



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF
CASE NO. OA-536/25-26

APPROVAL FOR UTILIZATION OF "UNFORESEEN EXIGENCY FUND" TO EXECUTE EMERGENCY RESTORATION & PROTECTION WORKS OF SWITCHYARD OF KURSEONG 132KV GRID SUB-STATION OF WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED.

DATE: 17.10.2025



Approval for utilization of "Unforeseen Exigency Fund" to execute emergency restoration & protection works of switchyard of Kurseong 132KV Grid Sub-station at an estimated cost Rs 975 Lakh as severely damaged during the unprecedented natural calamity on 4th & 5th of October, 2025.

CASE IN BRIEF

1.0 The instant petition has been filed on 10.10.2025 by West Bengal State Electricity Transmission Company Limited (in short 'WBSETCL') for approval for utilization of "Unforeseen Exigency Fund" to execute emergency restoration & protection works of switchyard of Kurseong 132KV Grid Sub-station at an estimated cost Rs 975 Lakh as severely damaged during the unprecedented natural calamity on 4th & 5th of October, 2025 under Reg. 3.3.1 of the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013 as amended. The Commission has admitted the application on 15.10.2025 and registered in Case No. OA- 536 /25-26.

2.0 In the application, WBSETCL has submitted the chronology of events leading to the devastating damages of switchyard and other infrastructure at Kurseong 132KV Grid Sub-station of WBSETCL which is as follows:

- Kurseong 132KV Grid Sub-station is located on the upper left bank of Balason river beside Rinchinton Khola, a tributary.
- Due to incessant & heavy rainfall throughout North Bengal specially in the hills from the night of 04.10.2025 onwards, most of the rivers in the region overflowed & there was widespread inundation, flashflood & landslide specially in the hills on 04.10.2025 & 05.10.2025
- During the above period of devastating natural calamity switchyard structures & foundations, Sub-station boundary and guard walls with drainage system, hill protection walls, approach road etc. of Kurseong 132KV Grid Sub-station have been severely damaged due to heavy landslides.
- During the aforesaid inclement period, only temporary arrangements could be taken for arresting further erosion / damage of Sub-station switchyard in order to maintain power system in the area.
- Considering the importance of Kurseong 132KV Grid Sub-station in the network of the region & the magnitude of damages caused to the Sub-station, extensive restoration & protection works of Sub-station switchyard and adjacent areas are required to be taken up on emergency basis for ensuring grid security & stability.



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- Based on initial field reports and preliminary cost assessments, the financial involvement for emergency restoration & protection works of Sub-station has been estimated at Rs 975 Lakh (approx.).

3.0 In above context, WBSETCL submits instant application seeking approval for the usage of Rs 975 Lakh (estimated amount) from the "Unforeseen Exigency Fund" in terms of Regulation 5.24.8 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short 'Tariff Regulations') treating this losses and expenditures to be incurred as "Unforeseen Exigencies" in order to avoid impact on the beneficiaries and consumers of the State with any additional tariff burden.

4.0 In light of the above, WBSETCL submits that they have maintained the Reserve for Unforeseen Exigencies fund as per directive of West Bengal Electricity Regulatory Commission (Commission) and this fund has an accumulated balance of Rs 12340.79 Lakh as on 31.03.2025.

OBSERVATIONS OF THE COMMISSION

5.0 The Commission observes that, in terms of Regulation 2.8.2.4.1 of the Tariff Regulations, a licensee may undertake capital expenditure in small schemes, which do not fall within the capital expenditure programme approved by the Commission in pursuance of regulations 2.8.1.4, 2.8.2.3 and 2.8.3, provided the aggregate expenditure on such schemes does not exceed Rs. 300 crore during the year concerned, for such schemes in a year no approval is required to be taken.

5.0 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.



Approval for utilization of "Unforeseen Exigency Fund" to execute emergency restoration & protection works of switchyard of Kurseong 132KV Grid Sub-station at an estimated cost Rs 975 Lakh as severely damaged during the unprecedented natural calamity on 4th & 5th of October, 2025.

- 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 Stat
- iii) in terms of Regulation 5.24.10 of the Tariff Regulations. the licensee shall maintain separate 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.

ORDER

6.0 The Commission after consideration all the facts submitted by WBSETCL in their petition dated 10.10.2025, approves the usage of Reserve for Unforeseen Exigencies for above investment of Rs. 975 Lakh in terms of regulation 5.24.6 and 5.24.8 of Tariff Regulations.

7.0 The Commission also gives the following directions:

- (i) WBSETCL is to provide the completion certificate, break-up of the work showing the actual vis-à-vis estimation included in the total project cost as above, cost over-run & time over-run (if any with reason). Original project cost is required to be approved showing the details of deviations from its investment scheme along with reasons of such deviations in terms of Regulation 2.8.5 of the Tariff Regulations.
- (ii) WBSETCL shall suitably disclose in the Notes to the Financial Statements for FY 2025-26 and onwards, the details of utilization of investment from the Reserve for Unforeseen Exigencies in accordance with Regulation 5.24.10 of the Tariff Regulations, so that such utilization is clearly ascertainable along with disclosure of value of assets written off. Depreciation and return on equity shall not be chargeable on assets developed through utilization of the said Reserve.



Approval for utilization of "Unforeseen Exigency Fund" to execute emergency restoration & protection works of switchyard of Kurseong 132KV Grid Sub-station at an estimated cost Rs 975 Lakh as severely damaged during the unprecedented natural calamity on 4th & 5th of October, 2025.

8.0 The Petition is thus disposed of.

9.0 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