



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

IN CASE NO. OA – 461 / 23 – 24

**IN REGARD TO THE APPLICATION SUBMITTED BY WEST
BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
FOR APPROVAL OF THE VALUE OF THE PARAMETER “COST
RECOVERED THROUGH DEMAND CHARGES FROM ALL
CONSUMERS” IN RESPECT OF TARIFF ORDER FOR THE YEARS
2023-24, 2024-25 AND 2025 – 26 OF WBSEDCL COMPUTATION OF
ADDITIONAL SURCHARGE AS PER CLAUSE 18.2.5 (B) OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION (OPEN
ACCESS) REGULATIONS, 2022**

DATE: 22.07.2025



Application for removal of difficulties for approval of the value of the parameter "cost recovered through Demand Charges from all consumers" in respect of Tariff Order for the years 2023 – 24, 2024 – 25 and 2025 – 26 of WBSEDCL computation of additional surcharge as per clause 18.2.5 (b) of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2022.

CASE IN BRIEF

- 1.0 The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application vide letter dated 29.08.2023 under removal of difficulties for approval of the value of the parameter "C" i.e. cost recovered through Demand Charges from all consumers, for computation of additional surcharge as per clause 18.2.5 (b) of the West Bengal Electricity Regulatory Commission (Open Access) Regulations, 2022 (in short "Open Access Regulations, 2022") considering the Multi Year Tariff Order for the 8th Control Period of WBSEDCL. The Commission admitted the application and registered it in Case No. OA – 461 / 23 – 24.
- 2.0 The Commission vide Order dated 21.08.2024 in Case No. OA – 461 / 23 – 24 had approved the value of parameter "C", in the formula for determination of Additional Surcharge specified under regulation 15.2.5 (b) (i) for the FY 2023 – 24 and FY 2024 – 25. The Commission in paragraph 7.0 of the aforesaid order has also decided that the value of parameter "C" for FY 2025 – 26 will be determined after passing the Tariff Order of WBSEDCL for the year 2025 – 26.
- 3.0 The Commission vide Order dated 20.03.2025 in Case No. TP – 98 / 22 – 23 had issued the Tariff Order of WBSEDCL for 2025 – 26. Now, WBSEDCL vide letter no. REG/ SERC/ 79 dated 24.04.2025 submitted the computation of values of parameter "C" (i.e. cost recovered through Demand Charge) for the FY 2025 – 26 considering the estimated sales considered by the Commission and the Fixed Charge/ Demand Charge determined by the Commission in the Tariff order of WBSEDCL for FY 2025 – 26. WBSEDCL submitted the detailed computation of the value of parameters "C" for FY 2025 – 26 which comes to Rs. 301812 Lakh.

OBSERVATIONS OF THE COMMISSION

- 4.0 In accordance with subsection (4) of Section 42 of Electricity Act, 2003 a consumer availing Open Access and receiving supply of electricity from a person other than a Distribution Licensee of his area of supply, shall pay an additional surcharge in addition to other charges to meet the fixed cost of the Distribution Licensee arising out of his obligation to supply.
- 5.0 Accordingly, the Commission has framed a formula for determination of additional surcharge by the Distribution Licensee under Clause No. 18.2.5(b)(i) of the Open Access Regulations, 2022 which is reproduced below:



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"Additional Surcharge Part A in Paise per unit (ASC_{TR}) $[(A+B-C)/D]$ - E-F

A= Fixed cost of power purchase including fixed cost of own generation and fixed cost related to distribution & selling related to obligation of supply of the Licensee as a whole;

B= Transmission and Wheeling Costs of Power Purchase related to obligation of supply of the Licensee as a whole;

C= Cost recovered through Demand Charges from all consumers;

D= Energy sold for consumers and licensee in consumer mode or radial mode from distribution system and units billed for Wheeling/ transmission for Open Access Customers;

E= Wheeling Charge in paise/ unit;

F= Cross Subsidy Surcharge (if any) in paise/ unit for the tariff category of the Open Access Customer in terms of these regulations;

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6.0 The Commission in the Tariff Order for 2025-26 has specified the values of parameters A, B, D, E and F for computation of additional surcharge. except the value of the parameter "C" in the above-mentioned formula. The value of parameter "C" i.e. the amount of cost recovered through demand charge is summation of recovery of the fixed/demand charge from all consumers at the rate specified in the tariff order. This is computed by multiplying the contractual load / chargeable demand (in KVA) of each consumer category as considered in the tariff order with the fixed/ demand charge (in Rs. / kVA/ month) admitted in the tariff order for the respective consumer category for the year.

7.0 The Commission thoroughly reviewed the detailed computations of parameter "C" submitted by WBSEDCL for FY 2025 – 26. The methodology employed to derive the value of parameter "C" aligns with the principles laid out in the Open Access Regulations, 2022. The computed value for parameter "C" for the year 2025 – 26 appears to be a reasonable and accurate reflection of the cost recovered through demand charges from all consumers for the specified period.



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ORDER

- 8.0 The value of parameter "C", in the formula for determination of Additional Surcharge specified under regulation 15.2.5(b)(i) shall be Rs. 301812 Lakh for the year 2025 – 26.
- 9.0 WBSEDCL shall use the above value of parameter "C" for computing the additional surcharge as per the formula in Clause 18.2.5 (b)(i) of the Open Access Regulations, 2022.
- 10.0 The petition of WBSEDCL is thus disposed of.
- 11.0 A copy of the order shall be posted in the website of the Commission.
- 12.0 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/-
(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 22.07.2025

Sd/-
DEPUTY DIRECTOR, WBERC