



सत्यमेव जयते



**ORDER  
OF THE  
WEST BENGAL ELECTRICITY REGULATORY COMMISSION  
IN CASE NO. SM- 22/ 20-21**

IN REGARD TO SUO-MOTO ORDER OF THE COMMISSION IN TERMS OF REGULATION 8.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED TO REMOVE THE DIFFICULTIES FACED BY CONSUMERS DUE TO LOCKDOWN ARISING OUT OF COVID-19.

**PRESENT:**

**SRI SUTIRTHA BHATTACHARYYA, CHAIRPERSON**

**SRI DURGADAS GOSWAMI, MEMBER**

**SRI PULAK KUMAR TEWARI, MEMBER**

**DATE: 06.05.2020**



**Certified true Copy**



In regard to suo-moto order of the Commission in terms of regulation 8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended to remove the difficulties faced by the consumers due to lockdown arising out of COVID-19.



### **ORDER**

- 1.0 The Ministry of Home Affairs, Government of India vide its Order dated 24/03/2020 had imposed lock down with certain exceptions, in all parts of the country for a period of 21 days with effect from 25/03/2020 to contain COVID-19 pandemic in the country, and whereas operations related to electricity supply (viz. Power Generation, Transmission and Distribution) have been exempted under the lockdown to ensure uninterrupted power supply. The Government of West Bengal vide its orders dated 22.03.2020 imposed lockdown in the State of West Bengal with effect from 23.03.2020. This lockdown is still continuing and presently to be continued upto 17.05.2020.
- 2.0 Chairman, FICCI- West Bengal State Council & Chairman, Obeetee, through an e-mail dated 01.04.2020, has made the following suggestions before the Commission for consideration:
- The electricity bills received by the consumers between March 1, 2020 – April 30, 2020 can be paid upto May 15, 2020. During this period no Electricity provider can disconnect or charge penalty.
  - A moratorium on payment of fixed charges of the electricity bill by consumers under Industrial and Commercial category for next three billing cycles beginning from the lockdown date of 25/3/2020.
  - Those units or businesses are closed down totally they would not be charged for the minimum Charge i.e. Demand / fixed charge. Only the usage will be charged.
  - The loss for the above shall be borne by the Electricity distribution companies.
  - 5-7% Cut in electricity tariff in next 5 years for industry, residential, agriculture to combat the economic slowdown and crisis.





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3.0 The suggestions received from FICCI was sent to all the distribution licensees for their views. Views from all the four licensees viz. West Bengal State Electricity Distribution Company Limited (WBSEDCL), Damodar Valley Corporation (DVC), CESC Limited (CESC) and India Power Corporation Limited (IPCL) have been received. The gist of the submission of the licensees are given below.

- a) WBSEDCL has already extended the due date of L&MV consumers below 50 KVA upto 15.05.2020 *for the bill of March 2020*. With regard to other consumers, same can only be extended by WBSEDCL if Government of India provides similar benefit with respect to the payables of the DISCOM to the Government entities. Reduction of contractual load may be considered as per provision of the extant regulations of the Commission. Other benefits cannot be provided by WBSEDCL, unless matching financial assistance is provided to WBSEDCL, because WBSEDCL has to bear capacity charge of generating stations and associated transmission and distribution cost in spite of reduction of sale of energy where part of above stated cost is met through recovery of demand/fixed charge from the consumers.
- b) DVC has submitted that their revenue has drastically gone down and has created significant working capital deficits and deferral of payments by consumers are not sustainable for DVC to make it operational. However, DVC prayed that under the present condition, Commission may issue any direction in such a way so that DVC may not get financially stressed for complying with the direction of the Commission.
- c) CESC has extended the due date upto 24.04.2020 *for the bill of March 2020* and any extension beyond that will entail extra working capital. They have also submitted that the consumers whose meter readings could be taken from remote, viz., HT consumers and consumers with smart meters are billed as per meter reading and other consumers whose meter readings could not be taken are billed







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on average basis as per extant regulations. Regarding reduction in tariff CESC has submitted that tariff determination is a statutory process as laid down in The Electricity Act and in the regulations framed by the Commission which does not provide for any arbitrary measure like adhoc tariff reduction.

- d) IPCL has submitted that their sales revenue is heavily dependent on industrial and commercial consumers and any delay in bulk payment from such consumers will greatly impact their cash flow and adversely affect their normal operations. Further, they are significantly dependent on short term power purchase including from Power Exchanges, where payments are required to be made in advance. Therefore, extension of due date in their case is not feasible for bulk & industrial consumers for the billing month of March 2020. IPCL has also submitted that any moratorium even if it is considered, should only be seen as a period of deferment of recovery and not any waiver and such amount should have adequate interest charges on it. The outstanding amount so accrued during this period should be subjected to due interest/carrying cost. Further, they have submitted that considering the unprecedented situation in the state due to lockdown, they agree that no disconnection should be carried out during this period provided that sufficient Security Deposit is being maintained by the consumer and their undertaking to pay. Regarding waiver of demand charge IPCL have submitted that the extant regulations of the Commission do not directly stipulates any implication of demand charges when the consumer's demand is low due to limited or non-operation of the industrial/commercial units due to Government directives or any force majeure event not related to licensee. However, they have submitted that any moratorium on payment of fixed charges during this period even if it considered should not entail any waiver whatsoever (unless compensated by Govt. upfront) and the outstanding amount due so accrued should be subjected to due





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interest/carrying cost till it is paid. Regarding waiver of minimum charge billing, IPCL's views is that for any class of the consumers for whom minimum charge is stipulated in the tariff order, the same should be applied as it relates to part of the minimum mandatory cost of the Distribution Licensee.

4.0 After that, various HT consumers and consumer associations in the State namely, M/s SRMB Srijan Pvt. Ltd., M/s Homeland Mall, M/s Ispat Private Limited, M/s K B Sponge Iron Limited, Bamunara Industries Welfare Association, West Bengal Iron & Steel Manufacturer Association, Damodar Valley Power Consumers' Association, the Consultative Committee of Plantation Associations (Tea-Coffee-Rubber-Cardamom), Super Diamond Enterprises, ITC Limited, Ultra Tech Cement Limited and MERLIN Acropolis Projects Pvt. Ltd. through written communication to this Commission have also highlighted the acute financial crisis faced by them due to the lockdown and in general prayed as below:

- (i) Waiver of Demand Charge (Fixed Charge) during the Lockdown Period or bill as per the actual load;
- (ii) Calculation of Load Factor Rebates and Power Factor Rebates by factoring Lockdown period in the bill;
- (iii) Moratorium for payment of bills from the date of opening of the lockdown; and
- (iv) Waiver of electricity duty.

5.0 Some low and medium voltage consumers have also raised their grievances on the amount claimed by the licensees on average basis for whom the meter reading could not be taken due to lock down condition.

6.0 The Commission acknowledge the prevalent situation due to the lock down to combat the COVID-19 in the country and the difficulties faced by the stakeholders and decided







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to hear the distribution licensees on the matter. Accordingly, the Commission heard the distribution licensees on 22.04.2020 and 01.05.2020. During hearing the representatives from the licensees stated that they have already extended the due date on their own considering the difficulties faced by the consumers. However, they expressed their difficulties regarding waiver of demand charge as it has adverse effect in recovery of their fixed charge. They have also stated that their revenue income has already fallen drastically. Regarding average billing representatives from WBSEDCL and CESC stated they are claiming average bills for those consumer whose meters could not be read generally for L&MV consumers. The average bill to those consumers are claimed as per provisions of West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013. The High voltage consumers are metered with automatic meter reading (AMR) facility and as such they are billed as per meter reading. However, regarding waiver of LPSC for first 15 days as requested by several consumers and if approved by the Commission they expressed that it would increase their working capital requirement.

- 7.0 After hearing the representatives from the distribution licensees, the Commission observed that the energy bills raised on the consumers for the month of March 2020 are based on average consumptions as per provisions of extant regulations where meter was not possible to read specially for the low and medium consumers. The high voltage consumers generally having meters with AMR facility, are billed on actual consumption basis as per meter reading. The representative of IPCL submitted that most of their consumers including low and medium voltage consumers, either have prepaid meters or meters with AMR facility and are billed on actual basis as per meter reading. However, the licensees have fixed the extended due dates for the bills for the month of March 2020 considering the prevalent situation. WBSEDCL has already extended the due date upto 15.05.2020 in case of low and medium voltage (L&MV) consumers having contract demand below 50 KVA. The licensees also submitted that





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their revenue collection was severely hit due to lock down imposed in the state effective from 23.03.2020 *vide Govt. of WB Order dated 22.03.2020 for Complete Safety Restrictions* and have been facing severe financial crisis.

- 8.0 It is also an admissible fact that the distribution licensees are obliged to maintain uninterrupted power supply in the state of West Bengal and in doing so, they have to honour the long-term contract executed with the generators as well as with the transmission licensee to ensure continuous power supply.
- 9.0 The regulation 3.7 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013 (in short 'Supply Code Regulations') is related to billing in case of inaccessibility for meter reading. In the regulation 3.7.1 of the said Supply Code Regulations there are two options for claiming consumption of electricity and the decision lies with the licensees. The relevant regulations 3.7.1 and 3.7.2 are reproduced below:

*"3.7.1 In case a meter is not read due to inaccessibility, the consumer shall be charged provisionally at the prevailing tariff on the basis of the following consumption as will be decided by the licensee:*

*a) average consumption for the last six months;*

*b) consumption of similar period of the last year.*

*Provided that where the actual consumption is not available either for the calculation of average consumption of last six month or similar period of the last year, the consumption shall be estimated on the contract demand of the consumer as per load factor on the basis of which security deposit of a new consumer of the same category is calculated at the time of new service connection.*







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**3.7.2 On availability of actual meter reading, the consumer shall be charged for the actual consumption adjusting the provisional amounts already paid. "**

Thus there is a choice of option as mentioned in a) and b) in regulation 3.7.1 which lies with the licensee. The Commission is of the view that to remove any discrepancy, a clarification is required to be given on choice of the option by the licensees in this order. The Commission is also of the view that it is to be ensured where AMR facility already exists the bills for those consumers shall be claimed on actual consumption basis.

10.0 The Commission also observed that the licenses have already extended the due date for the consumers wherever necessary and decides not to give any direction for extension of due date.

11.0 In view of above, the Commission in exercise of its power under regulation 8.3 of the Tariff Regulations and after careful consideration of the situation at hand decided to provide following relaxation on the electricity bills raised in the months of April 2020 and May 2020 for the months of March 2020 and April 2020 respectively.

(a) Where the bills are raised on average consumption basis as per regulation 3.7.1 of the Supply Code Regulations, the licensee in future shall consider to choose the option a) in general and option b) for the industries having seasonal variation in the load pattern. In case of consumers having seasonal load consumption of the previous year would be taken into account. However, this clarification shall be made effective prospectively after due modification in the software, if required, by the licensees.

(b) The licensees shall ensure that where AMR facility already exists the bills for those consumers shall be claimed on actual consumption basis. In case the AMR does not work, actual meter reading may be taken with their best effort. Late payment







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surcharge for the payment made after the due date as notified by the respective licensee against the bills for the month of March 2020 shall be zero upto 15.05.2020 and shall be computed at normal LPSC rate for the delayed period beyond 15.05.2020, if the payment is made after due date. This is applicable for the bills for the month of March 2020 only. However, the rebates as may be applicable for payments within due date will be forfeited, if the payment is not made within the due date as notified by the respective licensee. WBSEDCL have extended the due date upto 15.05.2020 for L&MV consumers having contract demand below 50 KVA and therefore, this is not required for such consumers of WBSEDCL, but shall be applicable for other consumers of WBSEDCL. Similarly, late payment surcharge for the payment made after the due date as notified by the respective licensee against the bills for the month of April 2020 shall be zero upto 15 days from the respective due dates as notified by the respective licensee and shall be computed at normal LPSC rate for the delayed period beyond 15 days from the due date, if the payment is made after due date and the rebates as may be applicable for payments within due date will be forfeited.

- (c) Distribution licensees shall explore the possibility of short term borrowing from financial institution at competitive rate for the working capital requirement till 31st July 2020. Additional interest on this account will be considered in addition to normal interest on working capital entitlement during Annual Performance Review (APR) of FY 2020-2021.
- (d) Distribution licensees shall separately account for the financial impact arising out of this order in their annual account and submit to the Commission at the time of submission of APR of FY 2020-2021.





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- (e) Distribution licensees shall prepare their forecast considering the present situation. The impact of reduction in contract demand has to be analyzed by them on a rolling plan basis.
- (f) The Commission may on its own or on any reference made by the stakeholders, may review the above order.

12.0 In view of the above decision and direction of the Commission, the present order is passed in regard to the communications received from the consumers/ consumers' associations and submissions of licensees. The Commission will be at liberty to review and or give any further direction in the matter. Let a copy of the order be served upon WBSEDCL, CESC, DVC and IPCL.

13.0 A copy of this order be served upon the State Government in the Department of Power.

Sd/-  
(PULAK KUMAR TEWARI)  
MEMBER

Sd/-  
(DURGADAS GOSWAMI)  
MEMBER

Sd/-  
(SUTIRTHA BHATTACHARYA)  
CHAIRPERSON

Dated: 06.05.2020

  
(T. K. MUKHERJEE)  
SECRETARY

