumer or class of consumers to be subsidized and the amount of the subsidy proposed to be given is paid in advance, the tariff of such consumer and / or the class of consumers shall be deemed to have been reduced accordingly as may be indicated by the State Government. However, such direction of the State Government shall not be operative till the payment is made by the State Government in accordance with the provisions of the Act and the Regulations made thereunder, and the tariff as fixed by the Commission shall remain applicable. In accordance with the Tariff Regulations, the State Government is required to communicate within 15 days from the date of receipt of a tariff order, whether it shall give any subsidy to any group of consumers etc.
- 3.7. CESC Limited shall present to the Commission a gist of this order showing salient features of tariff / tariffs within three working days from the date of receipt of this order for approval of the Commission and on receipt of the approval shall publish the approved gist in terms of regulation 2.9.6 of the Tariff Regulations within four working days from the date of receipt of the approval of the Commission.

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme - I					Optional Tariff Scheme - II				
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon		
1.	Life Line Consumer (Domestic)	Rate G (LL)	Normal	0 to 25		378	5.00	Not Applicable					Not Applicable				
2.	Domestic (Urban)	Rate G	Normal	First	25	489	15	Rate G (p)	Prepaid	All Units	722	15	Not Applicable				
				Next	35	540											
				Next	40	641											
				Next	50	716											
				Next	50	733											
				Above	100	733											
3.	Commercial (Urban)	Rate M (i)	Normal	First	60	628	24	Rate M (i) (TOD)	Normal TOD	06:00 hrs to 17:00 hrs	760	24	Rate M (i) (pTOD)	Prepaid - TOD	06:00 hrs to 17:00 hrs	735	24
				Next	40	695				17:00 hrs to 23:00 hrs	836				17:00 hrs to 23:00 hrs	809	
				Next	50	764				23:00 hrs to 06:00 hrs	707				23:00 hrs to 06:00 hrs	684	
				Next	150	820											
				Above	300	897											
4.	Short-term Supply	Rate STLT	Prepaid - TOD	06.00 hrs to 17.00 hrs	724	28	Not Applicable					Not Applicable					
				17.00 hrs to 23.00 hrs	796												
				23.00 hrs to 06.00 hrs	673												

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme										
							Optional Tariff Scheme - I					Optional Tariff Scheme - II					
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	
5.	Specified Institution Municipal or Non-Municipal	Rate P	Normal	On all Units	634	28	Rate P(p)	Prepaid	On all Units	617	28	Rate P (pTOD)	Prepaid TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	615	28
													17.00 hrs to 20.00 hrs	All Units	677		
													23.00 hrs to 06.00 hrs	All Units	572		
6	Government School, Government aided School or Government Sponsored School	P1	Normal	On all Units	495	12	P1 (TOD)	Normal (TOD)	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	488	12	Not Applicable				
								17.00 hrs to 20.00 hrs	All Units	537							
								23.00 hrs to 06.00 hrs	All Units	473							
7	Public Bodies Municipal or Non-Municipal	Rate C1	Normal	On all Units	693	42	Rate C1(p)	Prepaid	On all Units	658	42	Rate C1(pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	654	42
													17.00 hrs to 20.00 hrs	All Units	719		
													23.00 hrs to 06.00 hrs	All Units	608		

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme										
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Optional Tariff Scheme - I			Optional Tariff Scheme - II					
										Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon		
8.	Cottage Industry / Artisan / Weavers / Small production oriented establishment not run by electricity as motive power	Rate M (ii)	Normal	First	100	553	24	Rate M (ii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	619	24	Not Applicable				
				Next	100	672				17.00 hrs to 23.00 hrs	All Units	681						
				Above	200	817				23.00 hrs to 06.00 hrs	All Units	576						
9.	Poultry, Duckery, Horticulture, Tissue culture, Floriculture, Herbal - Medicinal - Bio-diesel Plant Farming, Food Processing Unit	Rate M (iii)	Normal	First	300	677	24	Rate M (iii) (pTOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs	All Units	672	24	Not Applicable				
				Next	300	743				17.00 hrs to 23.00 hrs	All Units	739						
				Next	400	778				23.00 hrs to 06.00 hrs	All Units	625						
				Above	1000	823												

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme											
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme - I				Optional Tariff Scheme - II						
								Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	
10.	Public Water Works & Sewerage System	Rate J	Normal	On all Units		658	42	Rate J (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	638	42	Not Applicable				
										17.00 hrs to 20.00 hrs	All Units	957						
										23.00 hrs to 06.00 hrs	All Units	440						
11.	Industries (Urban)	Rate K	Normal	First	500	648	50	Rate K (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	All Units	760	50	Not Applicable				
				Next	1500	718				17.00 hrs to 23.00 hrs	All Units	1140						
				Next	1500	758				23.00 hrs to 06.00 hrs	All Units	524						
				Above	3500	778												
12.	Street Lighting	Rate C	Normal	On all Units		658	42	Not Applicable					Not Applicable					

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme - I					Optional Tariff Scheme - II				
							Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon
13	Street Lighting with LED	Rate C2	Normal	On all Units	548	42	Not Applicable					Not Applicable				
14.	Private Educational Institutions and Hospitals	Rate L	Normal	On all Units	703	42	Rate L (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	All Units	688	42	Not Applicable			
									17.00 hrs to 20.00 hrs	All Units	757					
									23.00 hrs to 06.00 hrs	All Units	640					
15.	Emergency Supply	Rate E2	Prepaid - TOD	06.00 hrs to 17.00 hrs	On all Units	779	56	Not Applicable					Not Applicable			
				17.00 hrs to 23.00 hrs	On all Units	1169										
				23.00 hrs to 06.00 hrs	On all Units	538										

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme					Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Optional Tariff Scheme - I					Optional Tariff Scheme - II			
				Consumer category	Name of the Tariff Scheme			Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs./KVA/Mon	
16.	Construction Power Supply	Rate LTCON	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	744	42	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 20.00 hrs.	On all Units	1116										
				23.00 hrs to 06.00 hrs	On all Units	513										
17.	Bulk Supply at single point to Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate LTCOP	Normal	On all Units	678	42	Rate LTCOP (TOD)	Normal - TOD	06.00 hrs to 17.00 hrs	660	42	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
									17.00 hrs to 23.00 hrs	726						
									23.00 hrs to 06.00 hrs	614						
18.	Common Services of Industrial Estate	Rate S (TOD)	Prepaid - TOD	06.00 hrs to 17.00 hrs & 20.00 hrs to 23.00 hrs	On all Units	720	42	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
				17.00 hrs to 20.00 hrs	On all Units	1080										
				23.00 hrs to 06.00 hrs	On all Units	497										

Note :- * Fixed Charge will be applicable for the Consumer having Contract Demand below 50 KVA and Demand Charge will be applicable for the consumer having Contract Demand of 50 KVA and above.

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	
					P/kWh						Summer	Monsoon	Winter	Summer	Monsoon		Winter
					Summer	Monsoon	Winter										
1.	Public Utility	Rate I	Normal	All Units	671	668	665	384	Rate I (TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	651	641	631	384	
											17.00 hrs-20.00 hrs	All Units	977	962	947		
											23.00 hrs-06.00 hrs	All Units	449	442	435		
2.	Industries (below 33 KV)	Rate A	Normal	All Units	652	649	647	384	Rate A (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	642	637	632	384	
											17.00 hrs-23.00 hrs	All Units	963	956	948		
											23.00 hrs- 06.00 hrs	All Units	443	440	436		
3.	Industries (33 KV)	Rate A1	Normal	All Units	629	626	623	384	Rate A1 (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	622	617	612	384	
											17.00 hrs-23.00 hrs	All Units	933	926	918		
											23.00 hrs-06.00 hrs	All Units	429	426	422		
4.	Commercial (below 33 KV)	Rate B	Normal	All Units	701	698	695	384	Rate B (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	689	686	683	384	
											17.00 hrs-23.00 hrs	All Units	1034	1029	1025		
											23.00 hrs-06.00 hrs	All Units	475	473	471		
5.	Commercial (33 KV)	Rate B1	Normal	All Units	652	649	646	384	Not Applicable								

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme							
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH	Energy Charge			Demand Charge (Rs./KVA/month)	
					P/kWh							P/kWh				
					Summer	Monsoon	Winter					Summer	Monsoon	Winter		
6.	Domestic	Rate R	Normal	All Units	713	710	707	26	Not Applicable							
7.	Public Water Works & Sewarage, Pumping Station under local Authority	Rate U	Normal	All Units	618	613	608	384	Rate U(TOD)	Normal - TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	608	598	588	384
											17.00 hrs-20.00 hrs	All Units	912	897	882	
											23.00 hrs-06.00 hrs	All Units	420	413	406	
8.	Sports Complex & Auditorium run by Govt./ local bodies for cultural affairs	Rate O	Normal	All Units	740	730	720	34	Not Applicable							
9.	Cold storage or Dairy with Chilling Plant	Rate CP	Normal	All Units	659	654	649	384	Rate CP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	639	634	629	384
											17.00 hrs-23.00 hrs	All Units	959	951	944	
											23.00 hrs-06.00 hrs	All Units	441	437	434	

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme								
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)
						P/kWh								P/kWh			
						Summer	Monsoon	Winter						Summer	Monsoon	Winter	
10.	Emergency Supply	Rate E1	Normal TOD	06.00 hrs-17.00 hrs	All Units	748	738	728	384	Not Applicable							
				17.00 hrs-23.00 hrs	All Units	1122	1107	1092									
				23.00 hrs-06.00 hrs	All Units	516	509	502									
11.	Construction Power Supply	Rate HTCon	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	674	669	664	384	Not Applicable							
				17.00 hrs-20.00 hrs	All Units	1011	1004	996									
				23.00 hrs-06.00 hrs	All Units	465	462	458									
12.	Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	Rate HTCOP	Normal	All Units	All Units	683	678	673	34	Rate HTCOP (TOD)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	658	653	648	34
17.00 hrs-23.00 hrs	All Units	724	718	713													
23.00 hrs-06.00 hrs	All Units	612	607	603													

HIGH & EXTRA HIGH VOLTAGE CONSUMERS

SI No	Type of Consumer	Applicable Tariff Scheme							Optional Tariff Scheme									
		Consumer category	Name of the Tariff Scheme	Consumption per month in KWH		Energy Charge			Demand Charge (Rs./KVA/month)	Consumer category	Name of the Tariff Scheme	Consumption per month in KWH			Energy Charge			Demand Charge (Rs./KVA/month)
						P/kWh									P/kWh			
						Summer	Monsoon	Winter							Summer	Monsoon	Winter	
13.	Common Services of Industrial Estate	Rate E	Normal TOD	06.00 hrs-17.00 hrs & 20.00 hrs-23.00 hrs	All Units	674	669	664	384	Not Applicable.								
				17.00 hrs-20.00 hrs	All Units	1011	1004	996										
				23.00 hrs-06.00 hrs	All Units	465	462	458										
14.	Traction/ Metro Rail / Calcutta Tramways	Rate T	Normal	All Units		693	688	683	105	Not Applicable.								
15.	Short-term Supply	Rate ST	Normal TOD	06.00 hrs-17.00 hrs	All Units	642	637	632	384	Not Applicable.								
				17.00 hrs-23.00 hrs	All Units	706	701	695										
				23.00 hrs-06.00 hrs	All Units	597	592	588										
16.	Private Educational Institutions	Rate E (ei)	Normal	All Units		664	654	644	384	Rate E (ei)	Normal - TOD	06.00 hrs-17.00 hrs	All Units	654	644	634	384	
											17.00 hrs-23.00 hrs	All Units	719	708	697			
											23.00 hrs-06.00 hrs	All Units	608	599	590			
17	MES	Rate R - M	Normal	All Units		713	710	707	26	Not Applicable.								



CHAPTER – 4 DIRECTIVES

- 4.1 The Commission has given some direction in different paragraphs in Chapter-4 of the order dated 04.03.2015 while determining the fixed cost of CESC Limited. CESC Limited shall comply with those directions. The Commission also gave directions under chapter 8 of the tariff order for 2014-2015 and under chapter-4 of the tariff order for the year 2015-16 in respect of CESC Limited. The Commission also gave directions from time to time for compliance with by CESC Limited. Some of those directions which will also continue for the year 2016 – 2017 are given below. CESC Limited shall comply with those directions.
- 4.2 The Commission has decided that in future any delay in submission of tariff application by the licensee for any control period beyond the 4th control period or any year as applicable will result in not providing any increase in tariff for equal amount of days and thus the under recovery due to such measure will not be allowed to be passed through any tariff mechanism or during truing up in Annual Performance Review (APR) or Fuel & Power Purchase Cost Adjustment (FPPCA). Moreover, henceforth any delay in submission in APR or FPPCA application shall not be considered as ground for delay by the licensee for submission of tariff application. Further, it is also required to be noted that any delay with or without the approval of the Commission in submission of either of the applications of APR or FPPCA of any year (Y) within the target date as specified in the Tariff Regulations of the following year may result into non-inclusion of the impact of APR and/or FPPCA order in the concerned tariff order of the year Y+2. In such case, the impact will be considered in any future year beyond (Y+2) year as applicable without any allowance for carrying cost, if otherwise applicable. Thus, in filing of application(s) / petition(s), the licensee is required to maintain the relevant time schedule(s) as specified in the Regulations. control period or any year as applicable will result in not providing



any increase in tariff for equal amount of days and thus the under recovery due to such measure will not be allowed to be passed through any tariff mechanism or during truing up in Annual Performance Review (APR) or Fuel & Power Purchase Cost Adjustment (FPPCA). Moreover, henceforth any delay in submission in APR or FPPCA application shall not be considered as ground for delay by the licensee for submission of tariff application.

Further, it is also required to be noted that any delay with or without the approval of the Commission in submission of either of the applications of APR or FPPCA of any year (Y) within the target date as specified in the Tariff Regulations of the following year may result into non-inclusion of the impact of APR and/or FPPCA order in the concerned tariff order of the year Y+2. In such case, the impact will be considered in any future year beyond (Y+2) year as applicable without any allowance for carrying cost, if otherwise applicable. Thus, in filing of application(s) / petition(s), the licensee is required to maintain the relevant time schedule(s) as specified in the Regulations

It may be further noted that the arrear amount that is to be recovered in a single or number of installments as will be determined by the Commission for any financial year. CESC Ltd shall note that as already MVCA has been introduced, the amount that may be claimed in FPPCA at the end of any year is not expected to be higher than the summated value of following factors: year due to issuance of delayed tariff order as consequence to delayed submission of tariff application by the licensee will not be provided with any carrying cost.

The Commission also observed that during truing up in the APR order of the distribution licensees and in the Fuel Cost Adjustment (FCA) of the generating company, a considerable amount is further recoverable by the licensees and the generating company even after realization of MVCA or MFCA during the year. It appears that the distribution licensees and the generating company have failed to



understand the true spirit of introduction of the MVCA and MFCA and they are not considering the eligible cost in computation of their MVCA or MFCA as per the formula specified in the Tariff Regulations properly. The Commission in terms of regulation 5.8.12 of the Tariff Regulations directs CESC Limited to compute their MVCA taking into consideration the related cost in its true sense keeping in their mind the true spirit of introduction of such monthly adjustment failing which the Commission may not allow such adjustment in full in future or not to pass the amount as found recoverable on account of FPPCA during truing up in APR for CESC Limited.

4.3 CESC Ltd shall note that as already MVCA has been introduced, the amount that may be claimed in FPPCA at the end of any year is not expected to be higher than the summated value of following factors:

- i) impact due to rounding off as per note (f) under the sub- paragraph (d) of paragraph (A) of Schedule - 7B of the Tariff Regulations against the applicable MVCA for the month of February and March of that year,
- ii) impact due to non-recovery of any additional fuel cost of March of any year over and above what is recovered on the basis of MVCA as calculated from data of February due to the fact that MVCA calculated on the basis of data of March is become applicable for next financial year only,
- iii) impact due to application of disallowance of cost as per FPPCA formula at FPPCA determination stage.

Thus in such case if recoverable amount under FPPCA of any year is found to be higher than the above referred summated value, then such excess amount will be dealt as per direction already issued by the Commission vide its order in case no. SM-10/14-15 dated 18.07.2014. In this context it is also to be noted that such



excess amount represent the amount that would have been collected through MVCA and thus not raising of such bill may result into distorted merit order dispatch in the system. In fact, by virtue of this type of practice there is high possibility of vitiating the environment of merit order dispatch in the whole supply chain in West Bengal power sector and thereby affecting the economic load dispatch in the systems. As a result ultimate sufferer will be the retail consumers of West Bengal. In view of the above discussions, no carrying cost will be allowed by the Commission in case of creation of such excess amount as regulatory asset through FPPCA. Whenever such excess amount is released in number of installments then also it will not be entitled to any carrying cost. However, this direction shall not be construed as an approval of such delayed claim of excess fuel cost through FPPCA instead of MVCA and such matter will be dealt as per direction already issued by the Commission vide its order in case no. SM-10/14-15 dated 18.07.2014.

4.4 While declaring MVCA for any month, CESC Ltd shall follow the following directions:

- i) Irrespective of change in MVCA in any month from the previous month, the detail calculation sheet of MVCA prepared for the purpose of determination of MVCA for that month as per regulation 5.8.9 of the Tariff Regulations shall be submitted to the Commission within seven days of notification of the MVCA or in case of no notification within thirty days after the end of the month under consideration for MVCA. Such calculation sheet shall also specifically mention the received fuel bill which has not been considered or partly considered in the said MVCA in pursuance to note (g) under subparagraph (e) of paragraph A of Schedule – 7B of the Tariff Regulations. CESC Ltd shall also upload such calculation sheet in their web-site for each month and shall maintain the same in the website till publication of the worksheet for the next month.



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- ii) In continuation of earlier order in case no: WBERC/A-35/2 dated 19-02-2014 Commission again reiterated that CESC Ltd will publish the notification of change of MVCA in terms of 4th paragraph of regulation 5.8.9 of the Tariff Regulations in such daily newspapers which are widely circulated in West Bengal. Any deviation in this regard will be seriously viewed.
- 4.5 While submitting the Fuel and Power Purchase Cost Adjustment (FPPCA) application for any year CESC Ltd shall give a list of fuel bill or power purchase bill which has not been claimed under MVCA calculation along with the provisions of the Tariff Regulations under which such claim has not been done. A further reconciliation statement shall be given to establish that CESC Ltd has followed the direction of paragraphs 4.3 and. 4.4 above effectively.
- In case of non submission of the above documents/ information the application of APR will not be admitted.
- 4.6 While computing the renewable and cogeneration purchase obligations, the energy generated from Solar roof-top photovoltaic power plants shall be considered by any distribution licensee both on consumption side and as input energy from renewable sources towards fulfillment of renewable and cogeneration purchase obligations in terms of the Electricity Act, 2003 and the relevant Regulations. The licensee is required to furnish suitable details in this respect.
- 4.7 CESC Ltd. shall submit a report on the following issues:
- i) Implementation problem in removing minimum 30 KVA load criterion on eligibility for TOD conversion.



- ii) Possibility of shifting of load of drinking water pumping station, drainage station and other utility services to non-peak hours through TOD and other Demand Side Management strategy.

4.8 While submitting the APR application of any year, the following information is to be provided by CESC Limited in the notes of Financial statement of Annual Accounts or through Auditor's Certificate, in a manner as described below:

- i) All the expenditure or cost element considered under tariff applications are to be provided separately for distribution function and generation function for the regulatory requirement.
- ii) The penalty, fine and compensation under Electricity Act 2003 shall also be shown separately for distribution function and generation function.
- iii) Any fine, penalty or compensation in any other statute other than Electricity Act 2003 shall be mentioned separately for distribution function and generation function along with the reference of the statute.
- iv) The figure of AT & C loss for the years concerned in line with the computation methodology as specified in Form 1.8 of the Tariff Regulations is to be provided. Beside that AT&C loss calculated with arrear recovery for the period prior to the year for which the accounts is prepared shall also be shown separately.

In case of non submission of the above documents/ information the application of APR will not be admitted.

4.9 While submitting APR application of any ensuing year CESC shall submit the certificate from the statutory auditor of the annual accounts of the said year for the following parameters:



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- a) Based on fixed asset register the parameters to be submitted are
- i) the distribution line and the transmission line, if any, which is essential part of distribution system as per section 2(72) of Electricity Act 2003) length in CKM for each level of Voltage related to the asset of CESC . For the asset which is not owned by the CESC but maintained by CESC shall be shown separately.
 - ii) Similarly the number of transformers and total capacity of transformation in MVA or KVA for each category of transformers for distribution system are to be provided.
- b) For the year concerned under the APR the actual number of Consumers, the consumption level in MU and total Connected load in KVA for each category of consumers on whom the tariff rate has been issued in the tariff order of the year corresponding to the APR under consideration.
- c) The figure of distribution loss and AT&C for the year concerned under APR as per form 1.7 and form 1.8 of the Tariff Regulations.
- d) List of expenditure that arises on account of penalty, fine and compensation due to non-compliance of any statute or statutory order along with the reasons for each such type of penalty, fine and compensation.
- e) Copies of the audited accounts of all the terminal benefit funds for the year in a complete shape and not by any selective pages.
- f) A statement showing monthly deposition in different terminal benefit funds for the year for which APR is under consideration.



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- g) A detail breakup showing total expenditure and employee strength against each level of all categories of employees including the whole time directors of the board. If any director or employee discharges any function of other companies also then the allocation of cost among the companies shall be shown separately and distinctly against each level.
- h) In pursuance to regulation 5.8.1(vi) of Tariff Regulations the licensee/ generating Company shall submit the total demurrage hour and related demurrage charges paid against total no. of rakes for each generating station for the year concerned along with the APR or FPPCA application of every ensuing year which shall be certified by the auditors.
- i) In application of APR, CESC shall also enclose their compliance report on Renewable Power Purchase Obligation in pursuance to clause 8 of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 or any of its subsequent amendment or replacement in future.

In case of non submission of the above documents the application of APR will not be admitted.

- 4.10 In case of expenditure at a level higher than the admitted amount under any uncontrollable factor in this tariff order on account of fixed charges, while submitting APR application of any year CESC Ltd. has to justify in detail such higher expenditure with supporting documents and evidence on the basis of which the Commission will take its decision during truing up exercise and it may be noted that without sufficient justification, the excess expenditure may not be admitted in the APR fully or partly. Similarly for controllable factors, where applicable, for the same reasons, supporting documents and evidence are to be submitted to justify their claim. While truing up any uncontrollable factor on



account of fixed charges, the actual business volume parameter and actual inflation rate to which such uncontrollable item is sensitive will be considered in the same manner and principle as determined under the tariff order subject to the limitation as per the Tariff Regulations. However, wherever applicable as per this tariff order the ratio of expenses increase in % on any item and the sensitivity parameter increase will remain the same as that of the tariff order dated 04.03.2015. This is applicable for APR of every year under the fourth control period.

- 4.11 While submitting application for APR of 2014-15 and onwards by any licensee, if such application shows any net claim for that year after considering the concerned FPPCA, then in such case the licensee shall suggest in specific terms the ensuing year(s) in which they intend to recover such claim and by what amount. Licensee shall also show the consequential impact of such recovery in the expected average cost of supply in those ensuing years after considering the total revenue recoverable through the tariff. The total revenue recoverable through the tariff means the summated amount of the Net Aggregate Revenue Requirement plus all other amount on account of any release of regulatory asset, FPPCA and APR for any years which is already decided by the Commission in earlier orders. They shall also mention the carrying cost, if necessary, where it is applicable in terms of the Tariff Regulations and different orders and direction of the Commission in this respect. This consequential impact on tariff shall also be provided in the gist of the APR application.

In case of non submission of the above information the application of APR will not be admitted.

- 4.12 In order to ensure that in future actuarial valuation of terminal benefit fund can be kept in control in a better way by avoiding carrying cost of such liability in future the following is to be adhered.



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- i) CESC Ltd shall ensure that henceforth the amount that is statutorily required to be deposited in a month in different fund on account of terminal benefit, as a part of employee cost admitted in the tariff order, is to be deposited in different terminal benefit funds every month as a first charge item.

- ii) On the head of terminal benefit fund, if there is shortage in the deposit amount in the terminal benefit fund admitted in employee cost through this order, the balance amount of contribution to terminal benefit fund is required to be deposited as first charge item over and above what had already been deposited for the year 2016-17, from the effective date of recovery of the recoverable amount against this order from the very first day. So, it is directed that the balance amount of contribution as discussed above to terminal benefit fund for the years 2016-17, i.e., the difference between the amount of contribution to terminal benefit funds as allowed in this order as a part of employee cost and that has already been deposited in the fund for the year 2016-17, is to be deposited in the respective different terminal benefit funds. Such balance amount is to be deposited in different terminal benefit funds in 12 monthly equal installments from the date on which the recovery through tariff against this order will start.

- iii) While submitting application for APR of 2015-16 and 2016-17, CESC Ltd shall show through audited accounts of different terminal benefit funds that the contribution to the different terminal benefit funds during the concerned year as a part of employee cost is deposited in the terminal benefit funds.

In case of non-deposition of amount admitted for terminal benefit fund as provided in (i) to (iii) above in the respective fund as directed above,



Commission may withhold or deduct same amount equivalent to amount of non-deposition.

- 4.13 Before introduction of any Smart Grid project CESC should follow the investment approval mechanism as per regulation where it is applicable
- 4.14 Regarding purchase of power from different sources the following steps should be undertaken by CESC Ltd. in order to control retail tariff of the consumers of CESC Ltd.
- i) CESC Ltd. is to consider for arranging of purchase of power from different source(s) (including from exchanges) other than the existing sources having supply pattern and cost involvement/economics more favourable for consumers of CESC Ltd.
 - ii) CESC Limited should obtain weekly quote from exchange and accordingly plan for their own generation vis-à-vis purchase from exchange to get the optimum cost.
 - iii) CESC Ltd. shall reduce its dependency on costlier thermal sources, in order to contain the rise in retail price of the consumers in future in a better way.
- 4.15 The Commission is statutorily duty bound to promote generation of electricity from following sources of energy: June 2015. This direction has been issued for sake of transparency and to protect the interest of all the stakeholders in large.
- i) Co-generation of electricity from renewable sources.
 - ii) Co-generation of electricity from fossil fuel sources.
 - iii) Co-generation of electricity from hybrid sources of fossil fuel / conventional sources and renewable sources.



iv) Electricity generation from renewable sources.

In order to promote above mentioned type of generation of electricity by applying regulations 8.3 and 8.4 of the Tariff Regulations and regulations 19.1 and 19.2 of the West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013, the Commission decides that from the APR of the ensuing year 2016 – 2017 a deduction of 5% from Return on Equity will be done if CESC Limited fails to comply with the Renewable Purchase Obligation as per West Bengal Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013 or any of its subsequent amendment. In this context, the Commission also directs that CESC Limited shall advertise on important national media inviting the interested parties of supplying renewable and cogeneration electricity on every fourth months for next two years instead of one time in a year in pursuance to the regulation 3.5 of the said Regulations.

- 4.16 In order to reduce the impact in FPPCA henceforth while applying the formula of MVCA the component of adjustment Δ_{Adj} shall be duly applied by finding out the deviation in recovery of variable cost from sale side computation for the period concerned in pursuance to note (a) under paragraph A of the Schedule – 7B of the Tariff Regulations.
- 4.17 CESC Limited along with their application of APR for 2016 – 2017 shall submit the followings:
- a) Comprehensive plan for raising coal from allocated mines for reducing fuel cost further.
 - b) Plan for switching over to GCV for all purpose so that same can be incorporated in the next opportunity.



- c) Plan to improve efficiency level within specific time line.
- d) Source of the quantity over and above own mine e-linkage from the most cost effective way.

4.18 CESC Limited is directed to take initiatives for energy conservation to flatten the load curve in the following ways:

- i) by retrofitting conventional light with LED lamp, energy efficiency appliances like fan, A/C, etc.; and
- ii) by arranging load management awareness programme for the consumers.

CESC Limited shall also take initiative in development of roof top solar PV and other renewable sources of energy.

4.19 CESC Limited was already directed to submit their plan for reduction of Aggregate Technical and Commercial (AT&C) losses through implementation of HVDS. CESC Limited shall submit the status of survey work on HVDS within 3 (three) months from the date of this order.

4.20 CESC Limited was already directed to segregate feeders based on rural, urban and cities with energy audit. CESC Limited is now directed to submit the status report on segregation of feeders within 3 (three) months from the date of this order. CESC Limited is also directed to submit energy audit report by 31st March, 2017.

4.21 Henceforth, in their APR application for the year 2016 – 2017 and onwards, CESC Limited shall submit the technical and commercial losses separately.



- 4.22 CESC Limited shall submit a roadmap setting areas having high commercial loss, actions contemplated to be taken for reduction of theft, improvement of billing and collection efficiency (installation of smart meters, pole mounted meters, etc.) and spot collection of payment within 3 (three) months from the date of this order.
- 4.23 CESC Limited shall also submit the roadmap to achieve the following:
- i) Reduction of cost of distribution (including loss and sale of energy) nearer Re. 1.00 per unit.
 - ii) Reduction of technical loss to the following limits:
 - For Cities – 4.00%
 - For Urban area - 5.00%
 - For Rural Area - 8.00%
 - iii) Reduction of Commercial Loss below 2.00%.
 - iv) Time line to achieve the commercial loss reduction target.
- 4.24 The Commission earlier directed CESC LIMITED to submit a detailed scheme preferably in the form of Detailed Project Report (DPR) for implementing various measures as enumerated below:
- i) Introducing Pre-paid Smart Metering keeping a provision of switching over to smart Grid with smart Meters in future.
 - ii) Effecting Energy Audit and Technical Audit in the company activities.
 - iii) Application of AB Cables with HVDS while giving connections particularly in theft prone areas.



Tariff Order of CESC Limited for the year 2015 – 2016

The prime objective of the Commission is to reduce the AT&C loss of the distribution licenses to a desirable extent. These loss reductions is to be effected in phases with firm commitments and to be achieved within a period of three years from now onwards

- 4.25 CESC Limited shall further submit matrix wise consumption and AT&C losses for each segment as below to bring out separately the technical and commercial loss required for achieving the target AT&C loss as indicated at paragraphs 4.23 (ii) above.

Voltage level	Rural		Urban		City	
	consumption (MU)	AT&C loss (%)	consumption (MU)	AT&C loss (%)	consumption (MU)	AT&C loss (%)
132 KV and above						
33 KV						
11 KV						
L&MV						

- 4.26 While submitting application of APR for the year 2016 – 2017, CESC Limited shall have to submit the followings through affidavit:

- a) That no expenditure has been claimed by CESC Limited through the APR petition on employee or infrastructure or any other support or O&M activity pertaining to any other business of CESC Limited not in relation to their licensed business.
- b) The list of cases related to Tariff, Annual Performance Review (APR) and Fuel and Power Purchase Cost Adjustment (FPPCA) filed or applied for filing in Court of Law but the notices have not yet been served to the Commission.
- c) A statement showing the utilization of the cash security deposit held by CESC Limited and income there from duly audited by the statutory auditors.



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- 4.27 CESC Limited shall submit within one month from the date of this order the mining plan of the captive mine and its cost per metric tonne as calculated based on recent GOI guidelines and terms and conditions of reverse auction.
- 4.28 Monthly production from allocated mines should be submitted quarterly both planned and actual achieved. .
- 4.29 The Commission intends to introduce Advance Metering Infrastructure (AMI) system which is a primary constituent of smart grid. AMI system, being an useful tool in improving the performance of the DISCOMs, may be introduced along with Optical Fibre Cable (OFC) based communication system. As this kind of work requires substantial capital and moreover its efficacy has not yet been proven, a pilot project may be considered as an initial step, the value of which may be contained within Rs. 5000.00 lakh.
- 4.30 CESC Limited shall take initiative so that the power factor rebate and surcharge can be introduced for the L.T. industrial consumer having connected load of 30 KVA and above in the tariff order for the fifth control period. CESC Limited shall accordingly submit their application for the fifth control period commencing from the financial year 2017 – 2018.
- 4.31 Failure in compliance of any of the above directions within 31st March, 2017 will attract a substantial penalty to be decided and adjusted in their ROE during Annual Performance Review (APR).

Sd/-
(AMITAVA BISWAS)
MEMBER

Sd/-
(R. N. SEN)
CHAIRPERSON

DATE: 28.10.2016