



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASES NO. OA-413/22 – 23 AND OA – 414/22 – 23**

IN REGARD TO THE APPLICATIONS SUBMITTED BY WEST BENGAL
STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR
IMPLEMENTATION OF ADVANCE METERING INFRASTRUCTURE
PROJECT AND ISSUANCE OF ORDER TO IMPLEMENT MONTHLY
BILLING SYSTEM THROUGHOUT THE WEST BENGAL TO BE
COVERED IN AMI SCHEME AND OTHER SCHEME / SCHEMES FOR
SMART METERING

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 22.07.2022



Issuance of order for implementation of Advanced Metering Infrastructure Project of West Bengal State Electricity Distribution Company Limited along with implementation of monthly billing system for the L&MV consumers of WBSEDCL presently under quarterly billing system through out the West Bengal to be covered under AMI scheme and other scheme/ schemes for smart metering



FACTS IN BRIEF

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 01.04.2022 for implementation of Advanced Metering Infrastructure project through out West Bengal amounting to Rs. 384.62 Crore and sought approval of investment in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time. Subsequently, WBSEDCL has also submitted an application vide letter dated 12.04.2022 for issuance of appropriate order to implement monthly billing system throughout the West Bengal to be covered in AMI scheme and other scheme/ schemes for smart metering. The Commission admitted the applications dated 01.04.2022 and 12.04.2022 and registered it in Case No. OA – 413/22 – 23 and OA – 414/22 – 23 respectively.
- 2.0 WBSEDCL in their applications inter-alia stated that the following:
 - 2.1 In order to improve operational efficiency, WBSEDCL has decided to implement Advance Metering Infrastructure (AMI) for category wise L&MV consumers with certain threshold across the West Bengal. Accordingly, a target has been initiated to implement AMI by finalizing Enterprise level single Meter Data Management System and roll out of Smart Meters for all Commercial and Industrial LT consumers (having connected load within the range of 5 kVA to 50 kVA) and all Government establishments under jurisdiction of different locations of WBSEDCL licensed area. The estimated number of consumers to brought under the scheme will be 2.47 lakhs.
 - 2.2 WBSEDCL submitted that the detailed estimate for implementation of AMI Project works comes to the tune of Rs. 384.62 Crore including GST and Interest During Construction with the following components:
 - i. Estimated Cost of the project for MDMS and IT Infrastructure for AMI setup is Rs. 35.80 Crores including GST which is to be executed under CAPEX and OPEX model.
 - ii. Estimated Cost of the supply and installation of smart meter with necessary communication system is Rs. 347.89 including GST which is to be executed under OPEX model.
 - iii. Interest During Construction comes to Rs. 0.93 Crore for the CAPEX part of the project considering rate of interest @ 9.75%.



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- 2.3 WBSEDCL also submitted that the additional Operation and Maintenance Cost for the OPEX part of the AMI project may accrue to the tune of Rs. 37.91 Crore per year for the first 7 years and Rs. 34.79 Crore per year for next 3 years. WBSEDCL stated that the amount accrued i.r.o such additional O&M expenditure shall be accounted for in the APR application of the respective years. From 2023 – 24 onwards, O&M charges and Interest on Working Capital shall be claimed through Tariff Application as per prevailing norms.
- 2.4 WBSEDCL vide letter dated 27.04.2022 further submitted that they are eligible for grant of 15% of the approved cost of the metering works including the operational cost limited upto Rs. 900 per meter for consumer metering i.e., Rs. 2223 lakhs as per the guideline of Revamped Distribution Sector Scheme (RDSS) of the Government of India.
- 2.5 WBSEDCL in their application dated 12.04.2022 submitted that the Commission vide order dated 03.02.2022 has allowed WBSEDCL to implement monthly billing system on pilot basis in two divisions viz. Bidhannagar – I and New Town Division. Now, as a part of the AMI project, implementation of monthly billing system for commercial consumers presently under quarterly billing system has been programmed. In view of the above, WBSEDCL prayed for implementation of monthly billing system for L&MV consumer of WBSEDCL who are presently under quarterly billing system throughout the West Bengal to be covered under AMI Scheme and other scheme/ schemes for smart metering.

OBSERVATIONS OF THE COMMISSION

- 3.0 The Commission observes that WBSEDCL is going to implement the Advanced Metering Infrastructure with single Meter Data Management System and by rolling out of Smart Meters for all Commercial and Industrial LT consumers (from 5 kVA to 50 kVA) and all Government establishment mainly through OPEX model. Thus, approval of the Commission for investment in terms of regulation 2.8.2.3 of the Tariff Regulations is not required as the said implementation of the AMI scheme is not through capital expenditure. The Commission also notes that the said implementation of the AMI scheme will have an impact in O&M cost, Working Capital, etc which will be analyzed by the Commission during true up.
- 4.0 Further, the Commission notes that it had already allowed WBSEDCL to implement monthly billing system on pilot basis vide order dated 03.02.2022. It has also issued tariff code and applicable monthly tariff slab for monthly billing system in the said order.



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ORDER

- 5.0 In view of the above, the Commission has noted the implementation of Advanced Metering Infrastructure Project throughout West Bengal and permits WBSEDCL to implement the said scheme with the approval of its Board of Directors. The Commission further directs WBSEDCL to submit all the relevant details in their APR applications for analysis of O&M expenditure by the Commission.
- 5.0 WBSEDCL is also permitted to implement the monthly billing system for the L&MV consumer of WBSEDCL who are presently under quarterly billing system throughout West Bengal to be covered in the AMI scheme and other scheme/ schemes for smart metering as prayed for in their application dated 12.04.2022 in Case No. OA – 414/22 - 23.
- 6.0 The petition is thus disposed off.
- 7.0 A copy of the order shall be posted in the website of the Commission.
- 8.0 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/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 22.07.2022

Sd/-
SECRETARY