



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF
CASE NO. OA- 518/ 25-26**

APPROVAL FOR USAGE OF UNFORSEEN EXIGENCY FUND
TO COMPENSATE LOSS DUE TO DISMANTLING OF SINGUR
220 KV SUB-STATION OF WEST BENGAL STATE ELECTRICITY
TRANSMISSION COMPANY LIMITED.

DATE: 17.10.2025



Approval for the usage of Unforeseen Exigency Fund to compensate loss due to dismantling of Singur 220 KV Sub-station undertaken in terms of Govt. of West Bengal Notification and Communication subsequent to the Order of Hon'ble Supreme Court of India.

CASE IN BRIEF

1.0 The present petition has been filed on 28.05.2025 by West Bengal State Electricity Transmission Company Limited (WBSETCL) under Regulation 3.3.1 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, seeking approval for utilization of the "Reserve for Unforeseen Exigencies Fund" to compensate the loss arising out of the dismantling of the Singur 220 kV Sub-station and associated transmission lines during FY 2017-18. The Commission has admitted the application on 17.06.2025 and registered in Case No. OA-518/25-26.

2.0 WBSETCL submits that

- Construction of Singur substation and its associated lines were undertaken by WBSETCL as per prior investment approval of Hon'ble WBERC in Case No. WBERC/OA- 34/07-08 dated 11.06.2008.
- Construction of Singur Sub-station was completed on 16.09.2010.
- On August 31, 2016, the Hon'ble Supreme Court delivered a judgement and order in C.A No.8438 of 2016 along with connected Civil Appeals (C.A No .. 8440/2016, C.A No.8441 /2016, C.A No.8444/2016, C.A No. 8446/2016, C.A.No. 8447/2016, C.A No. 8453/2016 and C.A No. 8449/2016), the operative part of which is as hereunder-

"The land shall be given back to the land owners and compensation if any paid to them shall not be recovered from them those who have not collected it are free to collect the same in lieu of damages for deprivation of possession for ten years".

- Subsequent to the aforesaid order, the Land and Land Reform Department of Govt. of W.B issued a Notification vide No. 293-LRC & Pr. Secy./2016 dated 1st September, 2016 with direction for dismantling the structure at Singur.
- In reference to that Notification, Department of Power, Govt. of W.B vide its letter 208(2)-PO/O/C-V/8L-1115(Part-I) dated 12.09.2016, communicated to both WBSETCL and WBSEDCL to take necessary action to dismantle the structure relating to power infrastructures of the organizations from the subject



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land towards compliance of the Hon'ble Supreme Court judgement.

- Referring to that Notification no. 293-LRC & Pr. Secy./2016, the D.M and Collector, Hooghly, vide Memo No. 241-C dated 04.09.2016 also intimated the Area Manager, WBSETCL, Hooghly to implement the directions of the Land Reform Commissioner, West Bengal.
- Accordingly, the Sub-station was dismantled in compliance of the above directives/ communications to restore the land to its original condition.
- The total amount of loss sustained by the Company for dismantling of the sub-station comprising of the Erection costs and value of materials identified as not usable including the materials not recovered was ascertained as Rs. 11,71,86,467 (Rs. 1171.86 lakh) which is approved by the Board of Directors, WBSETCL in 63rd meeting held on 10th May 2018 for writing off of the amount from the books of account.
- Further, WBSETCL had incurred an expense of Rs 562.44 lakh (Revised project cost - Utilizable value) for supply & erection for construction of 132 KV D/C & M/C LILO of Adisaptagram-Belmuri 132 KV D/C line at Singur with the approval of Board of Directors of WBSETCL in 60th meeting dated 14.11.2017 in respect of foreclosure of contract with the vendor and Rs 138.65 lakh for supply & erection in respect of construction of SIC LILO of 220 KV S/C Arambagh-Rishra Transmission line towards Singur Sub-station with the approval of the MD, WBSETCL for termination of contract to the vendor. Thus, a total expense of amount of Rs. 562.44 lakh + Rs. 138.65 lakh = Rs. 701.10 lakh was incurred for the above-mentioned projects.

Out of the total cost of Rs. 701.10 lakh, an amount of Rs 692.40 lakh related to those connecting Transmission Lines under construction was charged off to the Profit & Loss Account in the year 2017-18.

3.0 In compliance with the above directives of Govt. of W.B subsequent to the Order dated 31.08.2016 of Hon'ble Supreme Court, WBSETCL dismantled the sub-station and associated assets, resulting in a loss of ₹1864.26 lakh (₹1171.86 lakh for the sub-station and ₹692.40



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lakh for associated transmission lines), as recorded in the audited financial statements for FY 2017-18. The loss was certified through a committee constituted by WBSETCL and duly approved by its Board of Directors.

4.0 WBSETCL submitted that the dismantling was an unforeseen and uncontrollable event, beyond the control of the company, and therefore qualifies as an "unforeseen exigency" referring Clause 5.24.8 of the West Bengal Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2011, as amended (hereinafter to be referred as 'Tariff Regulations').

5.0 WBSETCL has been maintaining the investments of the fund as per the directions given by the Commission. The total invested balance of this fund along with interest reinvested as on 31.03.2017 was Rs. 6828.21 lakh (Principal Amt. Rs.6481.59 lakh + Accrued Interest Amt 346.62 lakh) and as on 31.03.2024 Rs.11442.50 lakh (Principal Amt. Rs.10619.24 lakh + Accrued Interest Amt 823.26 lakh).

6.0 WBSETCL prays to allow the equivalent amount to be withdrawn from the "Reserve for Unforeseen Exigencies Fund" being maintained by the Company as per Tariff Regulations.

OBSERVATIONS OF THE COMMISSION

7.0 The Commission observes that,

The Commission has already disallowed the above cost of written off asset explaining in paragraph 2.15 of APR order dated 28.04.2022 for 2017-18 & paragraph 6.3 of Review of APR Order passed on 28.02.2025 for 2017-18 since there is no provision specified in Tariff regulation to pass this cost through Tariff.

8.0 The Commission also observes that,

- i) in terms of Regulation 5.24.6 of the Tariff Regulations, the reserve for unforeseen exigencies or development fund shall be drawn upon only to meet such charges as the Commission may approve.
- ii) in terms of Regulation 5.24.8 of the Tariff Regulations, the reserve for unforeseen exigencies or development fund can be utilized for the purpose of providing service directly or indirectly exclusively to the consumers of the State.



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- iii) in terms of Regulation 5.24.10 of the Tariff Regulations, the licensee shall maintain accounts of Reserve for Unforeseen Exigencies. It is the duty of the licensee to get such accounts audited by a certified Auditor, and submit such audit report to the Commission every year.

9.0 The Commission observes from the documents submitted by WBSETCL that the dismantling of the Singur 220 kV Sub-station and associated transmission lines during FY 2017-18 was done in compliance with the above directives of Govt. of W.B subsequent to the Order dated 31.08.2016 of Hon'ble Supreme Court after due approval of Board of Directors of WBSETCL and recorded in the audited financial statements of WBSETCL for FY 2017-18 in terms of Regulation 5.24.10 of the Tariff Regulations.

ORDER

- 10.0 The Commission after consideration all the facts submitted by WBSETCL in their petition dated 28.05.2025, approves the usage of Reserve for Unforeseen Exigencies fund of Rs. 1864.26 lakh in terms of regulation 5.24.6 and 5.24.8 of Tariff Regulations to avoid impact of this cost on the beneficiaries and consumers of the State.
- 11.0 WBSETCL shall also record the usage of above dismantling cost from Reserve for Unforeseen Exigencies in accordance to Regulation 5.24.10 of the Tariff Regulations. WBSETCL shall be required to distinctly describe the utilization from the said reserve by way of separate notes to the financial statements pertaining to FY 2025-26.
- 12.0 WBSETCL is to take note of this order.
- 13.0 The Review petition of WBSETCL is, thus, disposed of.
- 14.0 A copy of the order shall be posted in the website of the Commission.



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15.0 WBSETCL 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/-

(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 17.10.2025

Sd/-

DEPUTY DIRECTOR, WBERC