



**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY  
COMMISSION**

**IN CASES NO.:  
FPPCA – 75 / 15 – 16 AND  
APR – 52 / 15 – 16**

**IN REGARD TO THE APPLICATION FOR PART RELEASE OF THE  
WITHHELD AMOUNT OF RS. 2556.00 CRORE UNDER THE HEAD  
TERMINAL BENEFIT AS PART OF THE COMPLIANCE OF THE  
DIRECTIVE GIVEN IN THE APR ORDER**

**DATE: 23.11.2022**





### **FACTS IN BRIEF**

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 30.06.2022 praying for release of Rs. 1413.37 Crore out of the withheld amount of Rs. 2556.60 Crore under the head Terminal Benefit giving details of part of the compliance of the directive given in the APR Order of WBSEDCL for the year 2014-15 as well as in subsequent APR orders.
- 2.0 In the application WBSEDCL has submitted that the Commission, while issuing the APR Orders from 2013 – 14 to 2017 – 18, withheld a cumulative amount of Rs. 2556.60 Crore under the head of Terminal Benefit on account of shortfall in actual payment made by WBSEDCL. The Commission in the APR orders directed that WBSEDCL shall deposit the shortfall amount to the respective Trust Funds and furnish necessary documentary evidence through affidavit to the Commission based on which such withheld amount would be released after due examination.
- 3.0 WBSEDCL, in its application under affidavit submitted that they had disbursed a cumulative amount of Rs. 6810.43 Crore to the terminal benefit funds during the period of 2007-08 to 2020-21 against the cumulative admitted amount of Rs. 5516.85 Crore by the Commission (after adjusting the withheld amount from the original approved amount of Rs. 8073.45 Crore). Thus, the excess contribution amounting to Rs. 1293.58 Crore (6810.43 – 5516.85) is towards payment of the shortfall amount withheld by the Commission during the APR orders. WBSEDCL vide letter dated 16.09.2022 has also submitted Auditors Certificate regarding payment of Rs. 6810.43 Crore as documentary evidence in support of their claim.
- 4.0 Further, WBSEDCL has stated that the Commission had reduced the regulatory assets of Rs. 1763.83 Crore to Rs. 1644.04 Crore for 2008 – 09 and due to this a fresh regulatory asset of Rs. 1644.04 Crore was created in the order dated 26.07.2010 in Case No.: APR – 10/09 – 10 for 2008 – 09. Thus, a book adjustment of Rs. 119.79 Crore was made in the APR Order of 2008 – 09 by disallowing expenditure incurred in other head when WBSEDCL has actually incurred such expense on account of Terminal Benefits of employees.
- 5.0 In view of the above, WBSEDCL prayed for release of Rs. 1413.37 Crore (1293.58 + 119.79) out of the withheld amount of Rs. 2556.00 Crore.

### **OBSERVATIONS OF THE COMMISSION**

- 6.0 The Commission in the APR Orders of WBSEDCL issued from 2013 - 14 to 2017 – 18 has observed that the amount claimed under Terminal Benefit in annual accounts of WBSEDCL differs from the actual amount paid/ transferred to funds as per the compliance reports submitted by





WBSEDCL. In view of the above, the Commission had withheld a cumulative amount of Rs. 2556.60 Crore under the Terminal Benefit head in different APR Orders from 2013 – 14 to 2017 – 18. The Commission has also directed WBSEDCL to deposit the amounts to the respective Terminal Benefit fund and furnish necessary documentary evidence through affidavit. Relevant paragraph of the APR Order for 2014 – 15 dated 03.11.2021 is reproduced below:

*"WBSEDCL is therefore directed to deposit these amounts to the respective Terminal Benefit fund and furnish necessary documentary evidence through affidavit to the Commission based on which such withheld amount will be released after due examination."*

- 7.0 The Commission had admitted an amount of Rs. 8073.45 Crore in different APR/ Tariff Orders from 2007 – 08 to 2021 - 22. Now, from the documents submitted vide letter dated 16.09.2022, the Commission notes that WBSEDCL has paid an amount of Rs. 6810.43 Crore till 31.03.2022. Thus, the amount of shortfall in payment under the Terminal Benefit Fund till 2021 – 22 stands as Rs. 1263.02 Crore. Therefore, out of the withheld amount of Rs. 2556.60 Crore, an amount of Rs. 1293.58 Crore has already been disbursed by WBSEDCL to the Trust Funds.

Sl No	Particulars	Derivation	Amount in Rs Crores
1	Amount admitted in APR/ Tariff Orders from 2007 – 08 to 2021 – 22 in Terminal Benefit head	A	8073.45
2	Amount paid by WBSEDCL upto 31.03.2022	B	6810.43
3	Amount of shortfall upto 2021 – 22	C = A – B	1263.02
4	Amount of withheld upto 2017 – 18	D	2556.60
5	Part disbursement of withheld amount	E = D – C	1293.58

- 8.0 Further, the Commission observes that the submission with respect to the release of additional Rs. 119.79 Crore related to book adjustments in view of part disallowance of regulatory asset is not explicitly clarified in the submitted affidavit. Moreover, the issue of admissible regulatory asset for 2008 – 09 has already been settled in the APR Order for 2008 – 09. Hence, the same is not considered at this stage.

### **ORDER**

- 9.0 In view of the above, the Commission decides to allow release of Rs. 1293.58 Crore as Employee Cost under the Terminal Benefit head out of the total withheld amount of Rs. 2556.60 Crore in the APR orders upto 2017-18.





Application for part release of the withheld amount of Rs. 2556.00 Crore under the head Terminal Benefit as part of the compliance of the directive given in the APR Order



- 10.0 WBSEDCL is also directed to deposit the balance amount of Rs. 1263.02 Crore at the earliest and submit documentary evidence as specified in paragraph 3.8.5 of the APR Order for 2014 – 15 dated 03.11.2021 for release of the same.
- 11.0 In terms of regulation 2.6.6 of the Tariff Regulations, the amount of Rs. 1293.58 Crore or a part thereof shall be adjusted with the Aggregate Revenue Requirement of the ensuing year(s) tariff order.
- 12.0 The petition is thus disposed of.
- 13.0 A copy of the order shall be posted in the website of the Commission.
- 14.0 WBSEDCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

**Sd/-**  
**(PULAK KUMAR TEWARI)**  
**MEMBER**

**Sd/-**  
**(MALLELA VENKATESWARA RAO)**  
**CHAIRPERSON**

**Dated: 23.11.2022**

**Sd/-**  
**SECRETARY**