



**ORDER
OF
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
FOR THE YEAR 2022 – 2023
IN
CASE NO: TP – 96 / 20 – 21**

**IN REGARD TO THE TARIFF APPLICATION OF CESC LIMITED
FOR THE YEAR 2022 – 2023 UNDER SECTION 64(3)(a) READ
WITH SECTION 62(1) AND SECTION 62(3) OF THE
ELECTRICITY ACT, 2003**

PRESENT:

**DR. MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 11.12.2023



Tariff Order of CESC Limited for the year 2022 – 23

CHAPTER -1 INTRODUCTION

- 1.1 The 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 the 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 It was a licensee under the provisions of the Indian Electricity Act, 1910 (since repealed) and has become a deemed licensee in terms of the first proviso to section 14 of the Act with effect from 10.06.2003 i.e. the date of coming into force of the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 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 Commission vide order dated 28.05.2019 in case no SM-19/19-20 decided that, the seventh control period shall be of three years consisting of 2020 – 21, 2021 – 22 and 2022 – 23. The Commission extended the last date of filing tariff petition for 7th control period unto 31.08.2020 considering repeated prayer of the utilities of the State in view of issuance of Third Amendment of Tariff Regulations and continuing lockdown conditions as per direction of the Government to contain spread of COVID-19 pandemic.
- 1.4 CESC Limited submitted the tariff application for three years of seventh control period under the Multi Year Tariff (MYT) framework on 26.08.2020 and the same was admitted by the Commission in case no. TP – 96/20 – 21. CESC Limited was accordingly, directed to publish of its tariff application in the newspapers. The gist was published on 20.10.2020 simultaneously in newspapers namely - the 'Bartaman' (Bengali), the 'Aajkaal' (Bengali), the 'Sanmarg' (Hindi) and 'The Times of India' (English). The gist along with the tariff application was also posted on the website of CESC Limited. The publication invited the attention of all interested parties, stake holders and the members of the public to the application for determination of tariff of



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CESC Limited for the seventh control period and requested for submission of suggestions, objections and comments, if any, on the tariff application to the Commission latest by 12.11.2020. Opportunities were also offered to all to inspect the tariff application and to take copies thereof.

- 1.5 Objections to / comments on the aforementioned tariff petition of CESC Limited for the seventh control period were received by the Commission from (i) All Bengal Electricity Consumers' Association (ABECA) and (ii) Ganatantrik Nagarik Samity, Howrah within the stipulated time period.
- 1.6 The Commission, thereafter, in accordance with the provisions of the Act and Tariff Regulations, passed the tariff order dated 01.08.2022 in respect of CESC Limited in case no. TP – 96/20 – 21 determining the Aggregate Revenue Requirement (in short 'ARR') of CESC Limited for each year of the seventh control period, along with the tariffs of CESC Limited for the years 2020 – 21 and 2021 – 22. The objections and suggestions on the tariff petition of CESC Limited for the seventh control period along with the analysis and findings of the Commission has been recorded in the tariff order dated 01.08.2022. CESC Limited on receipt of the aforesaid tariff order of 2020 – 21 and 2021 – 22 submitted its gist for approval and the same was approved by the Commission and the approved gist of the tariff order dated 01.08.2022 for 2020 – 21 and 2021 – 22 was published in newspapers and on the website of CESC Limited on 20.08.2022.
- 1.7 The Commission now proceeds to determine the revenue recoverable through tariff by CESC Limited during the year 2022 – 23 as also the tariff of CESC Limited for 2022 – 23 on the basis of ARR determined for 2022 – 23 in the tariff order dated 01.08.2022 in case no TP – 96/20 – 21 after necessary adjustments in accordance with the Tariff Regulations as detailed in the subsequent chapter.



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CHAPTER -2 SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2022 – 2023

2.1 As stated in the preceding chapter, the Commission determined the ARR of CESC Limited separately for each of the three years of the seventh control period consisting the years 2020 – 21, 2021 – 22 and 2022 23 in the tariff order dated 01.08.2022 in case no TP – 96/20 – 21 (hereinafter referred as 'the 7th MYT order') based on the analysis and findings recorded in that order. The Commission in the MYT order has determined the ARR amounting to **Rs. 710231.60 lakh** for the year 2022 – 23. Summarized statement of ARR for 2022 – 23 was given in Annexure - 6E to the 7th MYT order dated 01.08.2022.

2.2 Revenue from sale of power to other licensees:

CESC Limited in its 7th MYT petition proposed to sale power to other licensee WBSEDCL in the State, in addition to sale of power to its own consumers. CESC Limited in its petition proposed Rs. 523.20 lakh as revenue recovered from 8MU sale to WBSEDCL @Rs 6.54/kwh during the year 2022 – 23. The Commission considers the income from sale to other licensee WBSEDCL in the petition of CESC Limited for ARR determination but does not admit any tariff between the licensees by virtue of this order. The Commission further clarifies that the rate / price of power purchase or sale between two licensees are to be decided under the Power Purchase Agreement following the relevant provisions under the Electricity Act 2003 and not under Tariff determination process in terms of section 62 of the Act. However, to arrive at the revenue to be recovered from own consumers of CESC Limited, the Commission considers to adjust the proposed amount of **Rs. 523.20** lakh as income of CESC Limited from sale of power to WBSEDCL.

2.3 **Adjustment of Regulatory Assets and other payables:**

2.3.1 The Commission in para 6.4.4 of the 7th MYT order considered adjustment of a total amount of Rs. 5923.72 lakh (Refundable amount of Rs 5295.48 lakh with the ARR for 2020 – 21 and recoverable amount of Rs 11219.20 lakh with the ARR for 2021 – 22) of regulatory assets created in APR orders for different years upto 2017 – 18 with the ARRs of 2020 – 21 & 2021 – 22 and decided to adjust the balance recoverable



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amount of **Rs. 10795.00** lakh pertaining to APR order of 2017 – 18 with the ARR of 2022 – 23 or subsequent order as tabulated below:

Description	Recovery /Refund in APR orders	Adjustment in 20 – 21	Adjustment in 21 – 22	Adjustment left for 22 – 23 onwards
(1)	(2)	(3)	(4)	(5)=(2)-(3)-(4)
1) Part adjustment of APR 13 -14	15274.00	15274.00		0.00
2) Adjustment for APR 14-15	-9697.00	-9697.00		0.00
3) Part adjustment for APR 15-16	-11880.25	-10872.48	-1007.77	0.00
4) Adjustment for APR 16-17	11326.94		11326.94	0.00
5) Part adjustment for APR 17-18	11695.03		900.03	10795.00
Total adjustment		-5295.48	11219.20	10795.00

The Commission now decides to adjust the balance recoverable amount of Rs. 10795.00 lakh with the ARR of 2022 – 23.

2.3.2 The Commission in the FPPCA & APR order of CESC Limited for the year 2018 – 19 in Case No. FPPCA – 95 / 19 - 20 and APR – 80 /19 - 20 dated 22.09.2023 has admitted recoverable amount of Rs. 65280.09 lakh and ordered in terms of regulation 2.6.6 of the Tariff Regulations that the entire recoverable amount of Rs. 65,280.09 lakh or a part thereof shall be adjusted with the amount of Aggregate Revenue Requirement for the year 2022 – 23 or that for any other ensuing year or through a separate order as may be decided by the Commission. Now, the Commission decides to adjust Rs. 12722.00 lakh, part of the recoverable amount of Rs. 65280.09 lakh admitted in APR & FPPCA for the year 2018 – 19, with the ARR of 2022 – 23 in terms of regulation 2.5.3(i) of the Tariff Regulations to avoid tariff shock. The balance amount of Rs. 52558.09 lakh (Rs. 65280.09 lakh – Rs. 12722.00 lakh) will be adjusted in subsequent tariff order or any subsequent order in terms of regulation 2.6.6 of the Tariff Regulations.

2.4 Considering the above adjustments, the total revenue recoverable from the consumers and the average tariff during the year 2022 – 23 are determined as below: