ORDER OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. WBERC/OA-57/09-10


PRESENT:
SRI DURGADAS GOSWAMI, MEMBER

DATE: 22.11.2018
IN RE the application submitted by India 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.

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**ORDER**

1.0 This is in regard to the application submitted by India Power Corporation Limited (hereinafter referred to as 'IPCL') for approval of final project cost of construction of 220/33 KV J.K. Nagar sub-station at 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 West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 (hereinafter referred to as 'CB Regulations').

2.0 IPCL submitted one application on 11.06.2009 for in-principle approval of capital investment proposal for proposed 220/33 KV J.K. Nagar sub-station with drawal of 220 KV line of an approximate length of 42 KM by LILO of one circuit of STPS-Durgapur double circuit 220 KV transmission line of West Bengal State Electricity Transmission Company Limited (hereinafter referred to as 'WBSETCL') at Saturi upto the proposed 220/33 KV sub-station.

2.1 After considering all the facts the Commission vide its order dated 10.01.2011 in case no. WBERC/OA-57/09-10 accorded in-principle clearance for investment of Rs.

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3.0 Upon receipt of in-principle clearance, IPCL submitted an application on 27.11.2012 for approval of the revised capital investment proposal for the proposed 220/33 KV sub-station at J.K. Nagar.

3.1 In their application for approval of revised capital investment, IPCL stated that after a field study the construction of transmission line from Saturi to proposed J.K. Nagar sub-station was found to be extremely difficult because of the issues relating to ROW and Forest Clearance. It was also stated that in consultation with WBSETCL they started exploring alternative practical feasible routes and ultimately found a new route with LILO arrangement of STPS – Durgapur 220 KV line of WBSETCL at Mangalpur which is approximately at a distance of 15 KM from the proposed J.K. Nagar sub-station.

3.2 They had further stated that since the location of LILO point was changed from Saturi to Mangalpur as well as the generating plant to be set up in Dishergarh was also not coming up, IPCL had to rework the entire scheme of J.K. Nagar sub-station.

3.3 It was further stated that Power Research Development Consultants Pvt. Ltd. (PRDC) appointed to undertake load flow study and future demand forecast in IPCL’s licensed area estimated a major surge in demand for power in the area provided IPCL was ready with its system to cater the increased load with adequate
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sourcing of additional power.

3.4 It was further stated that IPCL had entered into a Power Purchase Agreement with West Bengal State Electricity Distribution Company Limited (hereinafter referred to as ‘WBSEDCL’) for purchase of round the clock power upto 250 MVA in a phased manner.

3.5 Considering those aspects IPCL has undergone changes in the scheme for construction of J.K. Nagar 220/33 KV sub-station and the revised scheme was as follows:

Phase – I of the revised scheme

i) 220/33 KV sub-station would be constructed at J.K. Nagar, near Raniganj, West Bengal. There will be five nos. of 220 KV Bays and twenty one no. of 33 KV bays. The sub-station shall have 2 x 100 MVA Transformers for purchase of 130 MVA power from WBSEDCL and from other sources.

ii) The J. K. Nagar sub-station would be connected with STPS – Durgapur 220 KV Double Circuit Line of WBSETCL by means of Single Circuit LILO arrangement near Mangalpur having 220 KV Double Circuit Towers with an approximate route length of 15 KM.

Phase – II of the revised scheme

i) Space to be provided in J. K. Nagar sub-station for construction of additional two no. Bays for future connectivity with WBSETCL’s Raghunathpur 220 KV or any other nearby sub-station for purchase of 250 MVA power from WBSEDCL and as well as from

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- other sources.

ii) Associated Transmission Line as per requirement.

Due to uncertainty in setting up of Raghunathpur sub-station of WBSETCL, IPCL did not include the cost of Phase – II work in the revised DPR.

3.6 It was further stated that they had entered into a connection agreement with WBSETCL on 26.09.2012. Since the 220 KV transmission line will be the part of the service line of the State Transmission Utility, IPCL shall hand over the 220 KV line to WBSETCL at the time of commissioning. It was also stated that the financial consideration for handing over the transmission line by IPCL and the mode of its payment shall be as approved and directed by the Commission.

3.7 It was further stated that as per the connection agreement the proposed transmission line shall be constructed as per drawing and design of WBSETCL and under supervision of WBSETCL only.

3.8 The materials and service to be used for construction of transmission line would be from vendor list of WBSETCL only and WBSETCL shall reimburse the entire cost of transmission line to IPCL after handing over the same as per Commission’s approved cost.

3.9 It was also stated that as per Connection Agreement, the entire cost of construction of Transmission Line was reimbursable from WBSETCL.

3.10 Regarding the benefit IPCL stated the following points:

i) To cater the increasing growth, IPCL had to consider the option for connecting with STU. The benefit of...
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this connection with STU was sourcing of large quantum of power from WBSEDCL as well as from other sources both inside and outside the State.

ii) Existing 33 KV Lines of IPCL was over aged and reached its maximum capacity. Unless IPCL receives bulk power through Transmission Network, existing and new consumers could not be properly served.

iii) Voltage Profile of the entire system will be improved and consumers will be benefited.

iv) Loss level would be lowest if the power was drawn at 220 KV level.

v) Power Purchase cost at 220 KV level would be cheaper.

vi) Asansol-Ranigang area had the potential of mass industrial development because of availability of natural resources and infrastructure facilities like roads and railways. IPCL’s presence in the area was over ninety years and had a consistent track record of supplying quality power to its consumers. Consumers had a preference for IPCL because of their superior quality of service and promptly attending to consumer complaints. Consumers were ready to set up industry in the area provided they get quality and uninterrupted power at a competitive price.

vii) IPCL will be able to serve the forthcoming industries in Asansol-Durgapur-Andal region from the proposed substation location which was in the vicinity of the above mentioned load centres. This will attract new Industries in the region.
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viii) IPCL had to keep ready their distribution capacity in tune with the growth in next ten years’ time. Their present planned investment would help them play the leading role in the industrial development of the region.

ix) With further industrialization, more employment opportunities would be created.

4.0 Considering that cost of Rs. 1920.66 lakh for 220 KV transmission line including supervision charges instead of the amount of Rs. 2280.00 lakh (Rs. 2000.00 lakh + Rs. 280.00 lakh) as projected in the application of IPCL, total projected cost came to Rs. 9628.00 lakh excluding IDC etc.

5.0 The Commission after considering all the facts stated above and the documents submitted by IPCL along with their application accorded in-principle clearance on construction of J.K Nagar Substation for investment of Rs. 9628.00 lakh excluding IDC etc. The major break-up of the cost is given in Annexure – I to this order.

5.1 The Commission had also issued the following specific directions for compliance by IPCL:

i) On completion of the scheme for the purpose of capitalization, the actual project cost is to be got approved by the Commission along with actual interest during construction and all actual expenditure incurred or apportioned to the project cost on account of spares, transportation, insurance, tax, establishment charges, tools and plants, audit and accounts, maintenance and losses during construction and consultancy...
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<th>Charges and also any actual expenditure met out of contingency. IPCL is to provide the cost break-up showing the actual vis-à-vis estimation included in the total project cost;</th>
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<td>ii) It was further directed that on completion of the project IPCL shall hand over the transmission line from LILO point upto proposed 220 / 33 KV J. K. Nagar sub-station 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 IPCL within 30 days from the date of intimation of the determination of such cost by the Commission to them.</td>
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6.0 A modification of the in-principle clearance order dated 13.02.2013 stated above was issued by the Commission vide letter under reference no. WBERC/OA-57/09-10/2/1532 dated 05.01.2016 directing the following:

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

ii) The component of depreciation, return on equity and interest on loan for such transmission assets shall be submitted by IPCL along with their tariff petition for each control period. The component so submitted by

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IPCL will be examined at this end and 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 IPCL as may be directed in the respective tariff order of WBSETCL and IPCL.

iii) IPCL shall pay the transmission charge for using the transmission line in LTOA mode. The necessary provision in this respect shall be included in the connectivity agreement made by them with WBSETCL in this regard.

7.0 Upon receipt of the letter dated 05.01.2016 issued by the Commission modifying the investment approval order dated 13.02.2013, WBSETCL submitted a letter No. CE/CPD/WBERC/743 dated 23.02.2016 giving their views as follows:

i) Agreed to the direction as in (i) of letter 05.01.2016 above.

ii) LILO of STPS – Durgapur 220 KV S/C line at JK Nagar was undertaken in the understanding that IPCL would purchase upto 250 KVA power in phases (130 MVA power from this LILO in Phase – I) from WBSEDCL as per the PPA executed by the parties duly approved by the Commission in case No. WBERC/PPA-58/12-13 dated 05.12.2012. IPCL has now decided to cancel/terminate the said PPA vide letter dated 22.12.2015, as such, the LILO is no longer of any use to any other beneficiary other than IPCL.

iii) In view of the same, IPCL should bear the

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component of depreciation, return on equity and interest on loan for such transmission assets so long as the transmission assets is exclusively used by IPCL. In addition, IPCL shall reimburse to WBSETCL O&M costs as may be decided by the Commission.

iv) In addition, IPCL shall pay the transmission charges for use of transmission network of WBSETCL in LTOA mode on the basis of approved LTOA charges by the Commission.

8.0 IPCL has now submitted the application for approval of final project cost of JK Nagar 220/33 KV substation along with associated transmission systems. IPCL has submitted that the JK Nagar 220/33 KV substation has been successfully commissioned on 11.12.2015 and the commissioning certificate along with intimation letter to SLDC has been placed in the application.

9.0 In their application for approval of final project cost, IPCL has submitted the details of the actual expenditure incurred for construction of the 220/33 KV substation and associated transmission and distribution system of Phase-I project which comes to Rs. 14590.00 lakh as against Rs. 9628.00 lakh approved by the Commission in their in-principle clearance vide its order dated 13.02.2013. The summarized statement of actual expenditure claimed by IPCL is given in annexure – I to this order.

10.0 In their application, IPCL has also submitted:

a) That major cost increase is in respect of the cost of construction of transmission line and overhead cost due to delay in completion of the project. It is
submitted that major reasons for increase in cost of construction of transmission line are ROW issues and diversion of routes as per direction of ECL.

b) That objection from ECL in erecting towers over coal bearing land earmarked for future mining lead to diversion from original route resulting in extra number / different type of towers. It is further submitted that during the time of initial survey, ECL had never informed IPCL about ECL’s plan for exact location of future mining activity though IPCL approached ECL well in advance. Diversion of route due to ROW issues also led to increase in number as well as type of towers, which could not be predicted by IPCL. Diversion of route for crossing over DVC line at four places, crossing over national highways in two places and crossing over electrified track of railways in one place also added to the reasons responsible for increase in cost of construction of transmission lines. The compensation for ROW is also another reason for enhancement of construction cost.

c) That WBSETCL advised IPCL to have special type of foundations because of poor soil conditions revealed from the results of soil test carried out at fifteen locations after change in route as per the advice of WBSETCL. This has lead to increase in erection cost which could not have been anticipated earlier. It is also submitted that after observing poor soil conditions, WBSETCL recommended for a void test of soil conditions in eight different locations which was carried out by IPCL with the help of CIMFR,
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Dhanbad. Since the result of such test revealed poor soil conditions, it was finally decided to use special type of foundations in fifty six (56) tower locations out of sixty four (64) locations. This has also contributed to major increase in erection cost.

d) That time overrun because of unforeseen circumstances due to ROW issues has resulted in increase in IDC and overhead cost.

e) That land acquisition cost has gone up and could not be accurately estimated in advance.

f) That the main reasons for increase in substation cost are due to additional payment to Alstom for reconfiguration and modification of relay system, underground cabling not envisaged earlier, isolator modification, 125 KVA DG sets, road repair and lighting of approaching road, etc.

11.0 Upon receipt of the application of IPCL for approval of the final project cost, a letter was issued to IPCL by the Commission vide no. WBERC/OA-57/09-10/2/1476 dated 29th December, 2017 excerpts of which are as follows:

(i) It is seen from the petition submitted by IPCL that project cost has been increased by an amount of Rs. 4962 lakh as against the in-principle clearance given for investment proposal of Rs. 9628 lakh vide Commission’s order dated 13.02.2013.

(ii) In clause (ii) of para 6.1 of the order dated 13.02.2013 it was specifically mentioned that in case of escalation of project cost IPCL should take due prior approval from the Commission before...
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capitalization of the assets. IPCL did not approach this Commission for approval for such escalation of project cost prior to submission of final project cost.

(iii) Under Para III d of the petition it is mentioned that delay in implementing the project because of severe ROW issues has resulted in increase in overhead cost and IDC. In clause (iii) of para 6.1 of the order dated 13.02.2013, it was mentioned that in case of escalation of project cost due to time overrun IPCL should justify such time overrun and indicate the action taken as required under contractual agreement against such time overrun. IPCL have not submitted any documents in compliance of the above direction.

(iv) In view of above a discussion was held at Commission's office on 23.11.2017 where representative from IPCL were present. During discussion it was decided that IPCL should submit the following documents / information to the Commission for a further look into the matter and accordingly was directed to comply with the same.

i) Item wise cost comparison for supply and erection cost separately in details for construction of transmission line at different stages., i.e., for estimated cost as per DPR of Rs. 19.2 crore, revised cost of Rs. 30.62 crore and final project cost of Rs. 67.60 crore along with justification for increase in price with valid documentation.

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ii) Details of the bills related to segment wise cost.

iii) ECL’s correspondences for changes in route at different stages.

iv) WBSETCL’s correspondences for changes in route at different stages.

v) Approval of drawing by WBSETCL for three stages.

vi) Paper notification dated 06.09.2014.

vii) Details of increase in cost due to time overrun.

viii) Board’s approval of project cost for Rs. 14590 lakh.

12.0 In reply to Commission’s letter dated 29.12.2017 as stated hereinabove, IPCL has submitted the information / documents as sought for alongwith the following submissions:

a) That the details of the project have been explained in section III of the petition covering the reasons for cost escalation.

b) As required under clause (ii) of Para 6.1 of the order dated 13.02.2013, as soon as they understood that there may be an escalation in project cost for construction of 220KV transmission line, they filed a petition before the Hon'ble Commission vide letter no. RA/II/002/13-14/1163 dated 05.03.2014 seeking approval for increase in construction cost of single circuit LILO on 220 kV STPS-Durgapur D/C
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transmission line from Mangalpur to 220/33kV Substation at J K Nagar. However, due to amalgamation/name change matter under sub judice before the Hon'ble Commission, the said petition could not be processed by the Commission. The project being a critical one for the grid connectivity and energy security, significant amount of money has been invested and the project has been completed in December 2015. The process of handing over the same to WBSETCL has been initiated in February 2017. Accordingly, the approval of final project cost is requested.

c) That the time overrun has been mostly due to factors such as ROW issues, poor soil conditions, natural disasters and so on, which are beyond the control of the petitioner or implementing agency. In light of a concurrent view of both parties on the same, no claims on either party arising of any contractual obligations have been preferred.

d) That the total project cost including 220KV J K Nagar Substation Cost & associated transmission infrastructure is Rs 145.90 Crores. The component towards 220KV transmission line and communication system including supervision charge is Rs 66.5608 Crores instead of Rs 67.6044 Crores. The balance amount is related to Substation related expenses.

e) Short summary of primary reasons for project cost escalation.

i) The primary reason for the project cost
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escalation for the 220 KV transmission line segment was mostly on account of change in route alignment, increase in crossings and poor soil conditions. Due to severe ROW issues and ECL’s proposed Open Cast Mines falling in the initial approved route, the route alignment had to be changed. Considering the new route, the route length & crossing points increased, which resulted in increase in number of towers and that too with increased height and higher angle points to maintain statutory clearances at various crossing points with power line (4 nos. of DVC 132 kV line. National Highway, Railway tracks, etc. Therefore, leading to an increase in weight of towers.

ii) Some of the components/members of the superstructures were affected by theft or went missing during execution. Few towers had also collapsed during erection due to storm.

iii) Quantity of tower accessories, Conductor and Earthwire and their accessories increased due to increase in route length and number of towers. Installation of aviation warning lights and warning spheres were not envisaged earlier. However, in view of height of the towers and statutory norms, aviation warning lights and spheres had to be installed on the high rise towers.

iv) Survey work had to be carried out several times, as route was diverted from the original one on 2
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occasions as well as the route length had also increased. For a route of 15.305 kms, survey had to be done for 21 kms of routes.

v) Civil works increased due to a large no. of locations in the proposed initial route found to be having fully submerged soil. In view of poor soil condition, special type of foundations were recommended, which led to increase in excavation, reinforcement, concrete & brick work volume. Soil test had to be carried out for 36 nos. of locations. Moreover, void test had to be carried out at 8 locations.

vi) Costs involved in ROW increased because inspite of marginal increase in route length, the land parcels required for the additional ROW had to be procured.

vii) The increase in number of towers and route length also resulted in increase in quantity of certain critical materials such as HF cable, 220kV CVT & Accessories, etc for PLCC communication network.

f) The time overrun in case of 220 kV Transmission Line construction was mostly caused due to Route realignment exercise and ROW issues. An additional amount was spent on Survey & drawing preparation for Route alignment exercise (Rs 56.5 Lakh) and ROW (Rs 300.9 Lakh). The overhead expenses for the entire project consisting of 220/33KV J K Nagar substation and associated 220kV Transmission line

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increased from Rs 360 Lakh as approved by the Hon'ble Commission during investment clearance to Rs 1548.13 Lakh on actual basis.

...
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are not commensurate with the route length as claimed by IPCL. The quality of concrete, steel materials and conductors' length has been considered accordingly, which are analyzed as below:

a) Superstructure:

Commission finds that total number of tower erected due to revised route is 67 nos. against 60 nos. of tower as projected and considered in in-principle clearance. Thus, there is no justification of huge increase in quantity of superstructure from 465 MT to 2369 MT. However, considering the actual increase in number of towers and change in type of towers the Commission considers the quantity of 836 MT for which cost of erection of superstructure is claimed.

b) ACSR Zebra Conductor:

IPCL claimed materials cost of 213 KM ACSR Zebra conductor against procurement of conductor for a route length of 15.633 KM of 220 KV double circuit line. The claim of material cost for 213 KM ACSR Zebra conductor is not justified with route length. The Commission considers the material cost of ACSR conductor commensurate with the route length.

c) 220 KV Cable:

IPCL claimed Rs. 313.00 lakh as material cost of 220 KV cable in the final project cost. IPCL has not given length of cable for which such costs are claimed. However, the Commission finds from the submission of IPCL that 2.4 KM of 220 KV HV cable was procured for 2 nos. non-Railway crossings, the cost
IN RE the application submitted by India 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.

of which is Rs. 213.00 lakh. However, IPCL has claimed another Rs. 100.00 lakh against 220 KV HV cable but details of the cable and quantity of cable have not been mentioned in the invoice submitted by IPCL. The Commission does not consider the same. The Commission considers the amount of Rs. 213.00 lakh as material cost of 220 KV cable.

d) Costs for all other items are considered except some minor changes as those costs are commensurate with the job done by IPCL.

e) IPCL has claimed Rs. 1548.13 lakh as overhead expenses and IDC. However, Rs. 360.00 lakh was considered for in-principle clearance as overhead cost. The total amount considered during in-principle clearance was excluding IDC. In their submission IPCL has stated that the overhead expenses have been increased due to time over run. On examination of the details it is found that the overhead expenses as claimed by IPCL mainly consist of – i) interest, ii) salary during construction, c) travelling expenses and other administrative expenses and d) overhead expenses and security expenses. On scrutiny it is found that interest during construction (IDC) includes interest accrued on the NCD for the period commencing from 31.12.2011. Earlier IPCL claimed interest amount on NCD in their tariff petition. This interest amount was not allowed in the tariff order earlier with the comments that the NCD raised by IPCL is not related to distribution business of IPCL. Interest on other loan was also claimed which are not related to the instant project.

West Bengal Electricity Regulatory Commission
IN RE the application submitted by India 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.

The Commission considers only the interest claimed by IPCL on the term loan taken for J. K. Nagar project which works out at Rs. 677.16 lakh. The Commission also considers the overhead salary, overhead travelling and other expenses and security expenses during construction period as claimed by IPCL. Thus the total overhead expenses including IDC admitted works out at Rs. 866.00 lakh as follows:

<table>
<thead>
<tr>
<th>Sl. no.</th>
<th>Particulars</th>
<th>Amount (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interest during construction (IDC)</td>
<td>677.16</td>
</tr>
<tr>
<td>2</td>
<td>Overhead salary</td>
<td>105.59</td>
</tr>
<tr>
<td>3</td>
<td>Overhead travelling &amp; other expenses</td>
<td>21.46</td>
</tr>
<tr>
<td>4</td>
<td>Security and overhead expenses</td>
<td>62.02</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>866.23</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Say</strong></td>
<td><strong>866.00</strong></td>
</tr>
</tbody>
</table>

13.3 The item wise cost admitted in in-principle clearance, final cost claimed by IPCL and cost admitted by the Commission are given in Annexure – I to this order. The total project costs as admitted by the Commission is Rs11008.00 Lakh and break up of the admitted cost are as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Amount (Rs. In lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cost towards construction of 220/33 KV J. K. Nagar sub-station</td>
<td>6037.44</td>
</tr>
<tr>
<td>2</td>
<td>Cost towards construction of associated transmission line by LILO of Santaldih-Durgapur 220 KV D/C line of WBSETCL a) Material cost including taxes &amp; duties</td>
<td>2063.97</td>
</tr>
<tr>
<td></td>
<td>b) Overhead cost including taxes and duties</td>
<td>1500.80</td>
</tr>
<tr>
<td></td>
<td>c) PLCC Cost</td>
<td>296.20</td>
</tr>
<tr>
<td>3</td>
<td>33 KV downstream line</td>
<td>243.73</td>
</tr>
<tr>
<td>4</td>
<td>Sub-total</td>
<td>10142.14</td>
</tr>
<tr>
<td>5</td>
<td>Say</td>
<td>10142.00</td>
</tr>
<tr>
<td>6</td>
<td>Overhead expenses including IDC</td>
<td>866.00</td>
</tr>
<tr>
<td>7</td>
<td><strong>Total cost</strong></td>
<td><strong>11008.00</strong></td>
</tr>
</tbody>
</table>

West Bengal Electricity Regulatory Commission
IN RE the application submitted by India 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.

14.0 IPCL has not mentioned whether any equity amount stand deployed against this investment. In the in-principle clearance it was decided that approved cost on transmission line will be reimbursed by WBSETCL and the line will be handed over to WBSETCL by IPCL. Subsequently, the direction was modified to the extent that IPCL shall hand over the line to WBSETCL and WBSETCL shall recover the O&M expenses, interest, depreciation and return on equity on the said asset on the basis of approved project cost and reimburse the amount towards interest on loan, depreciation and return on equity to IPCL.

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.

15.0 The application is thus disposed of. Let a copy of the order be served upon IPCL and WBSETCL.

S/d,
(DURGADAS GOSWAMI)
MEMBER

Dated : 22.11.2018

(T.K. Mukherjee)
Secretary

West Bengal Electricity Regulatory Commission
IN RE the application submitted by India 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.

ANNEXURE – I

ABSTRACT COST ESTIMATE
220/33 KV J.K. NAGAR S/S WITH ASSOCIATED TRANSMISSION AND DISTRIBUTION LINES AND SYSTEMS (PHASE – I)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>Amount (In lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As admitted in in-principle clearance</td>
<td>As claimed by IPCL</td>
</tr>
<tr>
<td>A</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Land Acquisition Cost &amp; Survey &amp; Soil investigation</td>
<td>35.00</td>
</tr>
<tr>
<td>2</td>
<td>Survey &amp; Soil investigation</td>
<td>31.29</td>
</tr>
<tr>
<td>3</td>
<td>Area Grading &amp; Boundary Wall</td>
<td>137.00</td>
</tr>
<tr>
<td>4</td>
<td>Civil Works for buildings, Transformer foundation</td>
<td>257.34</td>
</tr>
<tr>
<td>5</td>
<td>Substation Auxiliaries (Electrical &amp; Mechanical Works)</td>
<td>267.97</td>
</tr>
<tr>
<td>6</td>
<td>Design engineering, Inspection and Supervision Charge including consultancy fees</td>
<td>288.11</td>
</tr>
<tr>
<td>B</td>
<td>220 KV Substation</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Electrical Equipment Cost (including Control, Metering &amp; Protection)</td>
<td>3723.50</td>
</tr>
<tr>
<td>2</td>
<td>Civil &amp; Structural Works</td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>Switchyard Structure &amp; Foundation</td>
<td>364.81</td>
</tr>
<tr>
<td>b</td>
<td>Approach roads, internal roads &amp; drainage</td>
<td>25.00</td>
</tr>
<tr>
<td>C</td>
<td>33 KV Substation</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Electrical Equipment Cost (including Control, Metering &amp; Protection)</td>
<td>464.54</td>
</tr>
<tr>
<td>2</td>
<td>Civil &amp; Structural Works</td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>Switchyard Structure &amp; Foundation</td>
<td>176.50</td>
</tr>
<tr>
<td>D</td>
<td>Transmission &amp; Distribution Line</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>220 KV Transmission line &amp; Communication System between STPS and J.K. Nagar Sub-Station (DPSCIL) and including supervision charges</td>
<td>1920.66</td>
</tr>
<tr>
<td>2</td>
<td>33 KV Downstream lines</td>
<td>300.00</td>
</tr>
<tr>
<td>E</td>
<td>SETTING UP OF ALDC &amp; COST FOR SCADA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>8791.72</td>
</tr>
<tr>
<td>F</td>
<td>Say</td>
<td>8792.00</td>
</tr>
<tr>
<td>G</td>
<td>Overhead Expenses &amp; IDC</td>
<td>360.00</td>
</tr>
<tr>
<td>H</td>
<td>Contingency</td>
<td>476.00</td>
</tr>
<tr>
<td></td>
<td>Total (F+G+H)</td>
<td>9628.00</td>
</tr>
</tbody>
</table>

West Bengal Electricity Regulatory Commission