

Petition for Approval of FPPC for the year 2019-20

Volume - 1

FPPC Petition

Submitted to

**THE HON'BLE WEST BENGAL
ELECTRICITY REGULATORY COMMISSION**

by



**CESC HOUSE
CHOWRINGHEE SQUARE
KOLKATA 700 001**

2019-20

**BEFORE THE HON'BLE WEST BENGAL ELECTRICITY
REGULATORY COMMISSION, KOLKATA**

FILE NO.

CASE NO.

IN THE MATTER OF:

Petition for approval of FPPC for the year 2019-20 and for approval of other amounts payable to the consumers in accordance with the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011

AND

IN THE MATTER OF:

CESC Limited,
CESC House,
Chowringhee Square,
Kolkata-700001

... Petitioner



1


**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

**PETITION FOR APPROVAL OF FPPC FOR THE YEAR 2019-20 AND
FOR APPROVAL OF OTHER AMOUNTS PAYABLE TO THE
CONSUMERS IN ACCORDANCE WITH THE REGULATIONS OF THE
HON'BLE WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

The humble petition of the Petitioner abovenamed –

MOST RESPECTFULLY SHEWETH:-

Introduction

1. The Petitioner herein, CESC Limited (hereinafter referred to as **“CESC”** or **“the Company”**), is a Company registered under the erstwhile Companies Act, 1956 having its Registered Office at CESC House, Chowringhee Square, Kolkata – 700001 and is a distribution licensee in terms of the first proviso to Section 14 of the Electricity Act, 2003. CESC is also a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003.

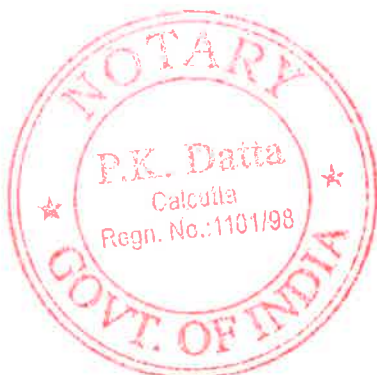
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2. The Hon'ble West Bengal Electricity Regulatory Commission (hereinafter referred to as the **“Hon'ble Commission”**),

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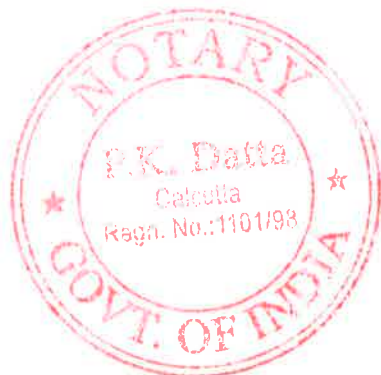
determines the tariff of the Petitioner in accordance with Section 62 of the Electricity Act, 2003 and the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the “Tariff Regulations”).

3. These Tariff Regulations are, *inter alia*, applicable for determination of fuel and power purchase cost adjustment for the year 2019-20. Accordingly, the present petition is being filed before the Hon'ble Commission for Fuel and Power Purchase Cost Adjustment for the year 2019-20.

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4. At the outset it is important to underscore that the Electricity Act, 2003 is a special statute, being “**An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity**

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Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.”

(emphasis supplied)

5. In terms of Section 61 of the Electricity Act, 2003, specification of the terms and conditions for tariff determination are guided, *inter alia*, by the following:-

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(b) *the generation, transmission, distribution and supply of electricity are **conducted on commercial principles;***

(c) *the factors which would encourage competition, efficiency, economical use of the resources, good performance and **optimum investments;***



4


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(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;

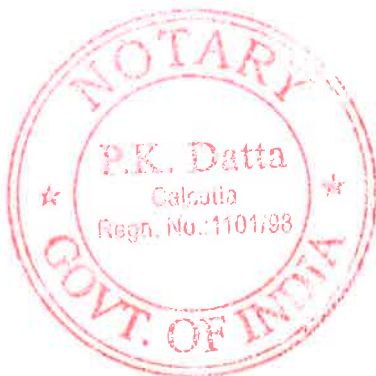
.....
(i) the National Electricity Policy and tariff policy:"

(emphasis supplied)

Extracted from Section 61 of the Electricity Act, 2003.

6. The Hon'ble Commission, being a quasi-judicial body under the Electricity Act, 2003, exercises its powers and functions within the ambit of the said Act. Therefore, the framework and principles of fuel and power purchase cost adjustment applicable for the Company for the year 2019-20 is guided by the provisions of the applicable Regulations and by following the letter and spirit of the Electricity Act, 2003 and in furtherance of the objects of the Act.

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Background

7. The necessity of substantial investment in all aspects of the electricity sector is an oft-repeated theme of the National Electricity Policy and the Tariff Policy issued under Section 3 of the Electricity Act, 2003. Encouragement of investment by the private sector is detailed in Clause 5.8.1 of the National Electricity Policy. The Tariff Policy states that one of the objectives of the Policy is to “ensure financial viability of the sector and attract investments” (Clause 4.0 (b) of the Tariff Policy). Section 61 of the Electricity Act, 2003 requires that the Appropriate Commission shall safeguard consumers’ interest and at the same time ensure recovery of cost of electricity in a reasonable manner. Clause 8.2.1 (7) of Tariff Policy also echoes the same principle of recovery of cost through determination of tariff.

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8. Securing optimum investment and recovery of costs in the sector and ensuring financial viability is relevant in the context of the developments that took place in the legal regime pertaining to coal in the last few years, which is of great significance for the generation sector of the country (54% of generation in India is coal

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based). Around 78% of coal produced in India is consumed in power generation.

9. As has already been submitted, the Electricity Act, 2003 is a special statute, which consolidates all electricity laws of the land. The Hon'ble Commission, through its Tariff Regulations under the said Act, is mandated to ensure, *inter alia*, that generation, distribution and supply of electricity is conducted on commercial principles [Section 61 (b)], optimum investment in the sector is encouraged [Section 61 (c)], consumers' interest is safeguarded together with allowing recovery of the cost of electricity in a reasonable manner [Section 61 (d)], and the principles of tariff determination be guided by the National Electricity Policy and the Tariff Policy [Section 61 (i)]. This petition is being submitted in the backdrop of and pursuant to the above basic tenets of the Electricity Act, 2003 which are reflected through the Tariff Regulations read with orders of the Hon'ble Commission.

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Statutory Provisions

10. "The principles rewarding efficiency in performance" has been recognised in the Electricity Act, 2003 as one of the major guiding factors for determination of tariff. The relevant Regulations of the Hon'ble Commission also echo the same. The Hon'ble Commission has adopted the principle enshrined in the National Electricity Policy vis-à-vis sharing of the gains on operating norms.

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"5.8.5 All efforts will have to be made to improve the efficiency of operations in all the segments of the industry. Suitable performance norms of operations together with incentives and disincentives will need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. This will ensure protection of consumers' interests on the one hand and provide motivation for improving the efficiency of operations on the other."

Extracted from the National Electricity Policy issued under Section 3 of the Electricity Act, 2003.



8


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11. That the Tariff Policy issued under the aegis of the Electricity Act, 2003, also echoes the same principles.

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"5.0 GENERAL APPROACH TO TARIFF

.....

5.11 (f) Operating Norms

Suitable performance norms of operations together with incentives and disincentives would need be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. Except for the cases referred to in para 5.11 (h)(2), the operating parameters in tariffs should be at "normative levels" only and not at "lower of normative and actuals". This is essential to encourage better operating performance. The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration the latest technological advancements, fuel, vintage of equipments, nature of operations, level of service to



9


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be provided to consumers etc. Continued and proven inefficiency must be controlled and penalized.”

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In cases where operations have been much below the norms for many previous years, the SERCs may fix relaxed norms suitably.....

(emphasis supplied)

.....

“5.11 (h) 2)

In cases where operations have been much below the norms for many previous years, the initial starting point in determining the revenue requirement and the improvement trajectories should be recognized at “relaxed” levels and not the “desired” levels. Suitable benchmarking studies may be conducted to establish the “desired” performance standards.



10


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Separate studies may be required for each utility to assess the capital expenditure necessary to meet the minimum service standards.”

(emphasis supplied)

Extracted from the Tariff Policy issued under Section 3 of the Electricity Act, 2003.

Components of Variable Costs

12. The licensed distribution business of the Company has been procuring power generated by the generating stations of its generation business in terms of the orders issued by the Hon'ble Commission from time to time and the Minutes of Meeting dated 22 March 2007 signed between the generation and distribution divisions of the Company. Generation profile of the generating stations are optimised considering the interest of the end consumers. To meet the demands of the consumers of the Company, optimal utilisation of all available sources have been made (both long term and short term, from, inter alia, independent

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generators as well as the Traders, government portal and the Power Exchanges) following relative economics, in the best interest of the consumers. As desired by the Hon'ble Commission, the Company has made arrangement for procurement of power from DEEP portal. Necessary documents to the above have been placed in the petition. The Company obtains power on long term basis from own generating stations and Haldia Energy Limited (HEL), in terms of applicable regulations / orders of the Hon'ble Commission. Power purchase cost also includes cost of short term power purchase from supplemental sources (primarily from energy exchanges) made in terms of the extant Regulations and applicable order to meet the requirement of power in CESC's licensed area. The Company has also procured power through banking which has been valued in terms of Regulation 5.15.2(iv) of the Tariff Regulations. Utilisation of banking (swap-in / swap-out) mechanism, in terms of the relevant regulations, helped the Company to fulfill its statutory universal supply obligation in an optimum manner in the best interest of the consumers taking due cognisance of price volatility in the energy exchanges. CESC has been able to procure power from cogeneration sources regularly within the specified price cap in terms of the applicable Regulations



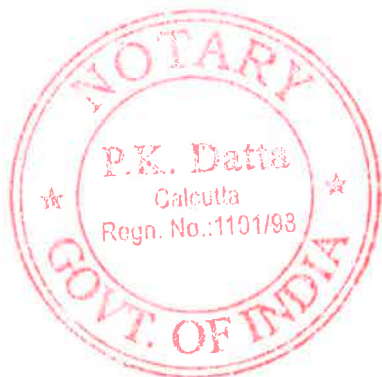
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of the Hon'ble Commission. Injection/ generation from roof-top solar sources through net metering has also been considered, as directed by the Hon'ble Commission. CESC has also procured power from West Bengal State Electricity Distribution Company Limited (WBSEDCL) on emergency basis in terms of the relevant order of the Hon'ble Commission and as per the approved rate of procurement. Sourcing of power from the available sources was optimised through the dispatch schedule, with due cognisance of technical and allied considerations as provided for under the relevant Regulations. Copies of Power Purchase Agreements / arrangements, details on swap-in / swap-out arrangements, procurement arrangements and Connectivity Agreements entered into with consumers having roof-top solar sources are also collectively enclosed in the "Appendix".

13. CESC, for its Budge Budge Unit 3 and other stations, has Fuel Supply Agreements (FSAs) with subsidiaries of CIL. The aggregate available quantity is generally less than what is required by the Company. In this context, it is worthwhile to mention that CESC had to procure coal, in terms of the applicable Regulations, through the e-auction mechanism rolled out by the Government of

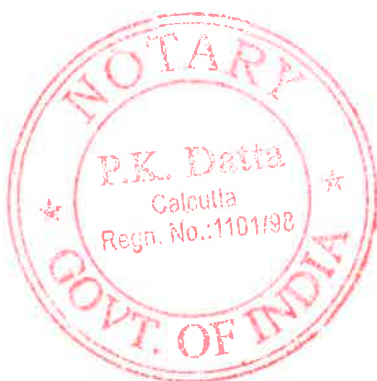
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India from some of the specified mines of CIL and its subsidiaries, considering the quality and certainty of delivery and blending requirements. This is an enabling provision to address the scarcity of coal with less reliance on imported coal. The Company, however, needs to be vigilant and undertake the planning of coal procurement through e-auction as the e-auction schedules are non-uniform and without any specific delivery commitment. Coal available through e-auction mode are subject to high volatility of price owing to variation in premium depending on the nature of demand and other associated factors. Any upward revision in notified price of coal is also being considered by CIL subsidiaries for automatic scaling up of coal e-auction discovered price, often with retrospective effect. Being often sourced from far-away mines, the procurement is also riddled with issues of logistics and use of roadways is frequently needed to be taken up. Presently, insufficient infrastructural readiness of some of the mines necessitates Road-cum-Rail (RCR) mode of transports. Since, CESC had explored such procurement decisions keeping the interest of consumers in the forefront with continuous monitoring of the coal market and abiding by the principles of coal procurement specified in the Tariff Regulations, the Hon'ble



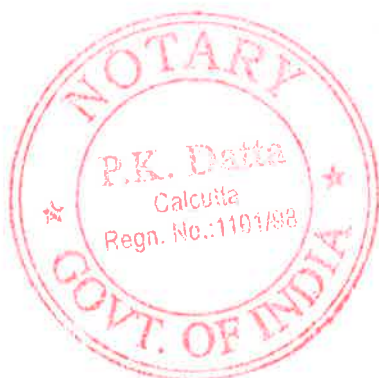
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Commission may kindly consider the cost of e-auction coal in terms of the extant Tariff Regulations to protect the Company from any adverse price impact. Moreover, in terms of recommendations of the Group of Ministers (GoM) (as has been approved by the Ministry of Power) for resolution of stressed thermal power projects, Ministry of Coal may earmark at least 50% coal sourced under e-auction mode for use in the power sector. Hence, utilisation of e-auction coal for power sector is an accepted and widely acknowledged position by the Government of India.

14. It is worthwhile to mention that coal quality is a challenging issue faced by the power generators. The coal market in India is dominated by CIL, which enjoys the monopoly power of supplying coal in the domestic market. It is a well-accepted fact that quality billed by CIL varies significantly with quality of coal received at power stations. The Hon'ble Commission is kindly aware that, there are concerns on appropriateness of coal grade declaration for mines by CIL and necessary independent review by authorities is not adequate. There are also scope for improvement for assessment of coal quality from the supplier and associated grievance redressal mechanism. Appropriate degradation of coal

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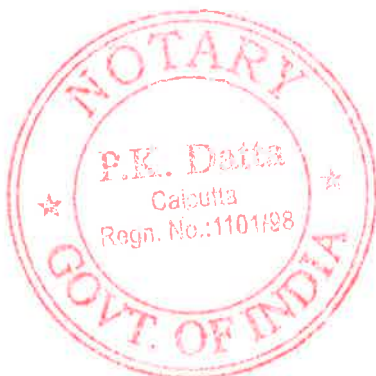
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mines is needed to be ensured through more frequent testing and periodic declaration of quality by the authorities.

15. A proportion of coal allotted through linkage is washed and significant quantum of coal sourced from indigenous source has been washed taking into account quality of coal and blending needs, environmental constraints relating to ash utilization, directives of West Bengal Pollution Control Board etc. Detailed communication in this regard are already in the records of the Hon'ble Commission. The Hon'ble Commission has observed that washing is done to adhere to environmental needs and the associated cost impact is insignificant. The Regulations of the Hon'ble Commission also recognise the need to comply with environmental standards. CESC, as directed by the Hon'ble Commission had approached the West Bengal Pollution Control Board to explore the possibility of exemption from the requirement of coal beneficiation. However, the West Bengal Pollution Control Board has reiterated the requirement of utilisation of coal with ash content not beyond 33% at the Budge Budge Generating Station. Relevant details have been placed in the Appendix. The Company is, therefore, required to resort to a judicious mix of supply from

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CIL sources and other sources including beneficiated coal. Duties, levies, cess etc. have been considered in terms of applicable statutes to arrive at cost of coal, duly certified by Auditors. Details of coal procurement and methodology for the same are furnished through the Appendix.

16. Over past few years, price of coal has been increased by modifying different price components of coal. Apart from changing the basic rates, the monopoly supplier and transporter caused to increase the cost of coal, the primary fuel for power generation, through introduction / imposition of new charges, changing various components of coal price / freight and by enforcing new constraints / conditions etc. This price rise was further accentuated by imposition of taxes and levies. Detailed write-up of the aforesaid issues has been provided below:

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- (a) CIL carried out significant upward revision in basic prices on 8 January 2018 in most prevalent grades of coal used in generation of power. This effectively increased the applicable royalty (as applicable), taxes and duties on an



17

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ad valorem basis, which are linked to the basic price of coal.

- (b) Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) revised the prices of washery grades of coal with effect from 15 September 2018 (vide Notifications dated 14 September 2018 and 29 December 2018), which resulted in a corresponding increase in fuel cost for CESC.
- (c) Railway freight for transportation of coal was increased by the Ministry of Railways on 9 January 2018. Freight was increased and demarcation of busy and non-busy season was removed and the same enhanced rates were made applicable uniformly throughout the year without any seasonal distinction. These new rates effectively increased the freight cost for transportation of coal significantly. Thus, landed cost of coal increased substantially. These enhanced rates were further increased significantly by the Ministry of Railways on 31 October 2018.



18


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- (d) Sizing Charges were increased by around 10% with effect from 1 September 2017.
- (e) Surface Transport Charges were revised by ECL (vide Notifications dated 31 January 2019 & 1 August 2019), BCCL (vide Notifications dated 5 November 2018 & 1 June 2019) and CCL (vide Notifications dated 29 November 2018 & 30 November 2019) respectively.
- (f) An additional amount of Rs. 50 per tonne as 'Evacuation Facility Charge' has been introduced by CIL from 20 December 2017.
- (g) Terminal Charge at Rs. 20 per tonne has been introduced vide Ministry of Railways Notification dated 27 December 2018. This is levied on traffic handled by the Railways and consequently increased the overall freight charges paid by the Company.
- (h) Mines and Minerals (Development and Regulation) Act, 1957 was amended in March 2015 to give effect of levy of



19


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two additional charges towards payment for District Mineral Foundations and National Minerals Explorations Trust. These charges being ad-valorem to royalty, works out to be proportional to the basic notified price of coal.

- (i) Following shift to Goods and Services Tax (GST) regime from 1 July 2017, the Clean Environment Cess of Rs. 400 per tonne has been incorporated under the GST Compensation Cess list and has been renamed as the GST Compensation Cess.
- (j) Additionally, the Ministry of Railways has imposed 5% GST on "transportation of goods by Rail" from 1 July 2017.

Thus, all the aforesaid factors resulted in considerable increase in the overall landed cost of coal.



20


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Particulars	Notified by	Impact
Basic Prices of Non-coking coal	CIL	Around 14-20% increase for most prevalent grades, resulting in ad-valorem increase in royalty, taxes and duties
Basic prices of washery grades of high volatile medium coking coal	BCCL	Around 14% increase
Basic price of washery grade of coal	CCL	Around 16% increase
Railway Freight increase and applicability of enhanced rates across the year without seasonal distinction	Ministry of Railways	Around 8.7% increase
Sizing Charge	CIL	About 10% increase



21


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Particulars	Notified by	Impact
Imposition of Evacuation Facility Charge	CIL	Rs. 50 per tonne
Imposition of Terminal Charge	Ministry of Railways	Rs. 20 per tonne

17. Copies of coal price notification of CIL along with other related documents, royalty rates notified by Ministry of Coal, Government of India, railway freight notified by Ministry of Railways, Government of India, terminal charge notified by the Ministry of Railways, GST Compensation Cess from Ministry of Finance, Government of India, notifications under the amended Mines and Minerals (Development and Regulations) Act, 1957 towards payment for District Mineral Foundations and National Minerals Explorations Trust are placed in the Appendix. Requisite calculations for price of coal from indigenous source have also been furnished in the Appendix. For captive coal, deductions have been made in terms of the tariff order dated 28 October 2016 in Case No: TP – 56/ 13-14. Needless to mention that, all levies / royalties / cess and other charges on coal are allowable in terms

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of various directions / notifications of competent authorities. Relevant documents, the basis of deriving heat values and price for captive coal have been placed in the Appendix. Various requirements of the Regulations of the Hon'ble Commission have been adhered to in the coal procurement process including price therefor. Captive coal was mined to the extent possible. Some uncontrollable factors hindered production, which include rapid spread out of fire in and around areas of coal seam close to working areas, difficult geographical terrain inside the mines resulting into deeper sections with narrower angles, necessitating use of smaller equipment, existing district board road through the mine which is being used as a thoroughfare etc. All such factors have made extraction extremely difficult at times and the issues have been regularly placed before the Appropriate Authority through monthly status reports. In this regard, as has already been intimated to the Hon'ble Commission that, on a writ petition filed by the Company, the Hon'ble High Court of Delhi was pleased to grant an appropriate stay on the actions taken by the Nominated Authority, Ministry of Coal, Government of India relating to performance standards and production issues of the Coal Mine Development and Production Agreement (CMDPA) and granted



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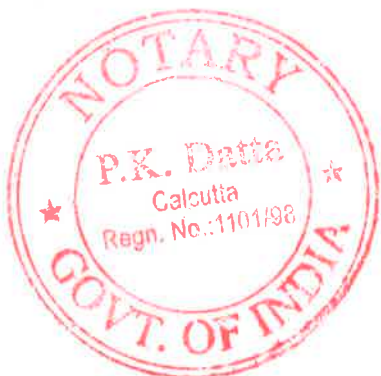
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liberty to the Company to approach the Hon'ble Tribunal, Rajmahal Project Area, Lalmatia Godda, Jharkhand, constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957, which is also the appropriate authority for adjudication under the Coal Mines (Special Provisions) Act, 2015 and the matter has been admitted by the Hon'ble Tribunal. A meeting was convened by CIL on 28 June 2019 to review the production status of coal mines allocated under the Coal Mines (Special Provisions) Act, 2015.

18. Detailed chronology of events leading to allocation of the captive coal mine at Sarisatolli, emergence of this mine as the primary and least-cost source for CESC's generating units, subsequent de-allocation as well as securing back of the mine through e-auction, issues and factors affecting mining operations presently are already in the records of the Hon'ble Commission and the details are not repeated herein to avoid prolixity. The Company craves leave to rely upon the same, whenever necessary. The risk/ cost of coal procurement has indisputably enhanced to a great extent, which is affecting financial viability and investment in the sector. The Company paid additional statutory levy in 2014-15 and filed a

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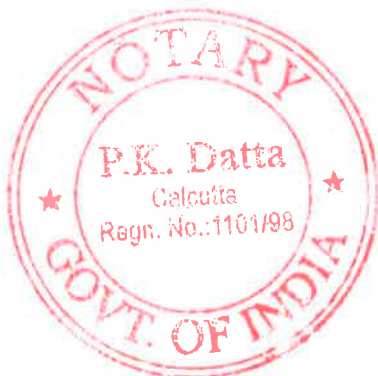
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petition before the Hon'ble Commission for appropriate recovery plan thereof. Presently, proceeding on the above has commenced.

19. It is pertinent to mention in this context that significant developments have taken place regarding treatment of change in law events and pass through of associated cost in the national scenario. The Central Government, in exercise of the powers conferred under section 107 of the Electricity Act, 2003, has issued direction to the Central Electricity Regulatory Commission (hereinafter referred to as the "CERC") on 27 August 2018 to allow pass through of cost for any change in duties, levies, cess and taxes imposed by any Government Instrumentality as the same is construed as "Change in Law". The Hon'ble Appellate Tribunal for Electricity as well as various Electricity Regulatory Commissions have reiterated the above principle and allowed pass through of associated cost along with corresponding carrying costs favourably in their judgments / orders.

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Computation Details

20. The figures contained in this petition have been worked out as per the relevant formula specified in Schedule – 7A of the Tariff Regulations and applicable electricity statutes read with order(s) of the Hon'ble Commission. FPPC, in terms of the above formula, being "Re-determined Fuel and Power Purchase Cost" against application of FPPCA has thus been derived. Other applicable Regulations and/ or other relevant orders of the Hon'ble Commission have been relied upon, as applicable. The norms specified in the Tariff Regulations have been applied in computing the FPPC amount. Other Regulations and/ or relevant orders of the Hon'ble Commission have also been appropriately applied.

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21. FPPC computation, with detailed workings, is incorporated in "Annex A". The petition also proposes passing on substantial benefits to the consumers through operation of Schedule – 9B of the Tariff Regulations. The detailed workings relating to Schedule – 9B, are furnished under "Annex B". Gross benefit of Rs. 8187 lakhs is proposed to be passed on to the consumers, on account

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of the Company's performance being better than the operating norms.

22. The Hon'ble Commission may be pleased to determine and fix the gross re-determined fuel and power purchase cost prior to passing of benefits to consumers and WBSEDCL in terms of Schedule – 9B of the Tariff Regulations, at Rs. 444666 lakhs for the year 2019-20. The above figure is without prejudice to the Company's entitlement arising from interpretation of statutes. The computation is based on power purchase rate of long term source approved by the Hon'ble Commission vide tariff orders dated 27 November 2017 and 29 January 2016 of Haldia Energy Limited in Case No. TP-68/16-17 and Case No. TP-63/14-15 (for generation and evacuation respectively) along with applicable MFCA for the relevant period. Supplemental short term and other procurements have been made well within the limits specified under the extant Regulations and order. Any variation in tariff arising out of any variation of FPPC / power purchase cost allowed to long term source for the year 2019-20 and / or for any earlier year(s) will result in a corresponding variation in CESC's entitlement and may be considered accordingly.

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27


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23. The consumers' share in terms of Schedule – 9B works out to Rs. 8187 lakhs arising out of efficient performance of the Company in relation to operating norms as provided in the Tariff Regulations. A respectful prayer has been made for sharing of losses of Budge Budge and Southern Generating Stations, as detailed hereinafter. The Company has also furnished computations on the savings on the variable portion of distribution loss after considering sharing with consumers in accordance with applicable Regulations. This savings is included in the aforesaid amount proposed to be shared with consumers.

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24. Relevant certificates and audited data are collectively enclosed in "Annex C". The Annual Accounts, audited by the statutory auditors, is submitted in the Appendix.

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25. Additional requirements in terms of the Tariff Regulations are furnished through the Appendix. Copies of monthly worksheets for Monthly Variable Cost Adjustment (MVCA) (which were furnished earlier before the Hon'ble Commission) are collectively enclosed in the Appendix. Compliance requirements with respect to MVCA, as applicable from time to time including uploading in website of

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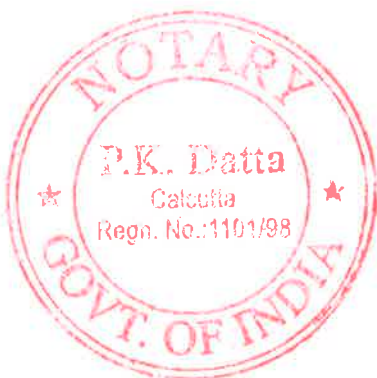
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MANAGING DIRECTOR (GENERATION)
CESC LIMITED

the Company as well as maintenance of last 24 months' MVCA rates in the official website have been duly complied with on a regular basis and the details of such compliance are in the records of the Hon'ble Commission. It is respectfully submitted that in the instant petition, the Petitioner has prayed for Rs. 459287 lakhs as FPPC towards variable cost for 2019-20. Through MVCA and applicable tariff, the Petitioner has already recovered more than 90% of the aforesaid claim. All eligible costs, which could not be collected through MVCA, *inter alia*, due to complexities in computation and prevailing uncertainties arising from reconciliation issues with supplier and / or transporter, is sought to be recovered by way of the instant petition. A Reconciliation Statement in this regard has been furnished in the Appendix.

26. The present application is being submitted with all relevant computations and annexures to the best of our knowledge and understanding of the regulatory requirements after considering all relevant costs upto the time of audit duly done by statutory auditor, within the stipulated timeframe from the completion of accounts in accordance with the Tariff Regulations.

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29


MANAGING DIRECTOR (GENERATION)
CESC LIMITED

27. In the above premises, the Company states and submits that the Hon'ble Commission, after approving the re-determined fuel and power purchase cost including amounts payable to the consumers by the Company, may also be pleased to give direction for incorporation of the said consolidated FPPC amount in the final Aggregate Revenue Requirement to be determined through Annual Performance Review for the year 2019-20 or suitably allow the same to be recovered earlier, in accordance with the Regulations of the Hon'ble Commission, in a manner the Hon'ble Commission deems fit and proper. Commensurate deduction in respect of benefits to be passed on to the consumers is necessary, in the eventuality that any amount claimed herein is not considered recoverable by the Hon'ble Commission.

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28. Since, the Company submits the present petition in terms of the Hon'ble Commission's order dated 4 July 2018, duly considering relevant netting off, it has resulted in significant under-recoveries of captive coal cost for CESC. In case, any additional entitlement arises from legal interpretation of the statutes, the Company prays for recovery of the same at a later date.

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30

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General

29. The Annexes and the Appendix may be considered as a part of this petition. A
30. Figures have been rounded off, where necessary, for appropriate presentation. A
31. A Gist of this Fuel and Power Purchase Cost Petition is enclosed with this petition for approval of the Hon'ble Commission. A
32. As decision is awaited on the FPPC petitions for the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 submitted on 14 September 2015, 8 September 2016, 25 September 2017, 4 February 2019 as well as the Multi Year Tariff petition for the years 2018-19 and 2019-20 submitted on 29 June 2018 and passing through tariff the effect of APR order for 2013-14 dated 2 March 2020, the Company craves leave to file supplementary submissions to this petition at a later date, if required. Also, petition for additional statutory levy was submitted before the Hon'ble Commission on 13 May 2015 for appropriate recovery plan of the A



31


MANAGING DIRECTOR (GENERATION)
CESC LIMITED

amount paid. Early disposal of all these petitions is humbly prayed for.

33. This application is made bona fide, in accordance with the Regulations framed by the Hon'ble Commission and, in the interest of justice.

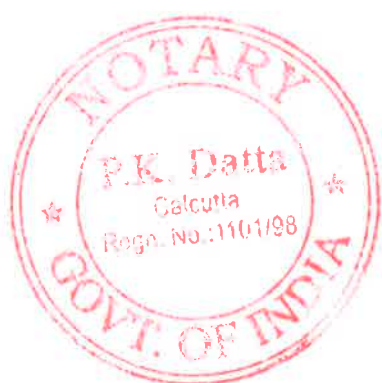
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34. **PRAYER**

In the facts and circumstances as stated hereinabove the petitioner humbly prays that the Hon'ble Commission may be pleased to:

(A) Pass an order to:

- (a) Approve gross re-determined fuel and power purchase cost for the year 2019-20 at Rs. 444666 lakhs in terms of the formula contained in Schedule – 7A of the Tariff Regulations and order dated 4 July 2018, as incorporated in Annex A to this petition;



32


MANAGING DIRECTOR (GENERATION)
CESC LIMITED

- (b) Approve the amount of benefits to be passed on to the consumers and WBSEDCL for the year 2019-20 at Rs. 1232 lakhs in respect of specified efficiency parameters, as incorporated in Annex B to this petition;
- (c) Approve sharing of 50% loss suffered by Budge Budge and Southern Generating Stations, working out to Rs. 1088 lakhs;
- (d) Approve further savings on variable cost of distribution loss at Rs. 21721 lakhs and allowing net savings of Rs. 14766 Lakhs for the year 2019-20 after passing of benefit of Rs. 6955 lakhs to consumers as incorporated in Annex B to this petition;
- (e) Give direction for incorporating the total consolidated FPPC amount of Rs. 459287 lakhs as the amount to be considered during Annual Performance Review for the year 2019-20 or allowing recovering of the same separately earlier, in a manner the Hon'ble Commission deems fit and proper;



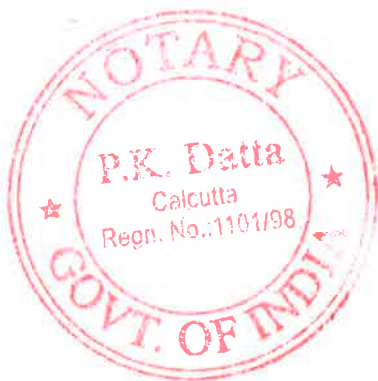
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MANAGING DIRECTOR (GENERATION)
CESC LIMITED

(B) Early disposal of the petition as the business of the Hon'ble Commission would permit;

(C) Pass such other order or orders and/or give direction as the Hon'ble Commission may deem fit and proper;

AND THE PETITIONER, AS IN DUTY BOUND, SHALL EVER PRAY.



34


MANAGING DIRECTOR (GENERATION)
CESC LIMITED

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Calcutta

Regn. No. 1101/98

पश्चिम बंगाल पश्चिम बंगाल WEST BENGAL

26AA 082844

BEFORE THE HON'BLE WEST BENGAL ELECTRICITY
REGULATORY COMMISSION, KOLKATA

FILE NO.

CASE NO.

IN THE MATTER OF:

Petition for approval of FPPC for the year
2019 - 20 and for approval of other amounts
payable to the consumers in accordance with
the West Bengal Electricity Regulatory
Commission (Terms and Conditions of Tariff)
Regulations, 2011

P. K. Datta
Notary
Regn. No. : 1101/98
C.M.M.'s Court
2 & 3, Barkshill Street
Calcutta - 700011

19 8 SEP 2020

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তাং ২৪/৪/২০২০

মোকাম জয়নগর এ. ডি. এস. আর. অফিস
জেলা - দঃ ২৪ পরগনা

ক্রেতার নাম.....

সাকিম.....

মূল্য ২০৫.....

ভেঙার মুনাল মিত্র

স্বাক্ষর

মুনাল মিত্র



AND

IN THE MATTER OF:

CESC Limited,
CESC House,
Chowringhee Square,
Kolkata-700001

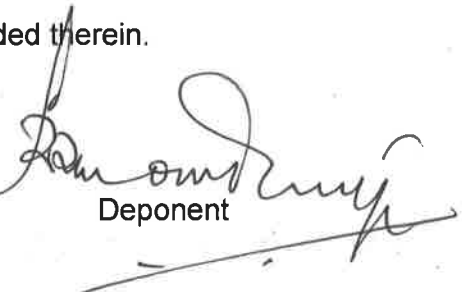
... Petitioner

AFFIDAVIT VERIFYING THE PETITION

I, Rabi Chowdhury, son of Late Indra Bhusan Chowdhury, aged about 60 years, residing at Flat 12C, Devaloke Heights, 142A Raja S. C. Mullick Road, Kolkata – 700092, do solemnly affirm and say as follows :

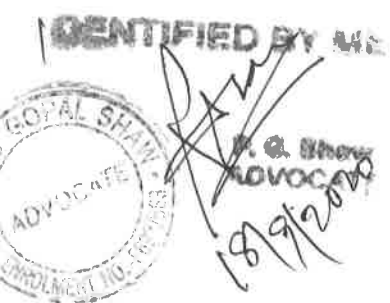
1. I am the Managing Director (Generation) of CESC Limited, the petitioner in the above matter and am duly authorised by the said petitioner to make and affirm this affidavit for and on behalf of the said petitioner.
2. The statements made in Paragraphs 1 to 3, 6, 8, 9, 12 to 33 of the petition herein now shown to me and marked with the letter "A" are true to my knowledge, the statements made in Paragraphs 4, 5, 7, 10 and 11 marked with the letter "B" are based on information received and, to the best of my knowledge, nothing material has been concealed from the statements so made or documents or supporting data etc. attached.

Solemnly affirmed at Kolkata on this ~~13th~~ day of September, 2020 that the contents of this affidavit are true to my knowledge, no part of it is false or nothing material has been concealed therefrom and no misleading material included therein.


Deponent



Place : Kolkata
Date : 13th September 2020



P. K. Datta
Notary
Regn. No. : 1101/98
C.M.M.'s Court
2 & 3, Bankshall Street
Calcutta - 700001

36

Solemnly Affirmed &
Declared before me
Identification by Advocate

13 8 SEP 2020

P. K. DATTA
Notary

Index

	Page Nos.
1. <u>Annex A</u> Calculation of Gross Re-determined Fuel and Power Purchase Cost	38
2. <u>Annex B</u> Benefits passed on to Consumers and WBSEDCL	45
3. <u>Annex C</u> Auditors' Reports and Certificates	51



37


MANAGING DIRECTOR (GENERATION)
CESC LIMITED

Annex A

Calculation of Gross Redetermined Fuel and Power Purchase Cost

2019-20



**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Calculation of FPPC

Paramteres	Details	Reference / Basis	Unit	Amount
Fuel-Cost	Fuel Cost at generation bus of CESC generating stations	Annex A1	Rs Lakhs	155424.23
E_{sys}	Annual Energy available at distribution input, including power purchases from different sources, for sale to consumers and WBSEDCL :			
	i) Energy available from unit sent out by CESC generating stations, for sale to consumers and WBSEDCL	Annex A1	MU	5642.051
	ii) Energy purchased from HEL	Annex A4	MU	4044.491
	iii) Energy purchased from Cogeneration sources	Annex A5	MU	106.747
	iv) Energy from Solar Sources	Annex A5	MU	5.558
	v) Supplemental Energy purchased	Annex A5	MU	1475.463
E_{sys}	Annual Energy available at distribution input, including power purchases from different sources, for sale to consumers and WBSEDCL	$E_{sys} = i)+ii)+iii)+iv)+v)$	MU	11274.311
FC_{IUC}	Per Unit of Fuel Cost at Distribution input	Fuel-Cost/ E_{sys}	Paise/Unit	137.86
E_{sc}	Energy Sale to consumers	Annex C2	MU	9990.714
E_{sl}	Energy Sale to WBSEDCL	Annex C2	MU	8.467
E_o	Energy for own consumption	Annex C2	MU	42.098
t	Normative Distribution Loss for sale to WBSEDCL	Table D, Schedule 9A of Tariff Regulations	%	14.30%
d	Normative Distribution Loss for sale to consumers			
FC_{Adm_d}	Admitted Fuel Cost for sale to WBSEDCL	$E_{sl} * FC_{IUC} / (1-t)$	Rs Lakhs	136.20
FC_{Adm_c}	Admitted Fuel Cost for sale to consumers	$(E_{sc} + E_o) * FC_{IUC} / (1-d)$	Rs Lakhs	161387.76
FC	Fuel Cost of CESC generation as per Normative Parameters laid down by the Hon'ble Commission, commensurate with actual level of sales to own consumers and WBSEDCL during 2019-20	$FC_{Adm_c} + FC_{Adm_d}$	Rs Lakhs	161523.96
PPC	Total cost of Power Purchase from different sources commensurate with actual level of energy sales to consumers and WBSEDCL during 2019-20	Annex A4 & A5	Rs Lakhs	283142.16
E	Differential auxiliary consumption	Annex B2 & Table A, Schedule 9A of Tariff Regulations and Audited Data	MU	-81.664
E_p	Energy purchased	$E_p = E_{sys} - ii)+iii)+iv)+v)$	MU	5632.260
E_{adm}	Energy entitled for purchase	$E_{sl} / (1-t) + (E_{sc} + E_o) / (1-d) - i) - E$	MU	6156.391
E_e	Difference between actual energy purchased and energy entitled for purchase	$E_p - E_{adm}$	MU	-524.131
C_D	Cost Disallowed		Rs Lakhs	
A	Adjustment, if any, to be made in 2019-20 to account for any excess/ shortfall in recovery of fuel and power purchase cost in the past adjustment periods based on directions/ orders of the Commission		Rs Lakhs	
FPPC	Gross Redetermined Fuel and Power Purchase Cost for 2019-20 prior to adjustments relating to Schedule - 9B	$FC + (PPC - C_D) - (\pm A)$	Rs Lakhs	444666.12

COST OF FUEL - Normative

2019-20

STATION	DERIVATION	UNIT	Budget Budget	Southern	Overall
Sent out Energy - overall	A	MU	5352.423	307.199	5659.622
Less : Energy sold to persons other than own consumers and WBSEDCL including permissible losses	B	MU	17.571		17.571
Energy sent out for own consumers and WBSEDCL	C = A - B	MU	5334.852	307.199	5642.051
Auxiliary Consumption	D	MU	527.623	30.382	558.005
Generation	E	MU	5862.475	337.581	6200.056
Heat Rate	F	kCal/kWh generated	2470	2900	
Permitted Oil Consumption	G	ml/kWh	1.30	2.10	
Heat Value of Oil	H	kCal/Litre	9563	9563	
Heat Value of Coal	I	kCal/Kg	3764	4591	
Overall Permitted Heat	J=F*E	GCal	14480313.250	978984.900	
Permitted Heat from Oil	K=G*H*E/10 ³	GCal	72881.703	6779.403	
Permitted Heat from Coal	L=J-K	GCal	14407431.547	972205.497	
Permitted Oil Consumption	M=(K/H)*10 ³	KL	7621.218	708.920	
Permitted Coal Consumption	N=L/I.9925*10 ³	Tonne	3856616.319	213363.567	
Cost of Oil per KL	O	Rs./KL	47800.78	51941.62	
Cost of Coal per Tonne	P	Rs./Tonne	4236.45	4752.84	
Cost of Oil	Q=O*M/10 ⁵	Rs. Lakhs	3643.00	368.22	4011.22
Cost of Coal	R=P*N/10 ⁵	Rs. Lakhs	163383.62	10140.83	173524.45
Overall Cost of Fuel	S=Q+R	Rs. Lakhs	167026.62	10509.05	177535.67
Captive coal cost netted off in terms of Order dated 28 October 2016 (Kindly refer to the Appendix)	T	Rs. Lakhs	22008.54	102.90	22111.44
Cost of Fuel	U = S - T	Rs. Lakhs	145018.08	10406.15	155424.23

Overall sale to persons other than own consumers and WBSEDCL including permissible losses is 296.775 MU, after considering swap-out power of 279.204 MU, which is valued in terms of Regulation 5.15.2(iv). Kindly refer to Annex A5.

Coal Mix : 2019-20**Budge Budge Generating Station**

Grades	Grade Mix	Heat Value
	%	KCal/kg
G4	12.61%	5677
G5	6.74%	5238
G7	5.59%	4363
G8	7.26%	3994
G9	0.15%	3664
G10	1.35%	3312
G11	2.58%	2684
G12	0.47%	2160
WIV	17.14%	3854
NCW	1.76%	3518
Non-CIL Indigenous	23.42%	2686
Non-CIL Indigenous Washed	20.93%	3248
Overall	100.00%	3764

Southern Generating Station

Grades	Grade Mix	Heat Value
	%	KCal/kg
G4	44.31%	5677
G5	4.21%	5238
G7	6.13%	4363
G8	22.80%	3994
G10	1.54%	3312
G11	12.49%	2684
WIV	2.90%	3854
NCW	2.72%	3663
Non-CIL Indigenous	1.38%	2381
Non-CIL Indigenous Washed	1.52%	3038
Overall	100.00%	4591

Notes:

1. Heat value considered in terms of Regulation 5.8.15 of the Tariff Regulations. Basis of deriving heat value has been placed in the Appendix.
2. Certificates of heat value of coal are submitted in the Appendix.

Stationwise Heat Value of Oil

2019-20	Budge Budge Generating Station	Southern Generating Station
Month	Heat Value (KCal / Litre)	Heat Value (KCal / Litre)
Apr-19	9567	9563
May-19	9558	9558
Jun-19	9569	9567
Jul-19	9553	9573
Aug-19	9570	9578
Sep-19	9570	9564
Oct-19	9557	9562
Nov-19	9550	9549
Dec-19	9567	9564
Jan-20	9555	9570
Feb-20	9563	9559
Mar-20	9575	9552
2019-20	9563	9563

Certificates of heat value of oil are submitted in the Appendix.



**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Power Purchase 2019-20
Long Term Power Purchase Cost Analysis

<i>Particulars</i>	<i>Unit</i>	<i>Derivation</i>	<i>HEL</i>
Overall Power Purchase Quantum			
Units	MU	A	4044.491
Details of Drawal			
Drawal during Normal Period	MU	B1	1912.483
Drawal during Peak Period	MU	B2	1086.895
Drawal during Off-Peak Period	MU	B3	1045.113
Rates (weighted average of applicable rates in terms of Orders of the Hon'ble Commission)			
Energy Charge - Normal	Paise/Unit	C1	295.39
Energy Charge - Peak	Paise/Unit	C2	295.40
Energy Charge - Off-Peak	Paise/Unit	C3	295.35
Average Fixed Charge	Paise/Unit	D	234.42
Average rate of Other Charges	Paise/Unit	E	36.04
Power Purchase Cost			
Energy Charge	Rs. Lakhs	$F=B*C/10$	119466.60
Fixed Charge	Rs. Lakhs	$G=A*D/10$	94810.18
Other Charges	Rs. Lakhs	$H=A*E/10$	14575.19
Power Purchase cost (X)	Rs. Lakhs	$I=\text{sum}(F:H)$	228851.97

MANAGING DIRECTOR (GENERATION)
CESC LIMITED

Power Purchase 2019-20

Other Power Purchase Cost Analysis

Particulars	Unit	Derivation	RPGPTCL (Cogeneration)	Solar	Energy Exchanges	RPGPTCL (Other than Cogeneration)	WBSEDCL	Other Short Term	Banking (Swap-in against Swap-out of FY19)	Banking (Swap-in against swap-out during FY20)	2019-20
Other Power Purchase Quantum											
Units	MU	A	106.75	5.56	1009.71	167.32	5.81	3.51	261.29	27.82	1587.77
Applicable Rates											
Energy Charge	Paise/Unit	B=C/A*10	350.88	634.22	354.20	466.46	780.30	403.71	462.83	490.03	388.71
Power Purchase Cost											
Energy Charge	Rs. Lakhs	C	3745.51	352.51	35763.63	7804.85	453.32	141.88	12093.20	1363.38	61718.28
Other Charges	Rs. Lakhs	D	401.34		4188.78	207.60		15.21	1066.01	113.38	5992.33
Other Charges - prior period (refer note 3)	Rs. Lakhs	E	36.17								36.17
Total Cost (Y)	Rs. Lakhs	F = C+D+E									67746.78
Total Cost of Electrical Energy purchased (X+Y)	Rs. Lakhs										296598.75

Notes:

- Figures corresponding to 'Solar' refers to injection from rooftop sources through net metering. Generation from roof-top solar installations, considering 15.75% Capacity Utilisation Factor is 45.652 MU. Relevant supporting document is placed in the Appendix.
- Rs. 283142.16 lakhs considered towards overall power purchase cost after deducting Rs. 1363.38 lakhs towards banking of energy during the year and Rs. 12093.20 lakhs towards banking of energy corresponding to swap out in previous year, valued in terms of Regulation 5.15.2.(iv). Kindly refer to Annex A1.
- Pertains to past period wheeling charge for the period February 2019 and March 2019 as per bill dated 14 February 2020.



MANAGING DIRECTOR (GENERATION)
CESC LIMITED

Annex B

Adjustments relating to Schedule - 9B of Tariff Regulations

2019-20



**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Adjustments relating to Schedule - 9B of Tariff Regulations for 2019-20

	Particulars	Basis	Reference in WBERC (Terms and Conditions of Tariff) Regulations, 2011	Rs. Lakhs
(1)	Amounts proposed to be passed on to consumers and WBSEDCL in accordance with Para A1, Schedule - 9B of Tariff Regulations	Detailed Calculations follow in Annex B1	Para A1, Schedule - 9B	819.55
(2)	Amounts proposed to be passed on to consumers and WBSEDCL in accordance with Para A2, Schedule - 9B of Tariff Regulations	Detailed Calculations follow in Annex B2	Para A2, Schedule - 9B	412.34
(3)	Amounts proposed to be passed on to consumers and WBSEDCL in accordance with Para A3, Schedule - 9B of Tariff Regulations	Detailed Calculations follow in Annex B3	Para A3, Schedule - 9B	-
(4)	Amounts proposed to be passed on to consumers and WBSEDCL in accordance with Para C, Schedule - 9B of Tariff Regulations	Detailed Calculations follow in Annex B4	Para C, Schedule - 9B	6955.10
	Gross amount proposed			8186.99
(5)	Less: Share of Expenditure incurred for Southern Generating Station	Detailed Calculations follow in Annex B3	Kindly refer to the Petition read with Para A3, Schedule - 9B	(1088.21)
	Overall adjustments to Consumers and WBSEDCL			7098.79



**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Adjustments as per Para A1, Schedule - 9B of Tariff Regulations for 2019-20

1. Particulars	Unit	Budge Budge	Southern
Category of the station in accordance with Para A1 of Schedule - 9B of the Tariff Regulations		B	C
Difference in specific oil consumption in accordance with Para A1, Schedule - 9B of Tariff Regulations	ml/Kwh	1.12	-0.88
Difference in oil consumed - (A)	KL	6594.31	-300.57
Oil Price (Kindly see Audited data in Annex C3) - (B)	Rs./KL	47800.78	51941.62
Difference in cost of oil consumed (G) in accordance with Para A1, Schedule - 9B of the Tariff Regulations [G = A x B / 10 ⁵]	Rs. Lakhs	3152.13	-156.12
Criteria for adjustments in accordance with Para A1 of Schedule - 9B of the Tariff Regulations		5	-
% of share to own consumers and WBSEDCL in accordance with Para A1 of Schedule - 9B of the Tariff Regulations	%	26%	-
Amount proposed to be passed on to consumers in accordance with Para A1 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs	819.55	-
Overall amount proposed to be passed on to consumers in accordance with Para A1 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs		819.55

Adjustment as per Para A2, Schedule - 9B of Tariff Regulations for 2019-20

2. Particulars	Unit	Budge Budge	Southern
Units sent out for supply to consumers and WBSEDCL (Annex A1)	MU	5334.852	307.199
Category of the station in accordance with Para A2 of Schedule - 9B of the Tariff Regulations		B	B
Normative Auxiliary consumption [derived from Annex C1, read with Table A, Schedule 9A of Tariff Regulations]	MU	527.623	30.382
Actual Auxiliary Consumption (U _a)	MU	444	32
Difference in Auxiliary Consumption rate in accordance with Para A2, Schedule - 9B of Tariff Regulations	%	1.31%	-0.45%
Excess Units sent out from the Generating Station [Derived from Annex C1 & C2] (U)	MU	83.346	NIL
Cost of Generation (R)	Rs./Unit	2.47	3.08
G = (U x R)	Rs. Lakhs	2061.69	-
Criteria for Sharing in accordance with Para A2 of Schedule - 9B of tariff Regulations		4	-
% of share to consumers in accordance with Para A2 of Schedule - 9B of Tariff Regulations	%	20%	-
Amount proposed to be passed on to consumers in accordance with Para A2 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs	412.34	-
Overall amount proposed to be passed on to consumers in accordance with Para A2 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs		412.34

**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Adjustments as per Para A3, Schedule - 9B of Tariff Regulations for 2019-20

3. Particulars	Unit	Budge Budge	Southern
Ratio of Heat Rate as per Table A, Schedule 9A to Design Heat Rate in accordance with Para A3 of Schedule - 9B of the Tariff Regulations (SHR _n /D)		1.099	1.071
Category of the station in accordance with Para A3 of Schedule - 9B of the Tariff regulations		B	B
SHR/SHR _n	Kcal/kwh	Less than 0.96	More than 1
Generation (Net of units used for sales to persons other than own consumers and WBSEDCL)	MU	5862.475	337.581
Coal Cost for sales to own consumers and WBSEDCL in accordance with Schedule 9A and related Regulations	Rs. Lakhs	141375.08	10037.93
Coal Cost for sale to own consumers and WBSEDCL in accordance with Audited figures in Annex C3	Rs. Lakhs	142345.25	11244.17
Coal Cost difference	Rs. Lakhs	(970.17)	(1206.24)
Applicable Criteria in accordance with para A3 of Schedule - 9B to the Tariff Regulations			
% of share to own consumers in accordance with para A3 of Schedule - 9B to the Tariff Regulations	%		
Amount proposed to be passed on to consumers in accordance with Para A3 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs		
Overall amount proposed to be passed on to consumers in accordance with Para A3 of Schedule - 9B of the Tariff Regulations	Rs. Lakhs		
Share of Expenditure incurred (Please refer to the Petition for further details)		(485.09)	(603.12)

4. Impact of Distribution Losses

Parameters	Definition / Explanation	Unit	Based on normative parameters
A1	Fuel cost of CESC generation for actual level of sales to own consumers and WBSEDCL during the adjustment period (kindly refer Annex A1)	Rs Lakhs	155424.23
A2	Total cost incurred including the cost of power purchase from different sources for actual level of sales during the adjustment period (Kindly see Annex A5)	Rs Lakhs	283142.16
A = A1 + A2	Total allowable fuel and power purchase cost (A)	Rs Lakhs	438566.39
B1	Total energy sent out from CESC generating stations during the adjustment period corresponding to actual level of sales to consumers and WBSEDCL (Kindly see Annex A1)	MU	5642.051
B2	Total energy purchased at the distribution input bus from different sources based on approved procurement plans during the adjustment period, corresponding to actual level of sales, net of swap-out energy (Kindly refer to Audited Data in Annex C2 & C5)	MU	5375.811
B = B1 + B2	Total energy at distribution input for sales to consumers and WBSEDCL	MU	11017.862
C	Cost of System Input for consumers and Sales to WBSEDCL ($C = A/B \times 10$)	Paise / Unit	398.05
D1	Actual Level of Sales to own consumers and WBSEDCL (Kindly see Audited data in Annex C2)	MU	9999.181
D2	Consumption in Company Premises (Kindly see Audited data in Annex C2)	MU	42.098
D = D1 + D2	Total Utilisation (D)	MU	10041.279
L	Normative Distribution loss (Table D, Schedule 9A of Tariff Regulations)	%	14.30%
E	Normative Loss of Units [$E = D \times L / (1 - L)$]	MU	1675.499
F	Actual Loss of Units from Auditors' Certificates attached and permissible losses for sales to persons other than consumers and WBSEDCL	MU	976.583
G = E - F	Savings due to Distribution Loss	MU	698.917
H	Savings due to Distribution Loss ($H = G \times C / 10$)	Rs Lakhs	27820.40
I = H x 0.25	Savings shared with consumers @ 25%	Rs Lakhs	6955.10
J = H - I	Savings retained by CESC after sharing 25% with consumers	Rs. Lakhs	20865.30
K = FC-Fuel_cost	Savings included in FPPC formula (I) [Kindly refer to Annex A]	Rs. Lakhs	6099.72
M = J - K	Net savings due to Distribution Loss	Rs. Lakhs	14765.57

Annex C

Certificates

2019-20



**MANAGING DIRECTOR (GENERATION)
CESC LIMITED**

Independent Auditors' Certificate

The Board of Directors
CESC Limited
CESC House, Chowringhee Square,
Kolkata 700 001

1. This Certificate is issued in accordance with the terms of our Service Scope letter dated August 12, 2020 and Master Engagement Agreement dated August 7, 2017 read with addendum dated August 13, 2018 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of details of units generated during the year ended March 31, 2020 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2020 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether (i) Station-wise Installed Electricity Generating Capacity; (ii) Station-wise units generated; (iii) Station-wise Plant Load Factor (PLF) and (iv) Station-wise units sent out, particulars of which is contained in the Statement, together with notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 29, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.



7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
 - a) Verified Station-wise Installed Electricity Generating Capacity in the Statement from the Energywise - Performance Status All India - Region wise Report for the month of March 2020 published by Central Electricity Authority;
 - b) Traced Station-wise electricity units generated and sent out from CESC Generating Stations from the Yearly System Performance Report prepared and approved by the management for the financial year 2019-20;
 - c) Checked whether Plant Load Factor has been accurately computed in accordance with the formulae defined in clause 1.2.1 (Ixxix) of the Notification no. 48/ WBERC dated April 25, 2011 issued by WBERC;
 - d) Tested arithmetical accuracy of the Statement; and
 - e) Obtained necessary representations from management.

Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31,2020.

Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.



13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652

UDIN: 20058652AAAADG5187
Place of Signature: Kolkata
Date: September 18, 2020



CESC Limited

Statement showing details of units generated during the year ended 31st March, 2020

Particulars	Unit	Budge Budge (BBGS)	Titagarh (TGS)	Southern (SGS)	Overall covering all stations
(a) Installed Electricity Generation Capacity	MW	750	240	135	1125
(b) Units Generated	Million KWh	5798.164	-	339.263	6137.426
(c) Plant Load Factor $c = b / (a \times 366 \text{ days} \times 24 \text{ hrs.} / 1000)$	%	88.01	-	28.61	62.11
(d) Units sent out from CESC Generating Stations	Million KWh	5352.423	-	307.199	5659.622

Notes:

1. Plant Load Factor has been computed as defined in Clause 1.2.1 (Ixxix) of the Notification no 48/WBERC dated 25 April 2011 issued by the West Bengal Electricity Regulatory Commission.

The above statement is certified to be true and correct.

Kolkata
September 18, 2020



RAJARSHI BANERJEE Digitally signed by
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Executive Director & CFO

**MANAGING DIRECTOR(GENERATION)
CESC LIMITED**

Independent Auditors' Certificate

The Board of Directors
CESC Limited
CESC House, Chowringhee Square,
Kolkata 700 001

1. This Certificate is Issued in accordance with the terms of our Service Scope letter dated August 12, 2020 and Master Engagement Agreement dated August 7, 2017 read with addendum dated August 13, 2018 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of details of electrical units purchased/sold during the year ended March 31, 2020 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2020 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, (hereinafter referred to as the 'Regulations').

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether (i) Electricity units purchased; (ii) Electricity units purchased/sold through Unscheduled Interchange (Net); (iii) Electricity units sold to own consumers; (iv) Electricity units sold to West Bengal State Electricity Distribution Company Limited ("WBSEDCL"); (v) Electricity units sold to persons other than own consumers and WBSEDCL and (vi) Electricity units consumed in Company's premises, particulars of which are contained in the Statement, together with notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 29, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294




MANAGING DIRECTOR (GENERATION)
CESC LIMITED

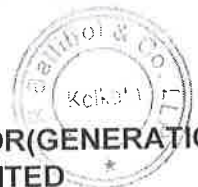
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
 - a) Traced the details set out in the Statement for the year ended March 31, 2020 from the audited standalone financial statements;
 - b) Compared Electricity units purchased (other than purchase of solar energy) with Yearly System Performance Report prepared and approved by the management for financial year 2019-20 compiled based on Monthly Import/Export Statistics Reports;
 - c) Compared on test check basis Electricity units purchased from solar sources with Solar Injection Report prepared and approved by the management;
 - d) Compared on test check basis compilation of Monthly Import/Export Statistics Reports prepared and approved by the management with the final schedule as uploaded on its website by West Bengal State Load Despatch Centre, West Bengal State Electricity Transmission Company Limited ("WBSETCL");
 - e) Compared on test check basis Electricity units purchased/sold through Unscheduled Interchange ('UI') (Net) with "Statement on account of UI for each - 15 minutes time block" as uploaded on its website by West Bengal State Load Despatch Centre;
 - f) Compared on test check basis Electricity units sold to own consumers with monthly Comparative Statement prepared and approved by the management;
 - g) Compared on test check basis Electricity units sold to WBSEDCL with invoices;
 - h) Compared on test check basis Electricity units sold to persons other than own consumers and WBSEDCL with Monthly Import/Export Statistics Reports prepared and approved by the management, with invoices and with the final schedule as uploaded on its website by West Bengal State Load Despatch Centre, WBSETCL;
 - i) Compared Electricity units consumed in Company's premises in the Statement with the statement of electricity units consumed in company's premises prepared and approved by the management; and
 - j) Obtained necessary representations from management.

Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.

Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely

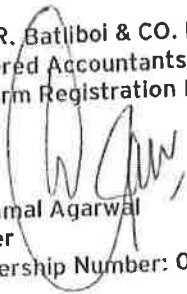


S.R. BATLIBOI & Co. LLP
Chartered Accountants

separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Kamal Agarwal
Partner
Membership Number: 058652



UDIN: 20058652AAAADI1976
Place of Signature: Kolkata
Date: September 18, 2020

CESC Limited

Statement showing Purchase of electricity units including through Unscheduled Interchange (UI) (Net), Sales of electricity units to own consumers, West Bengal State Electricity Distribution Company Limited (WBSEDCL), persons other than own consumers and WBSEDCL and Consumption of electricity units in Company's premises during the year ended 31st March, 2020

Particulars	Million KWh
Electricity Units Purchased *	5632.260
Electricity Units Purchased / (Sold) through Unscheduled Interchange (Net)	22.755
Electricity Units sold to own consumers	9990.714
Electricity Units sold to WBSEDCL	8.467
Electricity Units sold to persons other than own consumers and WBSEDCL (at CESC Bus) #	290.840
Electricity Units consumed in Company's premises	42.098

* includes purchase of solar electricity and electricity purchased on power banking terms.

includes electricity units sold on power banking terms.

Notes :

1. The aforesaid electricity units purchased represent units received by CESC Limited at CESC Bus.

The above statement is certified to be true and correct.

Kolkata
September 18, 2020



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Executive Director & CFO

**MANAGING DIRECTOR(GENERATION)
CESC LIMITED**

Independent Auditors' Certificate

The Board of Directors
CESC Limited
CESC House, Chowringhee Square,
Kolkata 700 001

1. This Certificate is issued in accordance with the terms of our Service Scope letter dated August 12, 2020 and Master Engagement Agreement dated August 7, 2017 read with addendum dated August 13, 2018 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of Average Cost of Coal and Light Diesel Oil (LDO) consumed during the year ended March 31, 2020 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2020 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether (i) Station-wise Average cost per tonne, Average freight cost per tonne and Total cost per tonne of coal consumed; (ii) Station-wise Average cost per KL of LDO consumed and (iii) Station-wise total quantity of coal and LDO consumed, particulars of which is contained in the Statement, together with notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 29, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about



whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
 - a) Obtained and traced the details set out in the Statement for the year ended March 31, 2020 from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements;
 - b) Compared station-wise quantity of coal and LDO consumed, cost of coal and LDO consumed, freight cost incurred with the statement of consumption as prepared and approved by the management;
 - c) Checked whether the Station-wise Average cost per tonne, Average freight per tonne and total cost per tonne of coal consumed and Average cost per KL of LDO consumed has been accurately computed in accordance with the formulae stated in the Statement;
 - d) Tested arithmetical accuracy of the Statement; and
 - e) Obtained necessary representations from management.

Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.

Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

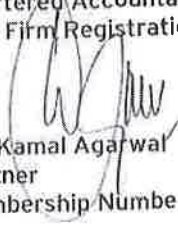


MANAGING DIRECTOR(GENERATION)
CESC LIMITED

S.R. BATLIBOI & CO. LLP
Chartered Accountants

13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Kamal Agarwal
Partner
Membership Number: 058652

UDIN: 20058652AAAADE6784
Place of Signature: Kolkata
Date: September 18, 2020



CESC Limited

Statement showing Average Cost of Coal and LDO consumed during the year ended 31st March, 2020

Particulars	Unit	Budge Budge	Southern
Coal Consumed - Quantity	Tonne	3371135	236505
Average Cost	Rs./Tonne	3387.88	3813.84
Average Freight [Refer Note 1]	Rs./Tonne	848.57	939.00
Overall Average	Rs./Tonne	4236.45	4752.84
LDO Consumed - Quantity	KL	1030.29	1009.49
Average Cost	Rs./KL	47,800.78	51,941.62

Notes :

1. Represents freight and other related costs towards transportation of coal through Rail to Generating Stations.
2. Consumption quantity and value for ascertaining the above average coal cost, freight thereof and LDO cost has been arrived at on the basis of quantity and value of coal/ LDO purchased, adjusted for opening and closing stock quantity and its value and includes other required adjustments.
3. Out of the above mentioned generating stations, the freight cost of Southern Generating Station includes payments made to Kolkata Port Trust.
4. The average cost of Coal Consumed and freight thereof per tonne and the average cost of LDO Consumed per KL has been arrived at by dividing the respective value of Coal consumed, LDO consumed and freight incurred during the year by quantity mentioned above.

The above statement is certified to be true and correct

Kolkata
September 18, 2020



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Executive Director & CFO

**MANAGING DIRECTOR(GENERATION)
CESC LIMITED**

Independent Auditors' Certificate

The Board of Directors
CESC Limited
CESC House, Chowringhee Square,
Kolkata 700 001

1. This Certificate is issued in accordance with the terms of our Service Scope letter dated August 12, 2020 and Master Engagement Agreement dated August 7, 2017 read with addendum dated August 13, 2018 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of station-wise grade-wise percentage of coal purchased during the year ended March 31, 2020 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2020 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.
5. Further, the Company's management is also responsible for ensuring the correctness of the details of the information of station-wise grade-wise coal purchased and Average heat value of the coal received and resultant station-wise grade-wise mix percentage, as mentioned in the purchase invoices / credit notes and providing us with the certificate of the external technical experts employed by the management of the Company (the "Technical Expert") in this respect.

Auditor's Responsibility

6. Our responsibility is to provide a limited assurance as to whether (i) station-wise grade-wise mix percentage of coal purchased during the year and (ii) station-wise grade-wise average heat value (KCAL/Kg) of coal as received during the year, particulars of which is contained in the Statement, together with notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.



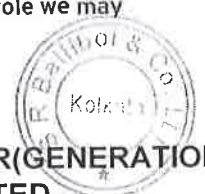

7. The audited standalone financial statements referred to in paragraph 6 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 29, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
11. We have performed the following procedures in relation to the Statement:
 - a) Obtained and traced the details set out in the Statement for the year ended March 31, 2020 from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements;
 - b) Compared the quantity of station-wise grade-wise coal purchased with the purchase register, which is verified on a test check basis with purchase invoices;
 - c) Checked on test check basis that the grade-wise mix percentage has been accurately arrived in the same proportion which purchase of each grade bears to the total purchase for each generating station;
 - d) Compared on test check basis the Average heat value of each coal grades with the certificate issued by technical expert;
 - e) Tested arithmetical accuracy of the Statement; and
 - f) Obtained necessary representations from management.

Conclusion

12. Based on our examination, as above, including the specific procedures as set out in paragraph 11 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020 and certificate issued by technical expert as furnished to us by the management of the Company.

Restriction on Use

13. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may

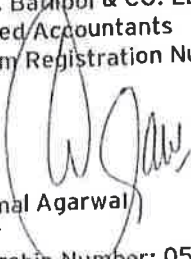


S.R. BATLIBOI & CO. LLP
Chartered Accountants

have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

14. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Kamal Agarwal
Partner
Membership Number: 058652



UDIN: 20058652AAAADH8084
Place of Signature: Kolkata
Date: September 18, 2020


MANAGING DIRECTOR(GENERATION)
CESC LIMITED

CESC Limited

Statement showing station-wise grade-wise % of coal purchased during the year ended 31st March, 2020

Coal *	Budge Budge		Southern	
	Mix (%)	Average Heat Value Kcal/Kg	Mix (%)	Average Heat Value Kcal/Kg
Grade G4	12.61	4825	44.31	4826
Grade G5	6.74	4335	4.21	4719
Grade G7	5.59	1499	6.13	1465
Grade G8	7.26	1605	22.80	1539
Grade G9	0.15	3072		
Grade G10	1.35	2366	1.54	2435
Grade G11	2.58	2671	12.49	2645
Grade G12	0.47	2145		
Grade WIV	17.14	2498	2.90	3254
NCW	1.76	3518	2.72	3663
Non-CIL Indigenous ROM	23.42	2686	1.38	2381
Non-CIL indigeneous Washed	20.93	3248	1.52	3038
Overall	100.00	3015	100.00	3419

* represents grade as declared by colliery in the invoice or final grade as declared by CIMFR and accepted by both parties, wherever applicable.

Notes :

1. The above gradewise mix represents the proportion which purchase quantity of each grade bears to the total purchased quantity for each generating station.

2. The average heat value for a particular grade of coal represents the average value of the total heat value of the coal received for the particular grade.

The above statement is certified to be true and correct and has been accurately extracted from the audited books and records/ financial statements and is mathematically accurate using the appropriate formulae.

Kolkata
September 18, 2020



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RAJARSHI BANERJEE Digitally signed by
RAJARSHI BANERJEE
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Executive Director & CFO
MANAGING DIRECTOR (GENERATION)
CESC LIMITED

Independent Auditors' Certificate

The Board of Directors
CESC Limited
CESC House, Chowringhee Square,
Kolkata 700 001

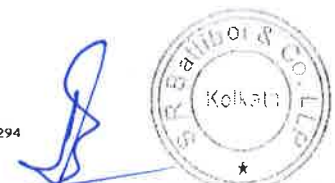
1. This Certificate is issued in accordance with the terms of our Service Scope letter dated August 12, 2020 and Master Engagement Agreement dated August 7, 2017 read with addendum dated August 13, 2018 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of cost of electrical energy purchased during the year ended March 31, 2020 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2020 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, (hereinafter referred to as the 'Regulations').

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether (i) Quantity, Cost and Average Energy Charge for electrical energy purchased from Haldia Energy Limited ("HEL") separately for peak period, normal period and off-peak period based on period of drawal as per Clause 3.13 of the Notification No. 48/WBERC dated April 25, 2011 issued by the WBERC and cost incurred for fixed and other charges and (ii) Quantity, Cost and Average Energy Charge of electrical energy purchased through cogeneration sources and other sources, and cost incurred for other charges, if any, relating to such purchases, particulars of which are contained in the Statement, together with notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.



6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 29, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) Issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
 - a) Traced on a test check basis the quantity of electrical energy purchased from HEL separately for peak period, normal period and off-peak period based on period of drawal from the final schedule as uploaded on its website by State Load Despatch Centre, West Bengal State Electricity Transmission Company Limited ("WBSETCL");
 - b) Compared Electricity units purchased including purchase through co-generation and other sources, with Monthly Import/Export Statistics Reports prepared and approved by the management on test check basis;
 - c) Compared the compilation of Monthly Import/Export Statistics Reports prepared and approved by the management with the final schedule as uploaded on its website by State Load Despatch Centre, WBSETCL on a test check basis;
 - d) Compared on test check basis electricity units purchased from solar sources with Solar Injection Report prepared and approved by the management;
 - e) Compared on test check basis cost of electrical energy purchased and other charges, if any, with the statement of invoices;
 - f) Checked whether energy charges for electrical energy procured from banking sources as detailed in the Statement has been accurately computed in accordance with the valuation method as stated in Note to the aforesaid Statement;
 - g) Checked whether the Average Energy Charges has been accurately computed in accordance with the formulae stated in the Statement;
 - h) Tested arithmetical accuracy of the Statement; and
 - i) Obtained necessary representations from management.

Conclusion

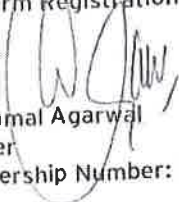
11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2020.




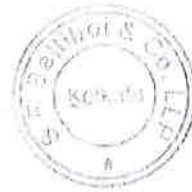
Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Kamal Agarwal
Partner
Membership Number: 058652

UDIN: 20058652AAAADF3247
Place of Signature: Kolkata
Date: September 18, 2020



**MANAGING DIRECTOR(GENERATION)
CESC LIMITED**

Statement showing cost of electrical energy purchased during the year ended 31st March, 2020

Cost of electrical energy purchased from Haldia Energy Limited (HEL)

Particulars	Unit	Derivation	2019-20 HEL
Overall Purchase Quantum	Million KWh	A	50,34.401
Details of Drawal			
Drawal during Normal period	Million KWh	B1	1912.483
Drawal during Peak period	Million KWh	B2	1066.995
Drawal during Off-peak period	Million KWh	B3	1043.113
Applicable Rates			
Total energy Charge - Normal Period	Rs. In lakhs	#	56,492.49
Energy Charge - Normal (Average Rate based on time of drawal)	Paise/KWh	C1 = a/B1*10	295.39
Total energy Charge - Peak Period	Rs. In lakhs	b	32,106.54
Energy Charge - Peak (Average Rate based on time of drawal)	Paise/KWh	C2 = b/B2*10	295.40
Total energy Charge - Off-Peak Period	Rs. In lakhs	c	30,687.47
Energy Charge - Off-Peak (Average Rate based on time of drawal)	Paise/KWh	C3 = c/B3*10	295.35
Total Fixed Charge/ Capacity Charge	Rs. In lakhs	d	94,810.18
Average Fixed Charge	Paise/KWh	D = d/A*10	234.42
Other Charges	Rs. In lakhs	e	14,574.19
Other Charges	Paise/KWh	E = e/A*10	36.04
Purchase Cost Total Cost (A)	Rs. Lakhs	F=(a+b+e+d)	2,28,851.97

Cost of electrical energy purchased from Cogeneration, Solar sources, Energy Exchanges, West Bengal State Electricity Distribution Company Limited, RPG Power Trading Company Limited (RPGPTCL), Other short term sources and Banking

Particulars	Unit	Derivation	RPGPTCL (Cogeneration)	Solar	Energy Exchanges	RPGPTCL (Other than Cogeneration)	WSEEDCL Other Short Term	Banking (Swap-in against Swap-out of FITs)	Banking (Swap-in during FITs)	2019-20
Overall Purchase Quantum	Million KWh	A	106.75	5.56	1,009.71	167.30	5.81	261.29	27.82	1587.77
Units										
Applicable Rates	Paise/KWh	B=C/A*10	359.60	634.22	354.20	486.46	780.30	403.71	480.00	388.71
Energy Charge	Rs. Lakhs	C	3,745.51	352.51	36,793.63	7,604.65	4,633.32	141.66	12,093.20	61,718.28
Purchase Cost	Rs. Lakhs	D	401.34	35.17	4,184.78	207.60	15.21	1,066.01	113.38	5,862.33
Energy Charge	Rs. Lakhs	E	36.17							36.17
Other Charges (refer note 4)	Rs. Lakhs	F=(a+b+e+d)								87,746.79
Total Cost (A)	Rs. Lakhs									2,36,598.75
Total Cost of Electrical Energy purchased	Rs. Lakhs									

- Notes:
- The aforesaid purchase quantum represents units received by CESC Limited at CESC Bus
 - Normal Period, Peak Period, Off-Peak Period mentioned above are as per Clause 3.13 of the Notification No. 48/WBERC dated 25 April, 2011 issued by the West Bengal Electricity Regulatory Commission.
 - The valuation is in terms of Regulation 5.15.2 (iv) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 notified vide Notification No. 48/WBERC dated 25 April 2011 and as amended by Notification No. 54/WBERC dated 30 July 2013 issued by the West Bengal Electricity Regulatory Commission.
 - Pertains to wheeling charge as per bill no. RFTCL/CECOW/052 dated 13 February 2020



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