West Bengal Electricity Regulatory Commission

Plot No-AH/5, Premises No. MAR16-IIII, Action Area- IA, New Town, Rajarhat, Kolkata – 700163 Tel.- 033 2962 3756, Fax – 033 2962 3757 Email – <u>cp-wberc@gov.in</u>, Website – www.wberc.gov.in

West Bengal Electricity Regulatory Commission (Recovery of Expenditure for Providing New Connections) (First Amendment) Regulations, 2020

STATEMENT OF REASONS

Dated: __/__/2020

1

1. Introduction

2.1

The West Bengal Electricity Regulatory Commission (hereinafter referred as 'WBERC' or 'the Commission'), in exercise of its power under section 181 and in compliance with the requirement of previous publication under sub-section (3) of section 181 of the Electricity Act, 2003, published the draft West Bengal Electricity Regulatory Commission (Recovery of Expenditure for Providing New Connections) (First Amendment) Regulations, 2020 (hereinafter referred as the "draft First Amendment 2020") on its website and invited suggestions/objections/comments vide public notice No WBERC/Regulations-61/19-20/5341 dated 24.01.2020 published in 5 nos of leading newspapers on 25.01.2020. The last date of submission of comments was 10.02.2020.

2. Objective and background of the draft First Amendment 2020

The Commission in exercise of the powers conferred by sub-section (1) and clauses (zp) of sub-section (2) of section 181 read with section 46 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it on that behalf had notified the West Bengal Electricity Regulatory Commission (Recovery of Expenditure for Providing New Connection) Regulations, 2013 vide notification no 53/WBERC on 2nd April 2013 (hereinafter referred to as the 'Principal Regulations').

Considering the Government of West Bengal's initiative to promote 'Ease of Doing Business' and proposals from the Distribution Licensees for providing connections in a simpler and easier way through standard rate schedule (in Rs/ kW) upto 150 kW, the Commission finds it suitable to amend the Principal Regulations.

3. <u>Analysis of the Suggestions / objections / comments received on the draft First</u> <u>Amendment 2020:</u>



West Bengal Electricity Regulatory Commission

The maission received suggestions/objections/comments from only CESC Limited within the specified time limit. The Commission, after detailed analysis and due consideration of the issues raised by the stakeholder on the draft First Amendment 2020, finalised the West Bengal Electricity Regulatory Commission (Recovery of Expenditure for Providing New Connections) (First Amendment) Regulations, 2020 (herein after referred as "First Amendment 2020") for notification in the Kolkata Gazette Extraordinary. The proposed regulations, suggestions/objections/comments received from the various stakeholder and the rationale /decisions of the Commission thereon have been discussed in the succeeding paragraphs.

4. Regulation 1:

4.1 Proposed in Draft First Amendment 2020:

- "1. Short Title, extent and commencement:
 - (i) These Regulations may be called the West Bengal Electricity Regulatory Commission (Recovery of Expenditure for Providing New Connections) (First Amendment) Regulations, 2020.
 - (ii) These extend to the whole of West Bengal.
 - (iii) These shall come into force on the date of their publication in the Official Gazette."
- 4.2 <u>Comments Received:</u> No specific comments / suggestions received from the stakeholders.
- **4.3** <u>Provision in First Amendment 2020:</u> In absence of any comments/suggestions/objections from the stakeholders the draft regulation is retained.

5. Regulation 4.4:

5.1 Proposed in Draft First Amendment 2020:

"4.4 Notwithstanding anything to the contrary contained elsewhere in these Regulations, distribution licensee shall fix the rate of service connection in terms of Rs / kVA, for application at least upto 150 kVA of contract demand. For this purpose, distribution licensee(s) shall form a procedure under regulation 13.13 of Standard of Performance Regulations."





5.2 Comments Received:

- (1) CESC Limited submitted that as per existing practice applications are processed by CESC considering contract demand in kW. CESC also submitted that it would be easier for consumers to apprehend the amount to be paid as they are accustomed to new connection application in kW basis and most of the electrical instruments are also rated in kW. Therefore, CESC proposed to allow "Rs/ kW" in addition to "Rs / kVA" as basis of service connection charge.
- (2) CESC also submitted that the initial applications from Housing / Commercial / Industrial Complex (with multiple beneficiaries) is generally for catering the load of common services and load of individual establishments / flats / shops are not included. Subsequent to receipt of such initial application CESC needs to conduct site inspection to access the cumulative requirement of load and thereby identifying the involvement / expenditure to providing such bulk load requirement. CESC also mentioned that such involvement may significantly vary with multiple site parameters like existence and spare capacity of both upstream and downstream network in the locality. It may include extension / augmentation of network, installation of transformer(s) and / or substation (s) as may be required from case to case basis. In view of these factors, CESC limited requested to keep Housing / Commercial / Industrial Complex with multiple beneficiaries outside the purview of this Regulation and allow preparation of quotation for such bulk load connection (Housing / Commercial / Industrial Complex with multiple beneficiaries) only after site inspection and proportionately charging as per actual involvement ascertained on the basis of the said site inspection.

Accordingly, CESC suggested to modify the draft as below:

4.4 Notwithstanding anything to the contrary contained elsewhere in these Regulations, distribution licensee shall fix the rate of service connection in terms of Rs / kVA or Rs / kW, for application (except Housing / Commercial / Industrial Complexes with multiple beneficiaries) at least upto 150 kVA of contract demand. For this purpose, distribution licensee(s) shall form a procedure under regulation 13.13 of Standard of Performance Regulations.

5.3 Analysis and Decision of the Commission:

- (1) The Commission observes that proposal of allowing "Rs / kW" in addition to "Rs / kVA" as a basis of service connection charge would add more flexibility to providing new connection. Thus, the suggestion is accepted.
- (2) The Commission observed that the whole objective behind the amendment is to provide easy and quick connection to the consumer to facilitate 'Ease of Doing Businesses', but of course subject to section 46 of the Electricity Act 2003. Any variation in actual expenditure incurred is allowed to be recovered / adjusted subsequently with the electricity bills of the consumers under SOP regulations. The concern

of the licensee regarding accessing the contract demand in case of bulk connections to Housing / Commercial / Industrial Complex with multiple beneficiaries requires for suitable procedure for providing connections in such cases. The regulation also specified formation of required procedure to provide connections under regulation 13.13 of the Standard of Performance Regulations. Thus at present it is found suitable to retain the proposed draft to this extent.

5.4 Provision in First Amendment 2020:.

"4.4 Notwithstanding anything to the contrary contained elsewhere in these Regulations, distribution licensee shall fix the rate of service connection in terms of Rs / kVA or Rs / kW, for application at least upto 150 kVA of contract demand. For this purpose, distribution licensee(s) shall form a procedure under regulation 13.13 of Standard of Performance Regulations."

