

# Annexure - I

## BSPTCL Tariff Order for FY 2019-20

The Commission, as per norms has computed the working capital requirement and interest on working capital based on the approved expenses at an interest rate of 12.60% as on 1st April 2017 as given in the Table below:

**Table 4.27: Interest on working capital approved in truing up for FY 2017-18**

Sl. No.	Particulars	Approved for FY 2017-18 in Tariff Order dated 09.03.2017	Claimed by BSPTCL in truing up for FY 2017-18	Now approved in truing up for FY 2017-18
(Rs. Crore)				
1	O&M expenses (1 month)	13.44	17.48	16.70
2	Maintenance spares @1% of opening GFA with 6% escalation	42.79	52.94	39.98
3	Receivables - 2 months	98.25	109.52	60.89
4	Total working capital (1+2+3)	154.48	179.24	117.56
5	Rate of interest	12.80%	12.60%	12.60%
6	<b>Interest on working capital (4*5)</b>	<b>19.77</b>	<b>22.67</b>	<b>14.81</b>

The Commission approves interest on working capital at Rs.14.81 Crore in truing up for FY 2017-18.

#### 4.11 Incentive for achieving higher Transmission System Availability target

##### Petitioner's submission

BSPTCL has claimed incentive for transmission availability factor (TAF) for FY 2017-18 as per Regulation 68, 74 and 76 of the BERC (Terms and conditions for determination of Tariff) Regulations, 2007. The Petitioner has furnished the incentive computation for FY 2017-18 as given in the Table below:

**Table 4.28: Incentive computation by Petitioner for FY 2017-18**

Sl. No.	Month	Percentage TAF (%)	Target availability (%)	Difference (%)	Average Equity for FY 2017-18 (Rs. Crore)	Incentive (Rs. Crore)
1	Apr-17	99.13	98	1.13		
2	May-17	99.34	98	1.34		
3	Jun-17	99.32	98	1.32		
4	Jul-17	98.40	98	0.40		
5	Aug-17	98.35	98	0.35		

Sl. No.	Month	Percentage TAF (%)	Target availability (%)	Difference (%)	Average Equity for FY 2017-18 (Rs. Crore)	Incentive (Rs. Crore)
6	Sep-17	99.24	98	1.24		
7	Oct-17	99.35	98	1.35		
8	Nov-17	99.38	98	1.38		
9	Dec-17	99.06	98	1.06		
10	Jan-18	99.38	98	1.38		
11	Feb-18	99.35	98	1.35		
12	Mar-18	99.31	98	1.31		
	FY 2017-18	99.13	98	1.13	1018.33	11.55

#### Commission's analysis:

The Commission has examined the incentive claim of the Petitioner for FY 2017-18 in truing-up. The Petitioner has furnished the detailed month-wise computation of Transmission system availability and has claimed the incentive as per the formula prescribed in Regulation 76 of the BERC Tariff Regulations 2007. The Petitioner has considered target availability at 98% for claiming incentive for FY 2017-18.

The Commission, in tariff order dated 07.03.2018, considered target availability at 98.50% in line with CERC regulations and allowed incentive for FY 2016-17 for achieving higher transmission system availability factor (TAF). The Petitioner has filed review petition on the issue and requested to consider the TAF at 98% for computation of incentive. The Commission vide order dated 20.11.2018 in Case No.15/2018 has deliberated issue in detail and in terms of Regulation 38 of the CERC Tariff Regulations 2014 read with regulation 13 (2) of the BERC (Terms and conditions for determination of Tariff) Regulations 2007 has not acceded the request of the Petitioner.

The Petitioner again considered the TAF at 98% instead of 98.5% for computation of incentive for FY 2017-18 even after well aware of the orders of the Commission on the subject.

The Commission in view of the above has computed the incentive as follows:

$$\text{Incentive} = [(99.13 - 98.50) \times 872.27]/100 = 5.53 \text{ Crore}$$

The Commission approves the incentive at Rs.5.53 Crore for achieving higher Transmission System Availability during FY 2017-18 in truing up.

#### 4.12 Non-Tariff Income

##### Petitioner's submission

BSPTCL has submitted that non-tariff income accounted for in the audited annual accounts for FY 2017-18 is at Rs.95.23 Crore and accordingly, proposed the non-tariff income is for truing up for FY 2017-18 as detailed in the Table below:

Table 4.29: Non-tariff income claimed in truing up for FY 2017-18

Particulars	(Rs. Crore)	
	Approved for FY 2017-18 in Tariff Order dated 09.03.2017	Claimed by BSPTCL in truing up for FY 2017-18
Non-tariff income	26.63	26.74

##### Commission's Analysis:

It is observed from the audited accounts that non tariff income is at Rs.95.23 Crore which is inclusive of Rs.68.49 Crore towards amortization of grants on account of proportionate depreciation on the assets created out of grants. The amount reimbursed by GoB towards terminal benefits of Rs.3.56 crore is considered and adjusted against the employee cost and net employee cost considered in true up for FY 2017-18, as such, the amount of Rs.3.56 crore is reduced from the total non tariff income.

The Commission has already considered the deferred income (i.e. depreciation on assets created out of grant) as a part of depreciation in Table 4.8, hence, reduced Rs.68.49 crore from the non-tariff income in true up for FY 2017-18.

On a query vide letter no.162 dated 30.01.2019, to provide the scheme-wise details of interest accrued on capital fund Rs.261.14 crore as stated in Note 18 of annual accounts of FY 2017-18 which was not offered as income in the accounts as well as in the tariff petition. The petitioner vide letter no.05 dated 04.02.2019 replied that "the