

CESC Limited

CESC House, Chowringhee Square, Kolkata - 700001

Gist of Tariff Application

1. CESC Limited has made an application before the West Bengal Electricity Regulatory Commission (Commission) for determination of Tariff, Aggregate Revenue Requirement and Expected Revenue from Charges for all the ensuing years of the control period consisting of three (3) years from 2008-09 to 2010-11 and application has been admitted by the Hon'ble Commission on 30.05.2008.
2. The gist of the tariff application is as follows:
 - (i) Tariff proposed to be made effective from the billing month of April of every ensuing year.
 - (ii) Details of proposed tariff.

For Distribution Licensee:

In paise per kWh

	Tariff for the Base Year 2007-08	Tariff for the control period 2008-09 to 2010-11		
		1 st year	2 nd year	3 rd year
		2008-09	2009-10	2010-11
Average cost of Supply	386*	413	425	422

* Including interim FPPCA granted by the Hon'ble Commission.

Projected Revenue at current tariff, Projected Aggregate Revenue Requirement and Expected Revenue from Charges at proposed tariff for the ensuing years of the control period are as follows:

In Rs. Lakhs

	Revenue for the control period 2008-09 to 2010-11		
	1 st year	2 nd year	3 rd year
	2008 - 09	2009 - 10	2010 - 11
Projected Revenue at Current Tariff	270936	281311	292220
Projected Aggregate Revenue Requirement	290521	310198	320113
Expected Revenue from Charges at Proposed Tariff	290521	310198	320113
Average percentage of increase / decrease sought in the application for each of the ensuing years compared to the base year	7.2% increase	10.2% increase	9.5% increase
Average percentage of increase / decrease sought in the application for each of the ensuing years compared to the respective immediately preceding year	7.2% increase	2.9% increase	0.6% decrease

- (iv) Major reasons for increase / decrease in Tariff proposed.
There has been significant inflationary pressure, together with steep increase in prices of fuel (both primary fuel coal and secondary fuel oil). The Company, due to efficiency improvement, has prayed for average tariff in 2008-09 lower than the tariff allowed by the Hon'ble Commission for the year 2003-04, despite high intervening inflation and fuel price rise. Inevitable subsequent rise (marginal) for 2009-10 is on account of much needed commissioning of the third unit at Budge Budge. Thereafter, tariff is proposed to marginally decrease in 2010-11, when the unit is under stable operation. Revenue requirement is based on power procurement rate from WBSEDCL in terms of the order of the Hon'ble Commission dated 26th July, 2007. Any variation thereof will have a consequential effect on the Company's revenue requirement.
3. Application submitted by CESC Limited may be inspected at the office of the Hon'ble Commission at FD-415A, Poura Bhawan (3rd Floor), Sector-III, Bidhannagar, Kolkata – 700 106 (Telephone: (033) 2359 2189; Fax: (033) 2359 3397, email: wberc@cal3.vsnl.net.in) and at the office of the Company at CESC House, Chowringhee Square, Kolkata – 700 001 by 11th July 2008 and certified copies of the application or part thereof may be obtained from the office of the Hon'ble Commission by 11th July 2008.
 4. The application made for determination of tariff has been posted on the website of the Company at www.cesc.co.in.
 5. The suggestions, objections and comments, if any, on the proposals contained in the application may be submitted at the office of the Hon'ble Commission at FD-415A, Poura Bhawan (3rd Floor), Sector-III, Bidhannagar, Kolkata – 700 106 by 14th July 2008.

This notification has been issued with the approval of the Commission