



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-432/22-23**

IN REGARD TO THE APPLICATION FOR ISSUANCE OF
APPROPRIATE ORDER FOR FIXATION OF PROPORTIONATE
SHARE OF RAILWAY AGAINST ANNUAL PERFORMANCE REVIEW
(APR) ORDER OF THE WEST BENGAL STATE ELECTRICITY
DISTRIBUTION COMPANY LIMITED FOR THE YEAR 2018 – 19 AND
2019 - 20

PRESENT:

**SRI MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 16.11.2022



Issuance of appropriate order for fixation of proportionate share of Railway against Annual Performance Review (APR) order of the West Bengal State Electricity Distribution Company Limited for the year 2018 – 19 and 2019 - 20



FACTS IN BRIEF

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 07.09.2022 with a prayer for issuance of appropriate order for fixation of proportionate share of Railways against APR order of WBSEDCL for the years 2018 – 19 and 2019 – 20. The Commission admitted the application and registered it in Case No. OA – 432/22 – 23.
- 2.0 WBSEDCL in their application inter-alia stated that the following:
 - 2.1 Indian Railways and WBSEDCL had executed a Power Purchase Agreement (PPA) on 10.06.2022 for purchase of power by Indian Railways as a deemed licensee. The PPA was approved by the Commission vide order dated 23.06.2022 in Case No. PPA – 104/ 20 – 21. In terms of the said PPA, Indian Railways (Eastern Railways) shall pay proportionate share for regulatory asset of WBSEDCL as determined by the Commission in the APR Orders pertaining to the period up to which Railways remains connected as a consumer of WBSEDCL.
 - 2.2 WBSEDCL submitted that the sale to Railways in consumer mode during 2018 – 19 and 2019 – 20 was 1209.032 MU and 1278.691 MU respectively against the total sale volume of 27678.117 MU and 31109.198 MU to all consumers. Accordingly, WBSEDCL prayed to pass an order for realization of proportionate Regulatory Asset of Rs. 5487.27 lakhs for 2018 – 19 and Rs. 7815.19 Lakhs for 2019 – 20.

OBSERVATIONS OF THE COMMISSION

- 3.0 The Commission has observed that the Indian Railways used to be the consumer of WBSEDCL and was covered under the consumer tariff of WBSEDCL as was determined by the Commission. Subsequently, by virtue of the order of CERC in petition 197/MP/2015 dated 05.11.2015, the Indian Railways has become a deemed licensee. Accordingly, Indian Railways (Eastern Railways) has agreed to purchase power from WBSEDCL as a licensee at a mutually agreed tariff and executed a Power Purchase Agreement between them on 10.06.2022. The PPA was approved by the Commission vide order dated 23.06.2022 in Case No. PPA – 104/ 20 – 21 under section 86 (1) (b) of the Electricity Act, 2003.
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- 4.0 In terms of clause 5.6 of the agreement dated 10.06.2022, the Indian Railways has agreed to bear the proportionate share of regulatory assets for the period during when it was a consumer of WBSEDCL.
- 5.0 The Commission in the APR Orders for the years 2018 – 19 and 2019 – 20 has determined regulatory assets of Rs. 125618.84 lakhs and Rs. 190135.34 lakhs respectively. During the period 2018 – 19 and 2019 – 20, total sale to consumers by WBSEDCL was 27678.117 MU and 31109.198 MU respectively, out of which sale to Railways was 1209.032 MU and 1278.691 MU respectively. Therefore, the proportionate share of regulatory asset to be recoverable from Railways during 2018 – 19 and 2019 – 20 comes to Rs. 5487.27 lakhs and Rs. 7815.19 lakhs in 2018 – 19 and 2019 – 20 respectively. Detailed calculations are given hereunder:

Respective APR Order	Net Amount Recoverable	Total Sale to Own Consumers	Sale to Railways	Proportionate share of Railway
	In Rs Lakhs	In MU	In MU	In Rs Lakhs
	(1)	(2)	(3)	(4) = (1) x (3) ÷ (2)
APR Order for 2018 – 19	125618.84	27678.117	1209.032	5487.27
APR Order for 2019 – 20	190135.34	31109.198	1278.691	7815.19
Total	315755.18	58789.315	2490.723	13302.46

- 6.0 The Commission further observes that WBSEDCL has not proposed for any mechanism regarding recovery of the proportionate regulatory asset from Railways. It is to be noted that the amount of regulatory asset embedded in the tariff is recovered from consumers through-out the year under monthly bills. Similarly, WBSEDCL shall realize the amount from Railways, being a consumer during the period of 2018 – 19 and 2019 – 20, in monthly installments. The amount realized from Railways shall be adjusted with the APR of respective years. WBSEDCL shall maintain a separate record of the amount.

ORDER

- 7.0 In view of the above, the Commission accords its approval to WBSEDCL to realize Rs. 13302.46 lakhs (5487.27 + 7815.19) from Railways on account of proportionate share of regulatory asset for the year 2018 – 19 and 2019 – 20 in terms of clause 5.6 of the agreement dated 10.06.2022 in 12 equated monthly installments along with the monthly bills prospectively.
- 8.0 WBSEDCL is directed to reflect the amount so received from Railways appropriately in its Annual Accounts which is to be adjusted during APR of the respective years.



Issuance of appropriate order for fixation of proportionate share of Railway against Annual Performance Review (APR) order of the West Bengal State Electricity Distribution Company Limited for the year 2018 – 19 and 2019 - 20



- 9.0 A copy of the order shall be posted in the website of the Commission.
- 10.0 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: 16.11.2022

Sd/-
SECRETARY