ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION

In Case No. WBERC/OA-57/09-10

IN REGARD TO THE APPLICATION SUBMITTED BY INDIAN POWER CORPORATION LIMITED (IPCL) FOR APPROVAL OF FINAL PROJECT COST TOWARDS CONSTRUCTION OF 220/33 KV SUB-STATION AT J. K. NAGAR, DISTRICT: PASCHIM BURDWAN WITH ASSOCIATED TRANSMISSION AND DISTRIBUTION LINES AND SYSTEMS (PHASE-I) IN TERMS OF REGULATION 2.8.4.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED AND REGULATIONS 2.5.1 AND 2.6.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2013.

PRESENT:
SHRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SHRI DURGADAS GOSWAMI, MEMBER
SHRI PULAK KUMAR TEWARI, MEMBER

DATE: 22.11.2019

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In Re the application submitted by Indian Power Corporation Limited (IPCL) for approval of final project cost towards construction of 220/33 KV sub-station at J. K. Nagar, District Burdwan with associated transmission and distribution lines and systems (Phase-I) in terms of regulation 2.8.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended and regulations 2.5.1 and 2.6.1 of The West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013.

FACTS IN BRIEF

This is in regard to the application submitted by Indian Power Corporation Limited (IPCL) for approval of final project cost towards construction of 220/33 KV sub-station at J. K. Nagar, District Burdwan with associated transmission and distribution lines and systems (Phase-I) in terms of regulation 2.8.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended (hereinafter referred to as the 'Tariff Regulations) and regulations 2.5.1 and 2.6.1 of The West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 (hereinafter referred to as ‘CB Regulations’).

It was mentioned in the Order dated 13.02.2013 of this Commission on the petition of DPSCL dated 27.11.2012 that “DPSCL shall hand over the transmission line from LILO point upto proposed 220/33 kV J K Nagar substation to WBSETCL and submit the details of the cost associated with construction of the said transmission line with Auditor’s Certificate to the Commission for approval of the final cost. WBSETCL shall reimburse the cost of such transmission line as approved by the Commission to DPSCL within 30 days from the date of intimation of determination of such cost by the Commission.”

The said order was modified by a letter dated 05.01.2016 issued by WBERC, specifying the following,

“......

a) Recovery of depreciation, return on equity and interest on loan for creation of transmission assets handed over to WBSETCL shall be allowed to DPSCL. The operation and maintenance of transmission assets will be done by transmission company.

b) The component of the depreciation, return on equity and interest on loan for such transmission assets shall be submitted by DPSCL along with their tariff petition for

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each control period. After examination the allowed amount will be passed through in the transmission tariff of WBSETCL. WBSETCL shall recover those cost so allowed in their tariff from the transmission system users and will pay to DPSCL as may be directed in the respective tariff order of WBSETCL and DPSCL.

c) DPSCL shall pay the transmission charge for using the transmission line in LTOA mode. Necessary provision shall be included in the connectivity agreement made by them with WBSETCL.”

This Commission issued another Order dated 22.11.2018 (against the petition filed by IPCL for final approval and also against the petition filed by WBSETCL to modify the order dated 13.02.2013 & read with modification dated 05.01.2016), which specifies the mode of recovery of the Transmission line as under,

“……….. Now, on the basis of the petition dated 20.07.2018 of WBSETCL, the Commission decides that IPCL shall hand over the transmission line from LILO point upto the J.K. Nagar substation to WBSETCL free of cost and WBSETCL shall maintain the line at their cost as it is forming a part of the State Transmission System under the ownership of WBSETCL.

IPCL shall recover the interest on loan, depreciation and return on equity, if any, on the approved project cost in their tariff.”

IPCL has submitted a review petition on 26.12.2018 for review of the Order dated 22.11.2018 and has prayed for the following before the Commission:

(i) To approve the project cost of 220 kV transmission asset as Rs 6656.08 Lakh
(ii) To approve the mode of recovery of transmission cost as per Order dated 05.01.2016

On hearing both the parties, viz., IPCL & WBSETCL, the Commission found that the original scheme of connectivity of the said substation with STU for transaction of power between

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WBSEDCL and IPCL has changed substantially and does not have much of relevance. The fundamental promises on which the Direction dated 05.01.2016 was issued, has ceased to exist. The Order dated 22.11.2018 was issued on the revised understanding that the network would no longer be utilised to cater to the needs of consumers other than those of IPCL and therefore, those consumers naturally cannot be made to bear the cost of such investment for the project catering to dedicated consumers of IPCL only.

The Commission, without passing any Order, directed both the parties to discuss among themselves and to find out a mutually agreeable and better arrangement if possible, so that the infrastructure of the substation and the Transmission line can be utilised for larger consumer base. The Commission also directed IPCL & WBSETCL to submit the new scheme within 15 (fifteen) days from the date of receiving this Order.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

DATE: 22.11.2019

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(T. K. MUKHERJEE)
SECRETARY