



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF**

CASE NO: TP- 104 /22-23

IN REGARD TO APPLICATION SUBMITTED BY DAMODAR VALLEY CORPORATION FOR DETERMINATION OF TARIFF FOR DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY FOR THE PART OF THE DAMODAR VALLEY AREA FALLING WITHIN THE TERRITORY OF THE STATE OF WEST BENGAL FOR THE YEAR 2025-26.

DATE: 31.03.2025



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 Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner'), is a statutory body incorporated under the Damodar Valley Corporation Act, 1948 and involves in generation and transmission of electricity. DVC also sells electricity to intrastate licensees. In addition to the above, DVC undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area which falls in two contiguous States, namely the State of West Bengal and the State of Jharkhand.
- 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 tariff applications for the eighth control period consisting of the years 2023 – 2024, 2024 – 2025 and 2025 – 2026 under the Multi Year Tariff (MYT) framework (hereinafter referred as 'the 8th MYT period') was required to be submitted by DVC within 120 days in advance of the effective date of the said control period. The effective date of the eighth control period is 1st April, 2023.
- 1.4 DVC submitted their application for the 8th MYT period' on 06.02.2023. The tariff petition was scrutinized with reference to requirements of tariff regulations and the same was admitted by this Commission in Case No. TP-104/22-23. DVC was accordingly directed to publish the gist of their tariff application in the newspapers and also in their website as per provisions of the Tariff Regulations. The gist was published on 04.05.2023 simultaneously in the newspapers namely (i) 'The



Telegraph' (English), (ii) 'The Indian Express' (English), (iii) the 'Anandabazar Patrika' (Bengali) and (iv) the 'Bartaman' (Bengali). The gist along with the tariff petition was also posted in the website of DVC. The publication invited attention of all interested parties, stakeholders and the members of the public to the application for determination of tariff of DVC for the 8th Control Period and requested for submission of suggestions, objections and comments, if any, on the tariff application, to this Commission latest by 24.05.2023.

- 1.5 The suggestions, objections and comments on the aforementioned application of DVC for determination of tariff for the 8th MYT period' was received from Steel Authority of India Limited, IISCO Steel Plant (SAIL) within the specified time limit.
- 1.6 Commission, passed the tariff order dated 13.03.2024 in respect of DVC in Case No. TP- 104/22-23 based on the tariff application of DVC for the 8th control period and suggestions, objections and comments received from the stake holder on the aforementioned application. In the tariff order, the Commission determined the Aggregate Revenue Requirement (ARR) for the 8th MYT period' and revenue recoverable through tariff and retail tariff for the years 2023 – 24 and 2024 – 25 for distribution activity of DVC in the State of West Bengal.
- 1.7 The Commission now proceeds to determine the revenue recoverable through tariff by DVC and also the tariff of DVC for 2025-26 on the basis of ARR determined for 2025-26 in the tariff order dated 13.03.2024 in case no TP- 104/22-231 after necessary adjustments in accordance with the Tariff Regulations as detailed in the subsequent chapter.



CHAPTER -2

SUMMARISED STATEMENT OF AGGREGATE REVENUE REQUIREMENT & REVENUE RECOVERABLE THROUGH TARIFF FOR THE YEAR 2025-26

- 2.1 As stated in the preceding chapter, the Commission determined the ARR of DVC separately for each of the three years from 2023 – 24, 2024 – 25 and 2025 – 26 of the 8th control period (hereinafter referred as 'the 8th MYT Order') in Case No. TP-104/22-23 for distribution activity of DVC in the State of West Bengal based on the analysis and findings recorded in that order.
- 2.2 The Commission in the 8th MYT order has determined the ARR amounting to Rs. 593064.81 lakh for the year 2025-26. Summarized statement of ARR for 2025-26 is given in Table-5.1 to the 8th MYT order dated 13.03.2024 which is as follows:

Table 2.1

In Rs Lakh

Particulars	Admitted amount 25-26
Power Purchase Cost excluding RE	34671.48
Generation cost excluding RE	487165.55
Gen/Purchase of RE and REC	28192.28
Cess on Generation	9.17
Transmission and Power System charges related to power purchase for WB command area	9140.91
O&M Expenses on ULDC Scheme	0.00
Own Transmission and distribution cost	20468.90
Interest on Temporary Accommodation	0.00
Legal Charges	236.98
Regulatory fees and publication expenses	272.57
Rebate on sale of Power	5465.46
ROE for 11kV Distribution Assets in WB	1458.99
Depreciation for 11kV Distribution Assets in WB	1647.36
Interest on loan for 11kV Distribution Assets in WB	1592.35
R&M Expense for 11kv Distribution Assets in WB	661.44
Employee cost for 11kv Distribution Assets in WB	0.00
A&G Expense for 11kv Distribution Assets in WB	285.30



Interest on Working capital	5018.00
Interest on security deposit	1223.24
Gross Total	597509.98
Less: Non-tariff income	4445.17
Net ARR for sale to consumers and Licensees in radial mode in West Bengal	593064.81

- 2.3 Revenue from sale of power to other licensees in radial mode in West Bengal for 2025-26 has been admitted in the 8th MYT order as Rs. 40127.66 lakh is as follows:

Table 2.2

		Rs lakh
Sl. No.	Particulars	25 – 26
1	Sale to IPCL in radial mode (Rs lakh)	6697.91
2	Sale to WBSEDCL in radial mode (Rs lakh)	33429.75
	TOTAL	40127.66

- 2.4 However, this should not be construed by DVC as approval of licensee tariff by the Commission. This Commission maintains the Orders issued by this Commission on March 1, 2019 in Case No. OA-272/18-19 and Case No. OA-273/18-19. In the said orders, this Commission had stated that both the parties are at liberty to settle the issues as per the provisions of law in force.
- 2.5 Thus, the net ARR for Sale to consumers in West Bengal excluding supply to Licensees in radial mode comes as follows:

Table 2.3

		(Rs lakh)
Particulars		25 – 26
Net ARR for sale to consumers and Licensees in radial mode in West Bengal (A)		593064.81
Sale to IPCL in radial mode (B)		6697.91